

Information Memorandum

Dresdner Bank Aktiengesellschaft

Frankfurt am Main, Federal Republic of Germany

€ 15,000,000

Fixed Rate/Swap-Rate-Linked Subordinated Bearer Bonds
of 1999/2019

Issue Price: 100 %

Dresdner Kleinwort Benson

Application has been made to list the Notes on the Luxembourg Stock Exchange.

August 4, 1999



Dresdner Kleinwort Benson

Dresdner Bank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany, (the "Issuer", "Dresdner Bank", the "Bank" or the "Company") confirms that the information contained in this Information Memorandum relating to the Issuer and its subsidiaries and the € 15,000,000 Fixed Rate/Swap-Rate-Linked Subordinated Bearer Bonds of 1999/2019 (the "Bonds" or the "Issue"), is in every material particular true and accurate and not misleading and that, to the best of the knowledge and belief of the Issuer, there are no other facts the omission of which would in the context of the issue and sale of the Bonds make any statement in this Information Memorandum misleading in any material respect and that all reasonable inquiries have been made to ascertain such facts and to verify the accuracy of all such statements.

This Information Memorandum does not constitute an offer or an invitation by or on behalf of the Issuer to subscribe for or purchase any of the Bonds.

No dealer, salesman or any other person has been authorised to give any information or to make any representation, other than those contained in this Information Memorandum, in connection with the issue or sale of the Bonds and, if so given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither the delivery of this Information Memorandum nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Information Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction, other than the application to list the Notes on the Luxembourg Stock Exchange, that would permit a public offering of the Bonds or the distribution of this Information Memorandum in any jurisdiction where action for that purposes is required. See "Underwriting and Sale" and "Sales Restrictions".

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons. See "Sales Restrictions".

The distribution of this Information Memorandum and the offer of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession

this Information Memorandum comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offerings and sales of these Bonds and on distribution of this Information Memorandum see "Sales Restrictions".

In connection with this Issue, Dresdner Bank may over-allot or effect transactions which stabilize or maintain the market price of the Bonds which might not otherwise prevail. Such stabilizing, if commenced, may be discontinued at any time and will in any event be discontinued 30 days after June 28, 1999 (the "Payment Date").

In this Information Memorandum, unless otherwise specified or the context otherwise requires, all references to "EUR" and "€" are to euros, and all references to "DM" or "DEM" are to Deutsche Mark.

At December 31, 1998 the official conversion rate for Deutsche Mark was fixed at:
EUR 1 = DM 1.95583.

Incorporation by Reference

The Annual Report of Dresdner Bank for the year ended December 31, 1998, which includes the audited consolidated financial statements of Dresdner Bank Group for that period, is incorporated by reference into this Information Memorandum. Copies of such Annual Report may be obtained free of charge at the specified office of the paying agent in Luxembourg for so long as the Bonds are listed on the Luxembourg Stock Exchange.

General Information

Issuance

Dresdner Bank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany, in accordance with the resolution of its Board of Managing Directors of December 22, 1998 authorising a financing scope of the Issuer for 1999 has issued € 15,000,000 Fixed Rate/Swap-Rate-Linked Subordinated Bearer Bonds of 1999/2019.

For the first annual Interest Period (as defined in the "Terms and Conditions of the Bonds") the Bonds will bear interest at the rate of 4.5 % per annum. From the second annual Interest Period up to the last Interest Period the interest rate will be the "10-Year EUR Swap Mid Rate" (as defined in the "Terms and Conditions of the Bonds") minus 0.77 %, subject to a minimum rate of 4.5 % per annum.

Underwriting and Sale

The Bonds have been underwritten by Dresdner Bank Aktiengesellschaft and have been offered to a private investor at an offering price of 100%.

Stock Exchange Listing

Application has been made to list the Bonds on the Luxembourg Stock Exchange. Banque Internationale à Luxembourg S.A., 69, route d'Esch, L-2953 Luxembourg, has been appointed as Listing Agent.

In connection with the application at the Luxembourg Stock Exchange copies of the Articles of Association of the Issuer and a notice relating to the Bonds (*Notice Légale*) have been lodged with the Chief Registrar of the District Court of Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*) prior to the listing of the Bonds, where they may be inspected and copies can be obtained.

The Annual Reports of the Issuer may be obtained free of charges and copies of the Paying Agency Agreement dated June 22, 1999 may be inspected by any holder of Bonds at the head office of the paying agent in the City of Luxembourg. The Issuer does not publish any non consolidated interim financial statements.

Statement

There has been no material adverse change in the financial or other position of the Issuer since the date of the latest audited Annual Report dated December 31, 1998.

Delivery and Conditions of the Notes

The Issue is represented for the whole life by a global bearer bond (the "Global Bond") which has been deposited on or about June 28, 1999 (the "Payment Date") with a common depository for Cedelbank, and the Morgan Guaranty Trust company of New York, Brussels office, as operator of the Euroclear System. The rights to demand payment of interest are not evidenced by a separate document. The right to demand the printing and delivery of individual Bonds and interest coupons shall be excluded.

Use of Proceeds

The Issuer will use the net proceeds of the Issue of about € 15,000,000 for general corporate purposes.

Sales Restrictions

United States of America:

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. The Bank has represented that it has offered and sold the Bonds, and will offer and sell the Bonds (i) as part of the distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Payment Date (the "Restricted Period"), only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, the Bank has represented that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and that it has complied and will comply with the offering restriction requirement of Regulation S. The Bank has agreed that, at or prior to confirmation of the sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from the Bank during the Restricted Period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the Payment Date, except in either case

in accordance with Rule 903 of Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulations S."

Terms used in this paragraph have the meaning given to them by Regulation S.

In addition,

- (a) except to the extent permitted under U.S. Treas. Reg. § 1.163-5 (c) (2) (i) (D) (the "D Rules"), the Bank has represented and agreed that (i) it has not offered or sold, and during the Restricted Period will not offer or sell, Bonds in bearer form to a person who is within the United States of America or its possessions or to a United States person and (ii) has not delivered and will not deliver within the United States of America or its possessions definitive Bonds in bearer form that are sold during the Restricted Period;
- (b) the Bank has represented and agreed that it has and throughout the Restricted Period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bonds in bearer form are aware that such Bonds may not be offered or sold during the Restricted Period to a person who is within the United States of America or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if the Bank is a United States person, it has represented that it is acquiring the Bonds in bearer form for purposes of resale in connection with their original issuance and if the Bank retains Bonds in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. § 1.163-5 (c) (2) (i) (D) (6); and
- (d) with respect to each affiliate that acquires from the Bank Bonds in bearer form for the purpose of offering or selling such Bonds during the Restricted Period, the Bank either (i) has repeated and confirmed the representations and agreements contained in clauses (a), (b) and (c) on its behalf or (ii) has agreed that it will obtain from such affiliate for the Issuer's benefit the representations and agreements contained in clauses (a), (b) and (c).

