Deutsche Bank

Annual Report 2010

Deutsche Bank Luxembourg

Passion to Perform

Contents

This Annual Report is a translation of the original German version.
In case of discrepancies the German version is binding.

You can reach us online at www.db.com/luxembourg, where the Annual Report 2010 is also available.

Board of Directors

Dr. Hugo Bänziger
Chairman
Member of the Management Board
Member of the Group Executive Committee
Chief Risk Officer of Deutsche Bank AG

Ernst Wilhelm Contzen
Chief Executive Officer of Deutsche Bank Luxembourg S.A.

Dr. Michael Kröner
Global Head of Tax of Deutsche Bank AG

Dr. Carsten Schildknecht
Global Chief Operating Officer of Private Wealth Management
of Deutsche Bank AG

Werner Helmut Steinmüller
Member of the Group Executive Committee
Head of Global Transaction Banking of Deutsche Bank AG

Klaus-Michael Vogel
Member of the Management Board of Deutsche Bank Luxembourg S.A.

Management Board

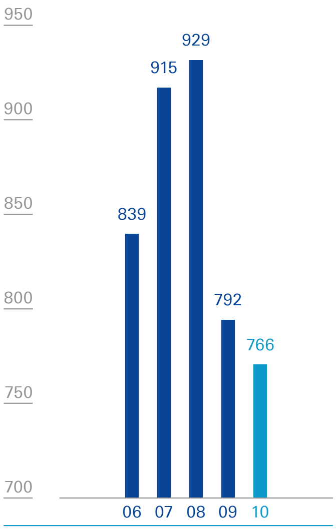
Klaus-Michael Vogel
Managing Director

Ernst Wilhelm Contzen
Chief Executive Officer

Christian Funke
Managing Director

Report of the Management Board
Deutsche Bank Luxembourg S.A.

01-1
Development of Luxembourg banks' total assets
in € billion



We can look back on a successful year: in 2010 Deutsche Bank Luxembourg S.A. (hereinafter: Deutsche Bank Luxembourg) once again demonstrated its strength in a difficult environment. In addition to our own business operations in Luxembourg, we again succeeded in making an active contribution to Group operations and providing profitable business services within the Deutsche Bank organization.

Deutsche Bank Luxembourg generated a profit of € 338.9 million in 2010. Group-related projects increased total assets by € 18.8 billion to € 87.2 billion.

Administrative expenses rose to € 74.7 million due to increased offsetting within the Group. As per December 31, 2010, Deutsche Bank Luxembourg had 331 employees.

To mark Deutsche Bank Luxembourg's 40th anniversary in 2010, the bank endowed an academic chair at the Luxembourg School of Finance. This emphasizes the bank's commitment to the financial centre.

Deutsche Bank Luxembourg's success over the past year is attributable to the trust our clients placed in us, the motivation of our staff and the ongoing support of our Board of Directors.

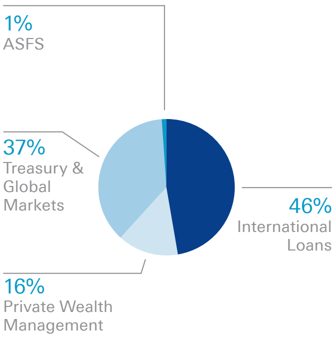
The overall performance of Deutsche Bank in Luxembourg is based on the day-to-day business operations of the four business divisions backed by the respective infrastructure functions:

Private Wealth Management performed very well in 2010. New ideas and many restructuring measures are beginning to bear fruit here. The division has also expanded through the acquisition of the private client business of Sal. Oppenheim jr. & Cie. S.C.A., Luxembourg. Results reflect a strong increase in assets under management, not only due to rising stock market prices, as well as high interest income from the growing loan business.

The International Loans Division succeeded in winning promising new mandates over the course of 2010. Luxembourg is and remains one of the four most important lending hubs of Deutsche Bank Group, which strengthens our position at the international level.

