



Deutsche Bank intends to acquire U.S.-based asset manager Zurich Scudder Investments / Broad co-operation agreed with Zurich Financial Service.

Frankfurt am Main and Zurich, September 24, 2001

Deutsche Bank and Zurich Financial Services have announced today that they have signed a heads of agreement, under which Deutsche Bank intends to acquire 100% of U.S.-based asset manager Zurich Scudder Investments (Scudder) from Zurich Financial Services (Zurich) for the equivalent of USD 2.5 billion. The heads of agreement do not include Scudder's UK operations, Threadneedle Investments.

At the same time, the bank intends to transfer its 75.9% stake in the "Versicherungsholding der Deutschen Bank AG (VHDB)" as well as insurance activities in Italy, Spain and Portugal to Zurich Financial Services. VHDB comprises in particular Deutscher Herold Leben, Deutscher Herold Allgemeine, Bonnfinanz and Bonndata. The heads of agreement established a value for 100% of VHDB, excluding Bonnfinanz, and for 100% of the insurance activities in Italy, Spain and Portugal at EUR 1.5 billion.

The heads of agreement also include a broad strategic cooperation between Deutsche Bank and Zurich Group primarily in the fields of insurance distribution, asset management and banking. In this framework, separate negotiations are continuing with regard to Bonnfinanz on price and purchase conditions as well as with regard to the asset management activities of Zurich in Germany and Italy.

These transactions are subject to the execution of definitive agreements. Completion will require regulatory approvals, various consents and clearances, and is expected to occur in early 2002.

"With the organizational alignment on February 1, 2001, with which we reorganized ourselves into two client-oriented groups, Corporate and Investment Bank and Private Clients and Asset Management (PCAM), we laid the foundations for further growth. With the acquisition of Scudder, we are now taking another step in this direction while at the same time focussing our PCAM activities on our core businesses through the sale of VHDB," says Rolf-E. Breuer, Chairman of the PCAM Executive Committee and Spokesman of the Board of Managing Directors of Deutsche Bank.

Deutsche Bank strengthens Asset Management

In making this acquisition Deutsche Bank becomes the fourth largest asset manager in the world, with over EUR 1 trillion in assets under management. The transaction continues and expands Deutsche Bank's strategic commitment to asset management as a core business.

Scudder has approximately 4,000 employees and \$ 278 billion in assets under management at the end of June 2001. The acquisition provides a major expansion for Deutsche Bank in the important U.S. market. Deutsche will become one of the largest asset managers in the U.S., and with Scudder will have a formidable U.S. retail platform with significant scale - and a widely recognized brand. At the same time, for the U.S. institutional market the acquisition extends Deutsche Bank's product capabilities for actively managed investment products.



In the ultra high net worth market, Deutsche Bank Private Banking and Scudder Private Investment Counsel have a shared philosophy in meeting the complex needs of wealthy individuals, family offices, and foundations. The combined organization will provide a holistic approach to developing customized solutions for clients. The firm will deliver strategic wealth management through a broader distribution network and open architecture platform.

The acquisition builds upon Deutsche Bank's existing position of strength in the European and institutional markets. By leveraging on the DWS platform in Europe Deutsche Bank rounds out its global asset management platform. The combined organization will become an even more powerful global competitor, with substantial scale, a broad array of products and services in multiple markets, financial strength and a strategic commitment to the asset management industry. "This expansion is a central element of the global strategy for PCAM and for Deutsche Bank as a whole," commented Rolf-E. Breuer.

The acquisition also strengthens Deutsche Bank's position in the Asia/Pacific region. Scudder adds significantly to Deutsche Asset Management's position as the largest foreign asset manager in Japan and among the top five wholesale managers in Australia and Singapore. "Scudder certainly provides us with important critical mass in U.S. retail, but the strengths it brings in the actively managed institutional market as well as in Asia/Pacific are critical as well," remarked Michael Philipp, Member of Deutsche Bank's Board of Managing Directors and responsible for the Production Function for PCAM.

Deutsche Bank plans to integrate Scudder rapidly into its current asset management business. The combination is intended to result in improved earnings power and increased efficiencies in our operations. The integration team is intended to be made up of senior executives of both Deutsche Bank and Scudder. In the integration of Scudder, Deutsche Bank can look back on its positive experience with the rapid and successful integration of Bankers Trust in 1998/99.

The CEO of the combined asset management organization will be Tom Hughes, Deutsche Bank's COO for Asset Management and Head of Deutsche Bank's Private Client and Asset Management business in North America. Edmond D. Villani, President and CEO of Zurich Scudder Investments, will be Chairman. According to Tom Hughes, "The acquisition both rounds out Deutsche Bank's geographic presence and adds a strong and complementary suite of products that will make us a formidable global competitor in asset management, which is central to our overall strategy."

Broad cooperation has been agreed between Deutsche Bank and Zurich Group

"I am pleased that, in Zurich, we have succeeded in finding a strong partner in the insurance industry in Europe. Deutsche Bank is thus focussing on its strengths in the production and sale of bank products and bank services. At the same time, our customers can also benefit from all the advantages of an integrated bancassurance offering," says Rolf-E. Breuer. The customers of Deutsche Bank Group will have access to first-class insurance products and excellent advice on all questions of insurance and personal finance. Breuer continues: "Deutsche Bank is now optimally equipped to gain the maximum possible benefit from the market potential in business



with private clients."

In Germany, all agreements currently in place between VHDB and Deutsche Bank will remain effective. In Germany, Italy, Spain and Portugal, Zurich will be Deutsche Bank's exclusive partner for insurance products except for distribution through Finanza e Futuro. In the rest of Europe, Zurich will be Deutsche Bank's preferred partner.

At the same time, Deutsche Bank will be preferred provider to Zurich of asset management products for retail and private customers in Continental Europe (excluding Germany and Italy). This will give the bank access to the Zurich sales network and private client base. Over and above that, Deutsche Bank will also become preferred supplier to Zurich in the management of its own institutional asset management activities and will be one of the preferred investment banks of Zurich for all investment banking services.

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