Except as otherwise defined herein terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

United Kingdom

The Bank has represented and agreed that:

- (a) it has not offered or sold and prior to the date six months after the date of issue of the Bonds will not offer or sell any Bonds to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1996 (the "Regulations");
- (b) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 and the Regulations with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and
- (c) it has only issued or passed on and will only issue or pass on to any person in the United Kingdom any document received by it in connection with the issue of the Bonds if that person is of a kind described in Article 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 as amended or is a person to whom such document may otherwise lawfully be issued or passed on.

As used herein, "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.

Federal Republic of Germany

The Bank has acknowledged that the Bonds are subject to the restrictions provided in the German Securities Prospectus Act (*Wertpapier-Verkaufsprospekt-Gesetz*).

General

The Bank has agreed that it will not offer or sell any Bonds or distribute any offering material in any other country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations thereof.

Taxation in the Federal Republic of Germany

This Section "Taxation in the Federal Republic of Germany" contains a brief summary of a number of key German taxation principles which are or could become relevant in relation to bonds. It does not present any comprehensive or complete description of all aspects of tax laws which could be relevant to bondholders. The summary is based on current German law at the time of preparation of this Information Memorandum whereby tax regulations may change at any time. It is recommended that prospective investors in bonds should consult their tax advisors regarding the tax consequences of any purchase, the ownership and disposal or cost-free transfer of bonds. Only a tax advisor is in a position to adequately assess also the particular tax position of the individual bondholder.

Taxation of interest payments

Since 1 January 1993 a capital yield tax on interest payments ("*Zinsabschlagsteuer*") has been imposed in the Federal Republic of Germany. As long as any Bonds are deposited with a German credit institution or with the German branch of a foreign credit institution, a 30% capital yield tax on interest payments on such Bonds will be imposed on tax residents in the Federal Republic of Germany ("*Steuerinländer*"). Since 1 January 1995, an additional solidarity surcharge on the capital yield tax which amounts to 5.5% ("*Solidaritätszuschlag*") is imposed. The solidarity surcharge then amounts to 1.65% of the interest payment (5.5% of 30%). These interest payments are generally exempt from German capital yield tax for persons who are not residents for tax purposes in the Federal Republic of Germany ("*Steuerausländer*") unless such investments are part of German operating assets of a person who is not resident for tax purposes.

If interest coupons are presented for payment, a 35% capital yield tax and an additional solidarity surcharge in the amount of 1.925% (5.5% of 35%) of the interest payment will be imposed on the holder thereof, regardless of whether such holder is tax resident or not.

Revenue from the sale or assignment of certain bonds is also subject to capital yield tax. It is assumed that the Bonds issued hereunder are of the type of securities with respect to which capital yield tax will be imposed on an interim sale or assignment of the Bonds. In such cases the basis of assessment for the capital yield tax is the difference between the amount paid for the acquisition and the revenue resulting from the sale, the assignment or the redemption of the Bonds ("*Differenzmethode*"). In special cases, the capital

yield tax is calculated on the basis of 30% of the revenue resulting from the sale or the redemption of the Bonds ("*Pauschalmethode*").

The capital yield tax is credited as a prepayment and can be taken into account for purposes of the income or corporation tax assessment. Notwithstanding this capital yield tax, interest payments are subject to German income or corporation tax. It is assumed that revenue from the interim sale or interim assignment is included in such interest payments. Within the income tax assessment capital revenue is – additionally to the current interest payments – the difference between the amount paid for the acquisition and the revenue resulting from the sale, the assignment or the redemption of the Bonds if a yield of the issue cannot be calculated. It is assumed that it is not possible to calculate a yield in the case of floating rate notes. Therefore, the taxable amount can be higher than the yield of the Bonds proportional to the time of holding the Bonds.

For tax residents a tax-allowance for income derived from capital investments ("*Sparerfreibetrag*") at present in the amount of DM 6,000/DM 12,000 (in the case of married couples who file a joint tax return) is granted, which will be reduced for assessment periods from the year 2000 on to DM 3,000/DM 6,000. Up to the amounts mentioned above plus a lump-sum professional expenses allowance of DM 100/DM 200 interest can be paid without the imposition of a capital yield tax if the paying agency has received an exemption instruction ("*Freistellungsauftrag*") to that respect. The same applies if it is assumed that there will be no income tax assessment provided that the paying agency is presented a non-assessment certificate ("*Nichtveranlagungs(NV)-Bescheinigung*"). Additionally, since January 1, 1994 accrued interest ("*Stückzinsen*") being paid in the same calendar year as the interest payment can be taken into account up to the amount of the interest payment for purposes of the income or corporation tax assessment when held in safe custody.

The capital yield tax on interest payments and the solidarity surcharge imposed in the Federal Republic of Germany do not constitute withholding taxes within the meaning of the Terms and Conditions of the Bonds.

Other taxes

No German capital transfer tax, value added tax, stamp duty or any similar tax or duty is levied on the purchase, sale or assignment of bonds.

Bondholders should consult their tax advisors regarding the tax consequences of any purchase or sale of the Bonds.

For further information concerning withholding tax, see Section 6 of the Terms and Conditions of the Bonds.

Documents for Inspection

All documents related to the Issuer and referred to in this Information Memorandum may be inspected during usual business hours on any working day at the head office of Dresdner Bank Aktiengesellschaft, Jürgen-Ponto-Platz 1, D-60301 Frankfurt am Main, Federal Republic of Germany, and at the head office of the paying agent in the City of Luxembourg.

Clearing

The Bonds have been accepted for clearance through Cedelbank and the Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System.

Rating

Moody's: Aa 3

Standard & Poor's: AA

German Security Code – 394 217 –

Common Code – 989 113 7 –

ISIN-Code – XS 009 891 137 2 –

Terms and Conditions of the Bonds

1.

Form and Denomination

- (a) Bonds are issued in bearer form by Dresdner Bank Aktiengesellschaft, Frankfurt am Main (“**Issuer**”) in the aggregate principal amount of € 15,000,000 divided into 150 bonds in the denomination of € 100,000 being consecutively numbered from 001 to 150 (“**Bonds**”).
- (b) The Bonds are represented for the whole life of the Bonds by a global bearer Bond (“**Global Bond**”) which is deposited with a depositary common to Cedelbank (“**Cedelbank**”) and Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System (“**Euroclear**”). The rights to demand payment of interest are not evidenced by a separate document. The Global Bond bears the manual or facsimile signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of the fiscal agent (“**Principal Paying Agent**”, as specified in Section 9).
- (c) No definitive Bonds shall be issued. The right to demand the printing and delivery of definitive Bonds shall be excluded. The holders of Bonds (“**Bondholders**”) are entitled to co-ownership participations in the Global Bond, which are transferable in accordance with the rules and regulations of Cedelbank and Euroclear.