Treasury & Global Markets, which is responsible for funding, interest rate management and special transactions, closed the year very successfully, reporting profitable operations. The acquisition of fiduciary funds from Switzerland as part of a diversified refinancing structure made up a significant part of local activities and represents a sustainable contribution to the sound liquidity position of Deutsche Bank Luxembourg and the Group.

01-2
The four business divisions contribute as follows to total operating profit:*
in %



* Excluding one-time effects of the sale of a block of shares

The Alternative & Structured Finance Services Division continues to be regarded as a partner of choice when it comes to securitization, capital markets products and the complex special products of the financial centre Luxembourg such as SIFs and SICARs. Despite the challenging market situation, demand for these products continues to grow. The bank's specialists in this area respond optimally to client needs, and thanks to the close cooperation with other business divisions within the bank, the prospects for further growth are good and we can look positively to the future.

Luxembourg as a financial centre

The banking sector continues to form the backbone of Luxembourg's economy.
At the end of 2010, 147 banks had offices in Luxembourg.
The financial industry is exceptionally important for the labour market, too. Luxembourg's banking sector currently employs 26,200 people, and the financial centre as a whole almost 47,000. That is a remarkable figure for a country with a population of 500,000 and a labour force of 352,100.

Banks continued to benefit from the considerable efforts they have made over recent years to reduce costs, although the consolidation process in this sector is not yet complete.

Outlook

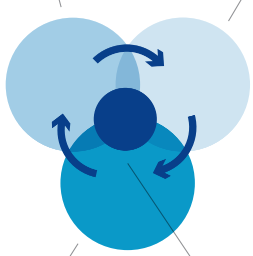
Our primary objective for the 2011 financial year is to increase operational efficiency. Our philosophy and actions focus on the client. Innovative customized solutions and lasting client relationships built on trust are key elements of our work. The structure of the bank with its four business divisions, Private Wealth Management, International Loans, Treasury & Global Markets as well as Alternative & Structured Finance Services enables us to use resources efficiently. Thanks to our streamlined structures and strict cost management as well as the advantages of being based in the Grand Duchy of Luxembourg, we are well-positioned to further increase and optimize added value for the client. Against this background, we have high expectations of a positive future for Deutsche Bank Luxembourg.

Private Wealth Management (PWM)
Business Division

02-1
Moving in exclusive circles
The integrated advisory concept of Private Wealth Management, Luxembourg

Review and adjustment of the investment strategy as required
- Alternative Investments / Hedge Funds / Private Equity / Real Estate
- Wealth and Estate Planning
- Insurance Solutions

Individual client situation and objectives
- Asset Allocation / Risk Management / Reporting
- Discretionary Portfolio Management
- Wealth Advisory Mandate / Order-based Advisory



Client / Family / Business

Bespoke investment strategy
- Philanthropy
- Lending Solutions
- Structured Products
- Foreign Exchange and Commodities
- Corporate Wealth Management

In 2010, the year of Deutsche Bank Luxembourg's 40th anniversary, the Private Wealth Management Division reported its best result ever. At € 46.7 million, this was € 29.0 million higher than in 2009. There were three main reasons for this highly satisfactory performance:
- Firstly, the strategic focus on the acquisition of ultra-high net worth clients in all relevant markets.
- Secondly, the ongoing development of a "two-pillar strategy", consisting of managing clients' assets in Luxembourg as well as jointly serving clients together with other Deutsche Bank units worldwide.
- Thirdly, the excellent position of Deutsche Bank AG in general, which fosters client trust in times of uncertainty.

The wealth management environment is still undergoing fundamental transformation, and 2010 was marked by a general consolidation trend and increasing regulatory complexity.

There were clear regional differences in terms of performance. While business in German-speaking areas generally stagnated or even slightly declined, in other markets and regions significant business growth was achieved. A particular mention goes to business with Anglo-Saxon clients, the Middle East, Russia, southern Europe and also Benelux clients. As expected, our business activities in Scandinavia developed well.

