

PRESS RELEASE

BHF-BANK's CTA now open to third parties

BHF-BANK is the first institute in Germany to open up its own contractual trust agreement (CTA) to third parties following its approval by the German Federal Financial Supervisory Authority (BaFin).

Frankfurt, 10 November 2006. BHF-BANK's CTA services are primarily addressed to medium-sized companies that wish to offer their employees retirement solutions such as employer- or employee-financed company pensions or working time/time value accounts. The benefits of the CTA model: combining capital cover with a CTA enables companies to segregate their pension obligations from their operative business and thus helps them to improve their key figures. Furthermore, a CTA can be used to protect pensions against cases of insolvency not covered by the German pension protection association (Pensionssicherungsverein, or PSV). For instance, a CTA protects employee contributions to deferred compensation models not only following expiry of the 2-year waiting period but from the very outset. Another noteworthy feature is the fact that pensions exceeding the cover ceiling of EUR 7,350 per month are also safeguarded. This could be particularly attractive for managing directors and other senior executives. BHF-BANK's platform solution gives third parties cost-effective access to a CTA, as setting up an individual CTA usually entails high project-related internal expenses as well as external costs that far exceed EUR 100,000.

The CTA funds used to provide capital cover can be tailored to suit the risk structure and requirements of the company in question and are managed in the highest-possible quality. "As a private bank, we draw up customised solutions that focus exclusively on the needs of our clients. This approach is embraced and strictly adhered to throughout our bank, not least when it

comes to providing CTA services for corporate clients,” explained Dietmar Schmid, the BHF-BANK board member responsible for Asset Management & Financial Services.

As part of the CTA solution, companies also have access to a range of service modules including high-performance fund products and the specialised investment account management services offered by BHF-BANK’s subsidiaries FRANKFURT-TRUST and Frankfurter Fondsbank. Customers can furthermore draw on BHF-BANK’s market-leading risk management services in the areas of asset/liability management, asset allocation and risk budgeting.

“Our CTA services represent a meaningful, easy-to-use and cost-effective solution to the problems that entrepreneurs are facing nowadays in view of IFRS reporting obligations as well as the demands made by lending banks, company buyers and ratings agencies,” stated Gerhard Engler, responsible for advising institutional clients at FRANKFURT-TRUST.

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