2.

Status

The Bonds constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank pari passu without any preference among themselves and at least pari passu with all other unsecured and subordinated obligations of the Issuer, present and future (save for certain exceptions provided by law).

- (i) The claims arising out of the Bonds and the claims for interest (“**Issue Claims**”) are subordinated to all claims of creditors of the Issuer which are not also subordinated. The subordination is limited to events of liquidation, insolvency, dissolution or other procedures to avoid insolvency. In such an event payments on Issue Claims will only be made after all existing unsubordinated claims of creditors of the Issuer have been satisfied. The right to

set-off Issue Claims against claims of the Issuer is excluded and no contractual security is or will be provided by the Issuer or by a third party.

- (ii) In accordance with the provisions of Section 10 Paragraph 5 a of the KWG (German Banking Supervisory Act), the subordination provided for in subparagraph (i) cannot be limited subsequently and the term of the Bonds cannot be shortened. An early repayment of principal must be repaid to the Issuer despite agreement to the contrary unless the repaid amount will be replaced by the Issuer by other at least equivalent liable own funds for banking supervisory purposes.

3.

Interest

- (a) The Bonds shall bear interest from and including 28 June 1999 (“**Issue Date**”) up to but excluding the final Interest Payment Date (as defined below) falling in June 2019.
- (b) Interest will be payable annually in arrears on 28 June of each year (each an “**Interest Payment Date**”). If any Interest Payment Date would otherwise fall on a date which is not a Banking Day (as defined below), the relevant Interest Payment Date will be the first following day which is a Banking Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the immediately preceding day which is a Banking Day. In such cases interest amounts will be calculated without any adjustment.

Interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

Each period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date, and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an “**Interest Period**”.

- (c)
 - (A) For the first annual Interest Period the Bonds will bear interest at the rate (“**Rate of Interest**”) of 4,50 per cent. per annum.
 - (B) (i) From the second annual Interest Period up to the last Interest Period the Rate of Interest will be the “**10-Year EUR Swap Mid Rate**” minus 0.77 per cent., subject to a minimum rate of 4,50 per cent. per annum (MAX(4.5%; 10yCMS-77bp)). 10-Year EUR Swap Mid Rate

means the Constant Maturity Swap Mid Rate (CMS) which is the fixed interest rate for which banks enter into EUR denominated interest rate swaps which are determined against variable interest rates on the basis of 6-months-EURIBOR for a period of 10 years determined by the calculation agent ("**Calculation Agent**") as specified in Section 9) at or about 11.00 a.m. (London time) on the relevant interest determination date ("**Interest Determination Date**") by reference to page 42281 of Associated Press-Dow Jones Telerate Service ("**Telerate**"), or any replacement page of Telerate, or any other information vending service, or any successor thereto, ("**Relevant Screen Page**"). Interest Determination Date means the second TARGET Day before the first day of the relevant Interest Period. "**TARGET Day**" means a day (other than a Saturday or a Sunday), on which all relevant parts of the Trans-European Automated Real-Time Gross-Settlement Express Transfer System ("**TARGET-System**") are operational to effect the relevant payment.

- (ii) If, on any Interest Determination Date, no such rate so appears or if the Relevant Screen Page is unavailable, the Calculation Agent will request the principal offices of five major banks engaged in the Euro interest rate swap market, as selected by the Calculation Agent ("**Reference Banks**") to provide the Calculation Agent with their quotations offered for a 10-Year EUR Swap Rate (Mid Rate) (expressed as a rate per annum) offered to leading banks in the interbank market at approximately 11.00 a.m. (London time) on the relevant Interest Determination Date.

The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded upwards, if necessary, to the third decimal place) of such quotations offered by the Reference Banks, as determined by the Calculation Agent.

- (iii) If on any Interest Determination Date one of the Reference Banks does not provide the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (ii)

above on the basis of the quotation of those Reference Banks providing such quotations.

- (iv) If, on any Interest Determination Date none of the Reference Banks is able or willing to provide such quotation, the Calculation Agent shall determine such quotation in good faith on the basis of any other information available to it.
- (v) The Calculation Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest ("**Interest Amount**") payable in respect of the principal amount of each denomination of the Bonds for the relevant Interest Period.
- (vi) The Issuer will cause each Rate of Interest, Interest Payment Date, Interest Amount, or other item, as the case may be, determined or calculated by the Calculation Agent to be notified to the Principal Paying Agent, any paying agent and to each stock exchange where the Bonds are listed, as soon as practicable after such determination or calculation but in any event not later than the fourth Banking Day.
- (vii) The determination or calculation by the Calculation Agent of all Rates of Interest, Interest Payment Dates, Interest Amounts and other items falling to be determined or calculated by it for the purposes of this Section 3 shall, in the absence of manifest error, be final and binding on all parties.
- (d) Interest will cease to accrue from the due date for redemption of the Bonds unless, upon due presentation thereof on such date, payment in full of the principal amount is improperly withheld or refused. In that case, interest shall continue to accrue on the unpaid amount until the end of the day preceding the day of redemption at the rate of interest applicable to the Bonds for the Interest Period immediately preceding such presentation. Interest will, however, cease to accrue at the latest 14 days after the day on which it is notified in accordance with Section 10, that the necessary funds have been placed at the disposal of the Principal Paying Agent.
- (e) For the purposes of these Terms and Conditions of the Bonds ("**Terms and Conditions**") a "**Banking Day**" means a day (other than a Saturday or a Sunday), which a) is a TARGET Day and on which b) commercial banks and international foreign

exchange markets effect payments in Frankfurt am Main.

4.

Redemption and Purchase

- (a) The Issuer undertakes to redeem each Bond at its principal amount on 28 June 2019.
- (b) The Issuer may, subject to the KWG (German Banking Supervisory Act) at any time purchase or otherwise acquire Bonds at any price in the open market or otherwise.

5.

Payments

- (a) The Issuer irrevocably undertakes to pay, when due principal and interest in respect of the Bonds in the currency in which such amount is due. The amounts due in respect of the Bonds shall be paid to the Bondholder with due observance of any tax, foreign exchange or other laws and regulations of the Federal Republic of Germany without it being permissible to require the execution of an affidavit or compliance with any other formality whatsoever, unless such affidavit or formality is prescribed by the laws of the Federal Republic of Germany. Payments shall be made by transfer to a Euro-account specified by the payee in a city in which banks have access to the TARGET-System.
- (b) If the due date for payment of any amount due in respect of the Bonds is not a Banking Day (as defined above), the Bondholder will not be entitled to payment thereof until the next following day which is a Banking Day, and no further interest or other payment shall be due in respect of such postponed payment unless there is a subsequent failure to pay, in which event interest shall accrue in accordance with Section 3.
- (c) A paying agent, in its respective capacity as such, acts solely as agent of the Issuer and does not assume any obligations towards, nor has any relationship of agency or trust with any Bondholders.