We achieved pleasing results with our asset management products. All models consistently performed well. The sustained growth in client business reflects the professional approach and care with which we manage the assets entrusted to us. In classical investment advisory, the focus in the reporting year was on actively providing clients with advice on an ongoing basis, especially in light of uncertainty as regards financial policies.

Our clients' strong demand for loans continued in 2010. Thanks to the sound credit risk management and equity base of Deutsche Bank Luxembourg, we succeeded in further expanding and strengthening the lending business locally, particularly in large-scale and structured loans.

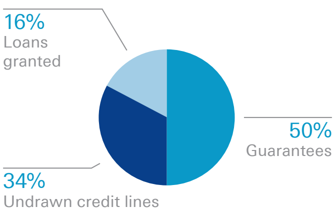
2010 saw the acquisition of Sal. Oppenheim by Deutsche Bank AG. In this context, the private banking business of Sal. Oppenheim jr. & Cie. S.C.A. in Luxembourg was successfully integrated into the Private Wealth Management Division of Deutsche Bank Luxembourg.

In summary, business over the past financial year has been very satisfactory, with 98 employees serving 10,000 clients with a business volume of € 8.3 billion.

In an ever changing and more complex environment, the Management took all necessary measures to establish a good basis for qualitative ongoing growth at Deutsche Bank Luxembourg.

International Loans
Business Division

02-2
International Loans
in %



Total credit volume covered: € 64 billion

Lending Business

Despite the effects in the aftermath of the financial crisis on the international markets, Deutsche Bank Luxembourg's lending business continued to grow in 2010. Overall, International Loans covered credit risks amounting to € 64 billion. This was an increase of 56% on 2009 and can be broken down into client lending business accounting for € 46 billion and transactions in the Group's interests at € 18 billion.

Deutsche Bank Luxembourg is one of Deutsche Bank Group's four global lending hubs and, in this capacity, is responsible for Europe and the Middle East. To successfully manage such a large loan portfolio, a proprietary service model was developed together with Deutsche Bank Group.

This "integrated model" is designed to provide clients with a one-stop service, from their initial contact to the bank through to full repayment of a loan.

Credit volumes developed particularly positively in the international large exposure clients and mid-cap clients segment, increasing by 12% to € 30 billion. Providing targeted support to clients making international investments is as important as offering ongoing active assistance to mid-cap clients on the German market.

Deutsche Bank Luxembourg maintains its commitment to the environment. This is reflected in our many project finance mandates in the field of renewable energy (totalling € 660 million). A large number of client projects were realized together with other units in the Group. These covered all stages of the relevant process, from advice on the right financing structure and negotiation of suitable loan documentation through to "laying the foundation stone".

In terms of managing credit risks, Deutsche Bank Luxembourg also plays an increasingly important role within the Group. In December, for instance, the legal entity restructuring project of the Loan Exposure Management Group (LEMG) was completed. The aim is to concentrate Deutsche Bank Group's credit risks at Deutsche Bank Luxembourg. As at year-end, risks amounting to € 16.5 billion had been transferred to Luxembourg, leading to a significant improvement in portfolio management for Deutsche Bank Group.

Agency Services

Deutsche Bank Luxembourg's position as one of the renowned lead managers for syndicated loans on the European credit market was further strengthened, especially through the financial crisis. The key factor here is a service approach focussing on providing support to the banking syndicate. It became particularly clear in the crisis that a banking syndicate can only retain its ability to take action and make prompt decisions in its own interests and the interests of the borrower if it has a strong and efficient lead manager. Overall, the average number of mandates in the reporting year was 255, an 11% increase compared to 2009.

Outlook

As the financial crisis eased off, we experienced a revival of the markets, and with it a revival of competition. This will increase pressure on credit margins.

In particular, this affects business with large exposure clients. Declines in margins can already be observed as a result of increasing competition between international banks. Although this trend cannot simply be ignored, Deutsche Bank Luxembourg is upholding its lending policy and will take loan decisions on the basis of an adequate risk premium.

The outlook for business with German mid-caps remains positive.

