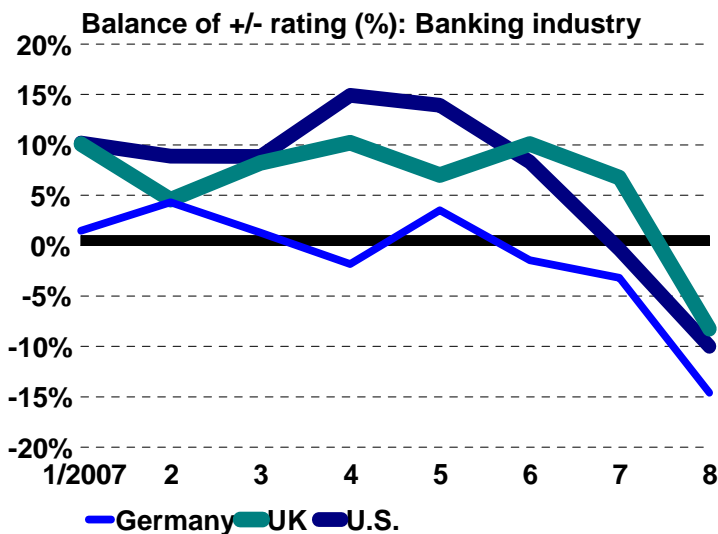


Case study Banking Industry

Presenter: Dr. Armin Guhl, Commerzbank, Frankfurt

The overall rating of the banking industry was driven by news about record-level earnings and deals rather than by woes about potential risks until June 2007. Since then, however, the negative rating has intensified.

Nonetheless, the subprime loan crisis did not come as a surprise for those who carefully read opinion-leading media such as the Wall Street Journal. Already in August and December 2006, there were some reports questioning the sustainability of the business.



Basis: 65,522, 47,688 and 81,424 passages in 39 (Germany), 21 (UK) und 26 (US) media on banks

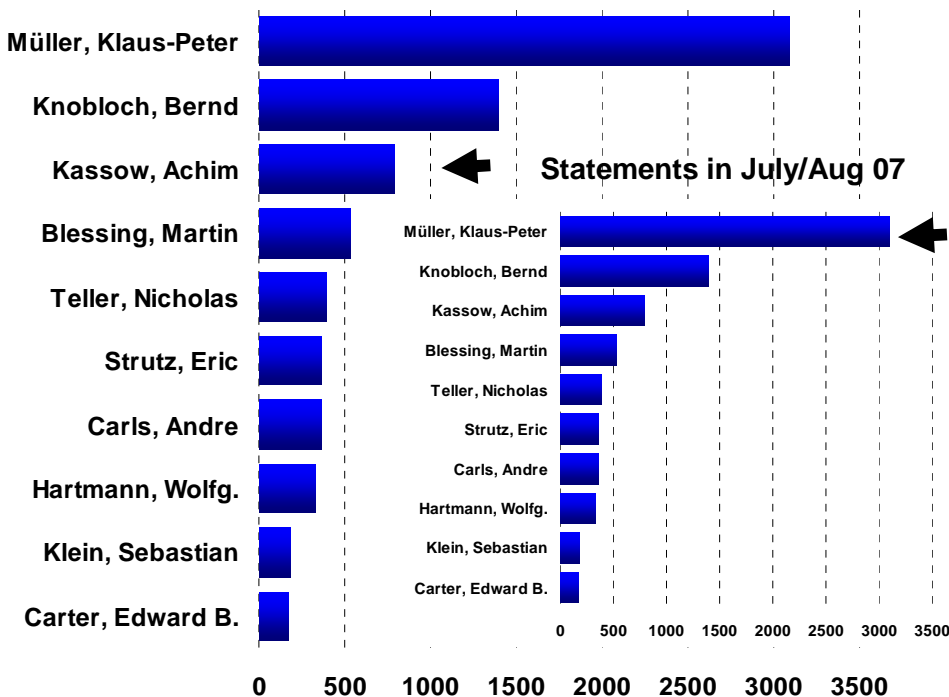
In March 2007, the media initially reported about problems with Bear Stearn's hedge funds with subprime loan exposure. However, the firm was able to shift the media agenda to results and other topics in April/May. But that was no lasting solution.

The crucial role of the media in case of problems in the banking industry became once again obvious in the UK. Rumours about problems caused Northern Rock clients to rush to their banks in order to withdraw their deposits. This caused a crisis that threatened its very existence.

The subprime loan crisis has decreased trust within the industry and regarding banks in relation to the public (especially in the UK). As the individual burdens were largely unknown due to a lack of price information, communication became a key tool to rebuild trust.

In light of the insecurity about the "real" costs of the crisis, Commerzbank decided to give the CEO responsible for its real estate business (EuroHypo), Bernd Knobloch, the lead in August (small diagram). Thus, CEO Müller was able to provide a clearer picture in September (large diagram). Also, other senior executives were to some extent involved in the communication strategy. The media approved the strategy as Commerzbank was able to maintain a balanced or neutral rating throughout most of the time in August and September.

Number of statements on/by senior executives 09/07



Basis: 1,051 statements on/by Commerzbank senior executives in 46 media