6.

Taxation and Call Rights for Tax Reasons

All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Bonds will be made free and clear of and without withholding at source or deduction at source for or on account of any present or future taxes, fees, duties, assessments or governmental charges of whatever nature which are imposed or levied by or on behalf of the Federal Republic of Germany or any political subdivision

thereof or any authority or agency therein or thereof having power to tax ("**Withholding Tax**"), unless Withholding Tax is required by law. In such event, the Issuer will pay such amounts without being obliged to compensate the Bondholders for such amounts. The tax on interest payments ("*Zinsabschlagsteuer*") which has been in effect in the Federal Republic of Germany since 1 January 1993 and the solidarity surcharge ("*Solidarit tszuschlag*") imposed thereon as from 1 January 1995 do not constitute such a Withholding Tax on interest payments as described above.

7.

Transfer

The Issuer undertakes to transfer to the Principal Paying Agent in Euros all sums required for the performance of the financial obligations arising from these Terms and Conditions. Such transfer to the Principal Paying Agent is to be made in a timely manner, under any and all circumstances and irrespective of any present or future payment and clearing agreements and regardless of the nationality, domicile or residence of the Bondholder and without any requirement to execute an affidavit or to comply with any other formality whatsoever.

8.

Presentation, Prescription

- (a) The period for presentation of Bonds due, as established in Section 801 paragraph 1 sentence 1 of the German Civil Code, is reduced to ten years.
- (b) The period for prescription for Bonds presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.
- (c) The Issuer may deposit with the "Amtsgericht" ("*lower court*") of Frankfurt am Main, principal and interest not claimed by Bondholders within twelve months after the relevant due dates with the waiver of the right to withdraw such deposit. Such deposit will be at the risk and cost of such Bondholders. Upon such deposit all claims of such Bondholders against the Issuer shall cease.

9.

Principal Paying Agent, Calculation Agent and Paying Agents

- (a) The Principal Paying Agent (together with an additional paying agent the "**Paying Agents**"), the Calculation Agent and an additional paying agent

with their respective specified offices are as follows:

Principal Paying Agent and Calculation Agent:

Citibank N.A.

P.O. Box 18055

5 Carmelite Street

London EC4Y 0PA

United Kingdom

paying agent:

Banque Internationale à Luxembourg S.A.

Fiscal & Listing Agencies Department

69, Route d'Esch

2953 Luxembourg

Luxembourg

- (b) The Issuer reserves the right at any time to vary or terminate the appointment of the Calculation Agent and the Paying Agents and to appoint an additional or (an)other paying agent(s) provided that it will at all times maintain (i) a Calculation Agent, and (ii) so long as the Bonds are listed on a stock exchange, a paying agent (which may be the Principal Paying Agent) with a specified office in such city as may be required by the rules of the relevant stock exchange. The Calculation Agent and the Paying Agents reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Calculation Agent or the Paying Agents will be given promptly by the Issuer to the Bondholders in accordance with Section 10.

10.

Notices

Notices to Bondholders will be deemed to be validly given so long as such Bonds are listed on the Luxembourg Stock Exchange and that the rules of such stock exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange on which the Bonds are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

11.

Further Issues

The Issuer reserves the right from time to time, without the consent of the Bondholders to issue additional Bonds with identical terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to be consolidated and form a single series with such Bonds. The term "Bonds" shall, in the event of such further issue, also comprise such further Bonds.

12.

Applicable Law, Place of Performance and Jurisdiction

- (a) The form and content of the Bonds as well as all the rights and duties arising therefrom are governed exclusively by the laws of the Federal Republic of Germany. Place of performance is Frankfurt am Main.
- (b) Non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Terms and Conditions is Frankfurt am Main.

13.

Partial Invalidity

Should any of the provisions contained in these Terms and Conditions be or become invalid or unenforceable, the validity or the enforceability of the remaining provisions shall not in any way be affected or impaired thereby. In this case the invalid provision shall be replaced by a provision which, to the extent legally possible, provides for an interpretation in keeping with the meaning and the economic purposes of the Terms and Conditions at the time of the issue of the Bonds. Under circumstances in which these Terms and Conditions prove to be incomplete, a supplementary interpretation in accordance with the meaning and the purposes of these Terms and Conditions under due considerations of the legitimate interests of the parties involved shall be applied.

Dresdner Bank Group

Dresdner Bank AG emerged in 1957 from the reunification of the independent banks which had been formed in 1952 as successor companies of Dresdner Bank, Berlin, which was founded in 1872 in Dresden.

Dresdner Bank AG is incorporated under German law as a joint stock company (*Aktiengesellschaft*) for an unlimited period of time. Its registered office is in Frankfurt/Main. The office address is Jürgen-Ponto-Platz 1, D-60301 Frankfurt/Main (Germany). Dresdner Bank AG has been entered in the register of companies of the District Court in Frankfurt/Main under registration number HRB 14000.

Objectives of Dresdner Bank AG

The objectives of Dresdner Bank AG as laid down in its Articles of Association are the transaction of banking business of all kinds and the provision of financial, advisory and similar services.

Subject to, and in accordance with German legal regulations Dresdner Bank AG may carry on all business that is conducive to meeting the objectives of Dresdner Bank AG, including the purchase, management and disposal of property, the acquisition of interests in other companies as well as the formation and purchase of such companies and the establishment of branches in Germany and abroad.

Dresdner Bank AG is authorised to carry on its business activities through subsidiaries, affiliates or jointly-held companies and to engage in joint venture and cooperation agreements with other companies.

Activities

Dresdner Bank AG, together with its subsidiaries (the "Dresdner Bank Group", the "Bank" or "Dresdner Bank") maintains about 1,500 branches and other business units employing about 49,000 staff members. The Dresdner Bank Group is represented in more than 70 countries including all important financial centres in the world. Based on its total assets, calculated in USD as at December 31, 1997, the Dresdner Bank Group was the second largest banking organisation in Germany, the ninth largest bank in Europe and the seventeenth largest bank in the world.

Total assets of Dresdner Bank Group increased in 1998 by DM 42.9 billion to DM 714.8 billion.

Consolidated net income for the year 1998 amounted to DM 1,858 million compared with DM 1,195 million for the year 1997.

International Offices

The Dresdner Bank Group's international banking activities are conducted primarily in Europe, North America, Latin America, the Far East and Australia.

Foreign branches of Dresdner Bank AG exist in Bangkok, Beijing, Hong Kong, Labuan, London, Luxembourg, Madrid, Melbourne, Milan, Mumbai (Bombay), New York, Shanghai, Shenzhen, Singapore, Sydney, Tokyo, Chicago, Los Angeles, Marbella and Rayong.

Representative offices of Dresdner Bank AG have been established in Almaty, Athens, Beirut, Bratislava, Cairo, Copenhagen, Dubai, Guangzhou, Hanoi, Ho Chi Minh City, Istanbul, Jakarta, Johannesburg, Kiev, Kuala Lumpur, Lisbon, Makati City, Minsk, Moscow, Ciudad de Panamá, Paris, Riga, Rome, Seoul, Stockholm, Taipei, Tashkent, Tehran, and Yekaterinburg. Joint representative offices maintained with the subsidiary Dresdner Bank Lateinamerika AG, Hamburg, are located in Asunción, Bogotá, Buenos Aires, Caracas, Ciudad de Guatemala, Guayaquil, Lima, Ciudad de México D.F., Montevideo, La Paz, Quito, Rio de Janeiro, San José, San Salvador, Santiago de Chile and São Paulo.

Through subsidiaries, affiliates and jointly-held companies Dresdner Bank AG is additionally represented internationally at the following locations:

Europe

Brno, Budapest, Dublin, Gdansk, Geneva, Guernsey, Istanbul, Izmir, Jersey, Katowice, Lugano, Lyon, Monaco, Poznan, Prague, Salzburg, Szczecin, Sofia, Strasbourg, St. Petersburg, Warsaw, Zagreb, Zurich.

America

Belo Horizonte, Boston, Campinas, Ciudad de México D.F., Grand Cayman, Miami, Panama, São Paulo, San Francisco, Toronto.

Africa

Abidjan, Antananarivo, Banjul, Bujumbure, Conakry, Dakar, Harare, Johannesburg, Kigali, Kinshasa, Keetmanshoop, Libreville, Lomé, Lüderitz, Oshakati, Ouagadougou, Swakopmund, Walvis Bay, Windhoek.

Overview of Dresdner Bank Group

In addition to Dresdner Bank AG the following companies essentially form part of the Dresdner Bank Group (as at December 31, 1998):

Dresdner Bank AG Frankfurt/Main Equity DM 2,588 million			
Companies registered in Germany	Mortgage Banks	Companies registered abroad	Joint-venture banks operated with Banque Nationale de Paris
ADVANCE Bank AG, Duisburg Investment held 100 %	Deutsche Hyp Deutsche Hypothekenbank Frankfurt-Hamburg AG, Frankfurt/Main Investment held 95 %	Albertini & C. SIM pA, Milan Investment held 67 %	BNP-AK-DRESDNER BANK AŞ, Istanbul Investment held 30 %
Bankhaus Reuschel & Co., Munich Investment held 50 %		BANQUE pour l'EUROPE SA EUROPA BANK AG BANK for EUROPE Ltd, Luxembourg Investment held 100 %	BNP-Dresdner Bank (Bulgaria) AD, Sofia Investment held 40 %
Dresdner Bank Lateinamerika AG (formerly Deutsch- Südamerikanische Bank AG), Hamburg Investment held 100 %		Dresdner Bank Canada – Banque Dresdner du Canada –, Toronto Investment held 100 %	BNP-Dresdner Bank (ČR) as, Prague Investment held 50 %
Oldenburgische Landesbank AG, Oldenburg Investment held 64 %		Dresdner Bank (Ireland) plc, Dublin Investment held ¹⁾ 100 %	BNP-Dresdner Bank (Croatia) dd, Zagreb Investment held 50 %
Dresdner Bauspar AG, Bad Vilbel Investment held 100 %		Dresdner Bank Luxembourg SA, Luxembourg Investment held 100 %	BNP-Dresdner Bank (Polska) SA, Warsaw Investment held 50 %
		Dresdner Bank México, SA, Mexico City Investment held 100 %	BNP-Dresdner Bank (Romania) SA, Bukarest Investment held 50 %
		Dresdner Bank (Schweiz) AG, Zurich Investment held 99.8 %	BNP-Dresdner Bank ZAO, St. Petersburg Investment held 50 %
		Dresdner Forfaitierungs Aktiengesellschaft, Zurich Investment held 100 %	BNP-Dresdner European Bank AG, Vienna Investment held 50 %
		Dresdner (South East Asia) Ltd, Singapore Investment held 100 %	Dresdner Banque Nationale de Paris, Santiago de Chile Investment held ¹⁾ 44 %
		Privatinvest Bank AG, Salzburg Investment held ¹⁾ 64 %	

¹⁾ Held indirectly.

²⁾ Not included in the consolidated financial statements as of 31 December 1998.

³⁾ Formerly: Dresdner Australia Ltd, Sydney.

**Investment Banks,
securities companies**

Dresdner International
Mangement Services Ltd,
Dublin

Investment held¹⁾ 100 %

Dresdner Kleinwort Benson
(Asia) Ltd,

Hong Kong, Tokyo

Investment held 100 %

Dresdner Kleinwort Benson
Australia Ltd, Sydney³⁾

Investment held 100 %

Dresdner Kleinwort Benson
(Marchés), Paris

Investment held 100 %

Dresdner Kleinwort Benson
North America LLC,
Wilmington/Delaware,
New York

Investment held 100 %

Kleinwort Benson Group plc,
London

Investment held¹⁾ 100 %

**Equity participation,
consulting and
brokerage companies**

Dresdner BdW Beteiligungs-
verwaltungsgesellschaft
mbH & Co. KG, Dresden

Investment held 100 %

DMC Dresdner Management
Consult GmbH, Dresden²⁾

Investment held 100 %

Dresdner Vermögens-
beratungsgesellschaft mbH
Frankfurt/Main

Investment held 100 %

Dr. Lübke GmbH,
Stuttgart

Investment held 100 %

Herakles Beteiligungs-
Gesellschaft mbH, Bad Vilbel

Investment held 100 %

**Capital investment
and asset management
companies**

Asset Management Advisors
of Dresdner Bank –
Gesellschaft für Vermögens-
anlageberatung mbH,
Frankfurt/Main²⁾

Investment held 100 %

DEGL Deutsche Gesellschaft
für Immobilienfonds mbH,
Frankfurt/Main

Investment held 100 %

DEUTSCHER
INVESTMENT-TRUST

Gesellschaft für
Wertpapieranlagen mbH,
Frankfurt/Main

Investment held 100 %

Dresdner
Asset Management Ltd,
Singapore

Investment held¹⁾ 100 %

dresdnerbank
asset management SA,
Luxembourg

Investment held¹⁾ 100 %

Dresdner Asset Management
(Schweiz) AG, Zurich

Investment held¹⁾ 100 %

dresdnerbank investment
management Kapital-
anlagegesellschaft mbH,
Frankfurt/Main

Investment held 100 %

Dresdner Capital International
Kapitalanlagegesellschaft mbH,
Frankfurt/Main

Investment held 100 %

Dresdner RCM Gestion,
Paris

Investment held¹⁾ 100 %

Dresdner RCM Global Investors
Asia Ltd, Hong Kong

Investment held¹⁾ 100 %

Dresdner RCM Global Investors
Holdings (UK) Ltd, London

Investment held¹⁾ 100 %

Dresdner RCM Global Investors
Securities Investment
Consulting Co. Ltd,
Taipeh/Taiwan

Investment held¹⁾ 100 %

Dresdner RCM Global Investors
LLC, Wilmington/Delaware,
San Francisco

Investment held 100 %

MEIJI Dresdner Asset

Management Co., Ltd, Tokyo

Investment held 49 %

Significant shareholdings (non-banks)

Dresdner Bank AG holds shares of 5 % or more, directly or indirectly, in the following domestic

companies not engaging in banking business (as at December 31, 1998):

Company	Percentage of capital held %	Market value DM million
Bilfinger + Berger Bauaktiengesellschaft, Mannheim	25.1	334.4
Heidelberger Zement Aktiengesellschaft, Heidelberg	20.8	1,293.8
Metallgesellschaft AG, Frankfurt/Main	13.5	497.4
Buderus AG, Wetzlar	11.4	178.4
Allianz Aktiengesellschaft, Berlin/Munich	10.0	15,184.7
Dyckerhoff AG, Wiesbaden	10.0	143.3
Karstadt AG, Essen	10.0	732.5
Münchener Rückversicherungs-Gesellschaft AG, Munich	9.3	6,590.5
Continental AG, Hanover	5.3	282.9
AMB Aachener und Münchener Beteiligungs-AG, Aachen	5.1	555.5
Bayerische Motoren Werke AG, Munich	5.0	1,625.5

The total market value of the Group's shareholdings in non-banks at year-end 1998 – excluding trading portfolios – was more than DM 30 billion.

Capitalization of Dresdner Bank AG

December 31, 1998

	(DM million)
Liabilities to banks	138,076
Liabilities to customers	214,151
Certificated liabilities	37,240
Liabilities	
(excluding subordinated liabilities)	389,467
Subordinated liabilities	8,729
Profit-participation certificates	
outstanding	3,500
Fund for general banking risks	340
Dresdner Bank's equity capital	
as at December 31, 1998 was composed	
as follows:	
Subscribed capital	2,588
Capital reserves and earnings reserves	16,052*
Total equity capital	18,640*

*) Without DM 600 million transfers to earnings reserves according to the resolution of the shareholders meeting as of May 28, 1999.

Save as disclosed in this Information Memorandum there has been no material change in the borrowings of Dresdner Bank AG since December 31, 1998.

Capital and Shares

Shareholders have approved in general meeting in May 1995 a new authorised capital I of DM 200 million (using pre-emptive subscription rights of the shareholders) and a new authorised capital II of DM 175 million (with or without using the pre-emptive subscription rights of the shareholders).

In August 1997, Dresdner Bank AG made use of the authorised capital I in an amount of DM 120 million. After the increase of capital stock and the exercise of options of Dresdner Bank-shares, the subscribed capital of Dresdner Bank AG as of December 31, 1998 amounted to DM 2,588,046,860.– divided into 517,609,372 no-par value shares with a theoretical par value of DM 5 per no-par value share. The shares are fully paid up and are all bearer shares.

Listing and Quotation of Shares

The shares of Dresdner Bank AG are listed for trading and official quotation on the stock exchanges of Frankfurt/Main, Berlin, Bremen, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart, and abroad on the stock exchanges of Amsterdam, Antwerp, Brussels,

Luxembourg, Paris, Tokyo and Vienna as well as on the Electronic Exchange Switzerland.

Audit of the financial statements

The financial statements of Dresdner Bank AG and the consolidated financial statements for the financial years 1996, 1997 and 1998 were audited by C & L DEUTSCHE REVISION Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Bockenheimer Anlage 15, 60322 Frankfurt/Main. The reports contain no objections and in each case an unqualified opinion has been given.

General Meetings of Shareholders

The general meetings of shareholders are convened by the Board of Managing Directors or by the Supervisory Board. At general meetings shareholders are entitled to one vote for each no-par value share held.

The resolutions of the general meeting of shareholders are passed, unless the Articles of Association or mandatory provisions of the German Stock Corporation Act (*Aktiengesetz*) provide otherwise, by a simple majority of votes cast. A particular exception is a resolution to dissolve Dresdner Bank AG which requires a majority of four-fifths of the votes cast and a majority of three-fourths of the subscribed capital.

Financial Year

The financial year is the calendar year.

Management

In accordance with the German Stock Corporation Act (*Aktiengesetz*) Dresdner Bank AG has a Supervisory Board (*Aufsichtsrat*) and a Managing Board of Directors (*Vorstand*). The two Boards are separate and no individual may be a member of both at any one time.

According to the Articles of Association, the Board of Managing Directors must consist of two or more members. The actual number of Managing Directors is determined by the Supervisory Board. At present, there are 10 members, as listed below:

Bernhard Walter	Frankfurt/Main
Dr. Bernd Fahrholz	Frankfurt/Main
Leonhard Fischer	Frankfurt/Main
Dr. Joachim von Harbou	Frankfurt/Main
Gerd Häusler	Frankfurt/Main
Prof. Dr. Ernst-Moritz Lipp	Frankfurt/Main
Dr. Horst Müller	Frankfurt/Main
Heinz-Jörg Platzek	Frankfurt/Main
Dr. Bernd W. Voss	Frankfurt/Main
Andreas Bezold, Deputy Member	Frankfurt/Main

The Board of Managing Directors must report regularly to the Supervisory Board, in particular, on proposed business policy and strategy, profitability and on the current business of Dresdner Bank AG as well as on any exceptional matters which arise from time to time.

According to the Articles of Association, the Supervisory Board consists of 20 members. At present, the members are:

Dr. Alfons Titzrath	Cologne Chairman
Dipl.-Kfm. Uwe Plucinski	Dresdner Bank AG, Hamburg Deputy Chairman*)
Klaus Carlin	Member of the Executive Board of Trade Union HBV, Düsseldorf*)
Meinhard Carstensen	Former Member of the Board of Managing Directors of Dresdner Bank AG, Frankfurt/Main
Reinhard Dröner	Head of the Section Banks and Savings Banks, Federal Executive Board of Trade Union DAG, Hamburg*)
Claudia Eggert-Lehmann	Dresdner Bank AG, Hagen*)
Bernhard Enseling	Dresdner Bank AG, Frankfurt/Main*)
Dr. Martin Frühauf	Chairman of the Supervisory Board of Hoechst AG, Frankfurt/Main
Peter Haimerl	Dresdner Bank AG, Munich*)
Manfred Karsten	Oldenburgische Landesbank AG, Diepholz
Ainis Kibermanis	Dresdner Bank AG, Frankfurt/Main*)
Bernd Kriegeskorte	Dresdner Bank AG, Munich
Dr. Heinz Kriwet	Chairman of the Super- visory Board of Thyssen AG, Duisburg
Dr. Edward G. Krubasik	Member of the Board of Managing Directors of Siemens AG, Munich
Dr. Dietmar Kuhnt	Chairman of the Board of Managing Directors of RWE AG, Essen

Michel Pébereau	Président Directeur Général of Banque Nationale de Paris S.A., Paris
Bernd Pischetsrieder	Former Chairman of the Board of Managing Directors of BMW AG, Munich
Sultan Salam	Dresdner Bank AG, Frankfurt/Main*)
Dr. Hans-Jürgen Schinzler	Chairman of the Board of Managing Directors of Münchener Rück- versicherungs-Gesell- schaft AG in Munich, Munich
Dr. jur. Henning Schulte- Noelle	Chairman of the Board of Managing Directors of Allianz Aktiengesellschaft, Munich

*) Members of the Supervisory Board representing the employees.
Dr. Wolfgang Röller (Frankfurt/Main) is Honorary Chairman of
Dresdner Bank AG.

Legal proceedings

Several class action suits and individual actions against Dresdner Bank and other named and unnamed German and Austrian credit institutions in connection with events that occurred during the period of Nazi rule, 1933–1945, were filed in 1998 and consolidated in 1999 in a single class action in a U.S. federal district court in New York. In addition, in January 1999, an individual action was filed against Dresdner Bank in a U.S. federal court in New York. The suits allege that the banks collaborated with the Nazi regime before and during World War II and enriched themselves by, *inter alia*, financing Nazi activities, cooperating with companies that used slave labor and dealing in looted gold and other property of victims of the regime. Dresdner Bank has also been named as one of the defendants in a class action filed in January 1999 in the U.S. federal district court for the District of New Jersey. The plaintiffs in this action, which has not yet been formally served on the Bank, seek an unspecified amount of compensatory and punitive damages for the alleged use of slave labor during the Nazi period. In March 1999, Dresdner Bank was also named as one of the defendants in an action filed in a California state court in San Francisco. In this action the plaintiffs seek to enjoin the defendants from doing business in California and to force them to disgorge alleged illegal profits and to compensate Holocaust victims for violation of the California Unfair Competition Act. Furthermore, more

than 2,500 former Polish concentration camp inmates have applied to the state court in Frankfurt am Main, Germany, for a grant of covering the cost of legal proceedings. They intend to bring an action against the Bank seeking damages in regard to their detention, which in some single cases amount up to nearly DM 1 million.

Dresdner Bank, together with other leading German enterprises as well as the German government, is also engaged in the proposed "German Enterprises Foundation Initiative: Remembrance, Responsibility, the Future" (*Stiftungsinitiative deutscher Unternehmen: Erinnerung, Verantwortung, Zukunft*) (the "Foundation"). The objectives of this initiative will be, *inter alia*, to respond to the moral responsibility of German enterprises for the injustices of the Nazi era by helping victims of the Nazi-regime as well as supporting humanitarian and future-oriented projects. For the Foundation to be established and for the funds to be made available, it is an indispensable prerequisite that the enterprises have full and lasting legal certainty, in other words, that they are safe from legal action in the future.

Based on its own knowledge and investigations conducted to date, Dresdner Bank does not believe that any potential liabilities related to the legal actions described above or to a contribution by the Bank to the German Enterprises Foundation Initiative would have a material adverse effect on the Bank's financial condition.

Dresdner Bank was and is not involved in any other judicial or arbitration proceedings which could have, or have had in the last two fiscal years, a material effect on the financial situation, and to the best of knowledge of Dresdner Bank AG, no such judicial or arbitration proceedings are pending or threatened. This also applies to investigations of the District Attorney's Office (Staatsanwaltschaft) in several cities of the Federal Republic of Germany against employees of Dresdner Bank alleging they had acted as accessories to tax fraud by customers who have transferred funds from Germany to Luxembourg and Switzerland.

Recent Developments

For the first quarter of 1999 Dresdner Bank Group announced the following key figures (according to IAS):

	Jan. 1- March 31 1999	Jan. 1- March 31 1998	Change	
	€ mill.	€ mill.	€ mill.	%
Interest income (and similar income)	3,932.4	3,843.8	88.6	2.3
Interest expenses (and similar expenses)	2,930.7	2,885.3	45.4	1.6
Net interest in- come	1,001.7	958.5	43.2	4.5
Net loan loss provisions	214.7	279.3	-64.6	-23.1
Net interest in- come after net loan loss provisions	787.0	679.2	107.8	15.9
Commissions received	856.1	739.1	117.0	15.8
Commissions paid	40.5	29.8	10.7	35.9
Net commission income	815.6	709.3	106.3	15.0
Trading profits	460.5	185.8	274.7	147.8
Administrative expenses	1,546.6	1,473.1	73.5	5.0
Other income	41.9	353.7	-311.8	-88.2
Other expenses	93.2	120.6	-27.4	-22.7
Pre-tax profit	465.2	334.3	130.9	39.2
	March 31 , 1999	Dec. 31, 1998	Change	
	€ mill.	€ mill.	€ mill.	%
Total assets	415,815	365,475	50,340	13.8
Lending volume	206,281	198,493	7,788	3.9

Dresdner Bank Group

Consolidated Balance Sheet according to IAS as at December 31, 1998 with comparative figures for 1997

Assets	Dec. 31, 1998	Dec. 31, 1997	Increase/Decrease in	
	(DM million)	(DM million)	(DM million)	%
Cash funds				
(Cash on hand, balances with central banks and bills of exchange)	7,477	6,735	+742	+11.0
Trading assets	113,818	102,780	+11,038	+10.7
including: debt and other fixed-income securities	69,259	59,695	+9,564	+16.0
equities and other non-fixed-income securities	11,297	8,782	+2,515	+28.6
positive market values of derivative financial instruments	27,163	30,029	-2,866	-9.5
Claims on banks	129,915	124,086	+5,829	+4.7
./ loan loss provisions	-1,057	-725	-332	-45.8
Claims after loan loss provisions	128,858	123,361	+5,497	+4.5
payable on demand	9,242	12,027	-2,785	-23.2
other claims	119,616	111,334	+8,282	+7.4
including: residual terms of more than 5 years	8,892	9,229	-337	-3.7
Claims on customers	393,356	362,740	+30,616	+8.4
./ loan loss provisions	-9,474	-8,655	-819	-9.5
Claims after loan loss provisions	383,882	354,085	+29,797	+8.4
including: residual terms of more than 5 years	156,178	137,014	+19,164	+14.0
Loan loss provisions	-10,531	-9,380	-1,151	-12.3
Financial investments	54,558	58,877	-4,319	-7.3
Securities of the liquidity portfolio	46,389	50,763	-4,374	-8.6
Investments in non-consolidated affiliated enterprises	113	104	+9	+8.7
Investments in non-affiliated enterprises	8,056	8,010	+46	+0.6
Investment in enterprises valued at equity	500	628	-128	-20.4
Property and equipment	7,028	6,667	+361	+5.4
Goodwill	1,620	1,586	+34	+2.1
Other assets	17,067	17,204	-137	-0.8
Total assets	714,808	671,923	+42,885	+6.4
Lending volume				
Loans extended on bills not shown under claims	3,939	6,074	-2,135	-35.1
Loans to customers	337,806	309,575	+28,231	+9.1
including: mortgage loans	91,181	82,675	+8,506	+10.3
communal loans	75,553	65,726	+9,827	+15.0
building society loans	471	340	+131	+38.5
Customers lending¹⁾	341,745	315,649	+26,096	+8.3
Loans to banks	46,473	41,811	+4,662	+11.2
including: mortgage loans	34	16	+18	+112.5
communal loans	25,049	24,030	+1,019	+4.2
Total lending volume¹⁾	388,218	357,460	+30,758	+8.6

¹⁾ Excluding money market business backed by securities and claims from settlement balances.

Liabilities	Dec. 31, 1998	Dec. 31, 1997	Increase/Decrease in	
	(DM million)	(DM million)	(DM million)	%
Trading liabilities	54,141	42,456	+11,685	+27.5
Liabilities to banks	154,800	158,165	-3,365	-2.1
payable on demand	38,256	39,772	-1,516	-3.8
term liabilities	116,544	118,393	-1,849	-1.6
including: residual terms of more than 5 years	11,723	11,193	+530	+4.7
registered mortgage bonds issued	7,798	4,750	+3,048	+64.2
Liabilities to customers	261,682	252,531	+9,151	+3.6
Savings deposits	30,812	32,321	-1,509	-4.7
Other liabilities	230,870	220,210	+10,660	+4.8
payable on demand	80,079	75,077	+5,002	+6.7
term liabilities	150,791	145,133	+5,658	+3.9
including: residual terms of more than 5 years	24,200	22,928	+1,272	+5.5
registered mortgage bonds issued	37,739	29,368	+8,371	+28.5
Certificated liabilities	183,613	156,967	+26,646	+17.0
bonds issued	154,028	130,806	+23,222	+17.8
other certificated liabilities	29,585	26,161	+3,424	+13.1
Provisions	9,155	8,587	+568	+6.6
provisions for taxes payable	2,070	2,176	-106	-4.9
provisions for pensions and similar liabilities	3,611	3,465	+146	+4.2
other provisions	3,474	2,946	+528	+17.9
Other liabilities	14,549	17,834	-3,285	-18.4
Subordinated liabilities	10,670	10,137	+533	+5.3
Profit-participation certificates	4,378	4,412	-34	-0.8
Minority interests	427	472	-45	-9.5
Equity capital	21,393	20,362	+1,031	+5.1
Subscribed capital	2,588	2,567	+21	+0.8
Capital reserve	10,402	10,192	+210	+2.1
Treasure stock	-38	-23	-15	-65.2
Earnings reserves	7,039	6,849	+190	+2.8
Distributable profit of Dresdner Bank AG	1,402	777	+625	+80.4
Total liabilities	714,808	671,923	+42,885	+6.4
Contingent liabilities	42,075	42,351	-276	-0.7
liabilities on endorsed bills of exchange				
settled with customers	3,318	5,540	-2,222	-40.1
liabilities on guarantees and warranties	38,757	36,811	+1,946	+5.3
Other commitments	77,468	83,883	-6,415	-7.6
including: irrevocable loan commitments	77,430	83,822	-6,392	-7.6

Consolidated Profit and Loss Account according to IAS for the year 1998 with comparative figures for 1997

	1998	1997	Increase/Decrease in	
	(DM million)	(DM million)	(DM million)	%
Interest income from	28,883.6	26,643.1	+2,240.5	+8.4
lending and money market operations	26,454.2	24,334.6	+2,119.6	+8.7
fixed-income securities and government debt	2,429.4	2,308.5	+120.9	+5.2
Current income from	973.7	1,156.5	-182.8	-15.8
shares and other non-fixed-income securities	454.3	539.2	-84.9	-15.7
investments in non-affiliated enterprises	361.6	456.8	-95.2	-20.8
investments in affiliated enterprises	65.9	14.0	+51.9	+370.7
investments in enterprises valued at equity	91.9	146.5	-54.6	-37.3
Current income from leasing business	211.6	148.0	+63.6	+43.0
Income from profit transfer agreements	2.6	4.5	-1.9	-42.2
Total interest income	30,071.5	27,952.1	+2,119.4	+7.6
Interest expenses	22,572.9	20,746.7	+1,826.2	+8.8
Interest surplus	7,498.6	7,205.4	+293.2	+4.1
Net loan loss provisions	2,185.2	1,434.5	+750.7	+52.3
Net interest income after net loan loss provisions	5,313.4	5,770.9	-457.5	-7.9
Commissions received	5,782.5	5,124.5	+658.0	+12.8
Commissions paid	233.2	228.7	+4.5	+2.0
Commission surplus	5,549.3	4,895.8	+653.5	+13.3
Trading profits	1,453.7	1,770.5	-316.8	-17.9
Staff expenses	6,731.6	6,135.3	+596.3	+9.7
wages and salaries	5,513.9	4,968.1	+545.8	+11.0
social security contributions	717.3	686.3	+31.0	+4.5
pensions and other employee benefits	500.4	480.9	+19.5	+4.1
Other administrative expenses	3,866.5	2,943.9	+922.6	+31.3
Regular depreciation of tangible fixed assets	926.5	815.3	+111.2	+13.6
Administrative expenses	11,524.6	9,894.5	+1,630.1	+16.5
Other operating income	502.0	354.9	+147.1	+41.4
Income from financial assets	2,256.3	770.9	+1,494.4	+193.9
Other income	2,767.3	1,125.8	+1,641.5	+145.8
Other operating income	625.3	537.9	+87.4	+16.2
Other taxes	61.0	79.7	-18.7	-23.5
Amortisation of goodwill	256.9	243.8	+13.1	+5.4
Other expenses	943.2	861.4	+81.8	+9.5
Pre-tax profit	2,615.9	2,807.1	-191.2	-6.8
Income taxes	757.9	1,611.7	-853.8	-53.0
Net income for the year	1,858.0	1,195.4	+662.6	+55.4
Profit attributable to minority interests	39.3	26.8	+12.5	+46.6
Transfer to earnings reserves	416.4	391.4	+25.0	+6.4
Distributable profit of Dresdner Bank AG	1,402.3	777.2	+625.1	+80.4