Treasury & Global Markets
Business Division

The business activities of this business division continued to be affected by the effects of the financial and economic crisis. EU rescue packages and global economic stimulus programmes were not without consequences for forex and interest rate markets.

In addition to liquidity, balance sheet and equity capital management, Treasury & Global Markets is also responsible for the bank's investment banking activities.

The liquidity management area was affected by measures taken by central banks. After cutting key interest rates to a low level, buying government bonds seemed, in addition to unlimited allocation for refinancing transactions, an effective means of stimulating the markets.

Local refinancing targets were met at all times. Moreover, sustainable support was provided to Deutsche Bank Group. This enabled Deutsche Bank Luxembourg to reinforce its key position for the Group's liquidity management even in this difficult period.

As in 2009, a subordinated jouissance right was issued. This facilitates project-related expansion in the interests of the Group.

An important earnings component at the bank is the interest rate and currency business. Here, we consistently made best possible use of the opportunities available, inter alia by adopting an appropriate position in asset/liability management.

With higher earnings than expected, Treasury & Global Markets made a material contribution to Deutsche Bank Luxembourg's operating success.

Alternative & Structured Finance Services (ASFS)
Business Division

In Luxembourg, ASFS is made up of the business divisions Corporate Services (CSD) and Alternative Fund Services (AFS).

CSD specializes in the domiciling and administration of regulated and unregulated special purpose vehicles used primarily in securitization transactions or for project financing in Mergers & Acquisitions. CSD handles the domiciling and administration of the day-to-day business of these companies, taking into account the respective contractual obligations. In addition, CSD regularly provides executive directors for these special purpose vehicles and takes care of their accounting. On request, financial reports are also produced in accordance with international accounting standards (IFRS, US GAAP etc.).

AFS focuses on central administration and depositary bank mandates for investment funds operating in the fields of real estate or private equity. In addition to domiciling funds or their management companies, this includes day-to-day administration, preparing the accounts and producing net asset value calculations, transfer agency services, registering and monitoring investors, providing operational support for the processing of transactions as well as supervising the funds´ different investments.

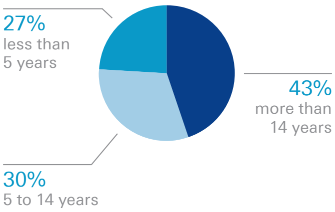
Luxembourg is a leading global financial centre. Given its extensive system of double taxation agreements, strong financial industry as well as its effective and innovative legislation, Luxembourg is an attractive location for many different investment structures.

Thanks to its networks in the Deutsche Bank Group and its technical facilities, ASFS can offer clients all the necessary services from one source. The business division is a partner of choice in all product areas.

Earnings increased versus the previous year. CSD and AFS were further expanded in 2010. Demand for the products we offer remains strong and business continues to be promising.

Divisional Functions

02-3
Length of service
in %



Human Resources

As per December 31, 2010, Deutsche Bank Luxembourg employed 331 members of staff (end of 2009: 352).

15 different nationalities and more than 20 languages spoken reflect the bank's diversity. This international quality means individual advice can be provided to customers in their national languages.

The proportion of female staff remained constant at 50%. 69 employees are part-time, which corresponds to a part-time employment ratio of 21%. One fundamental personnel objective is establishing equality of opportunity between men and women. Strengthening the proportion of women in specialist and management positions is actively targeted and supported.

We place great importance on providing basic and advance training for employees. Staff motivation is essential to us; employees are a key capital asset. This guarantees high quality service for our clients.

43% of staff at Deutsche Bank Luxembourg have been with Deutsche Bank Group for over 14 years.

Information Technology

The main task of the IT department is the provision of optimal technical systems and the ongoing functional enhancement of these facilities. The continual development of existing structures meant that in 2010 efficient solutions were again implemented at Deutsche Bank Luxembourg. Our applications proved to be stable and at the same time security was continually increased.

2010 also saw the successful implementation of many projects, including completion of the SAP solution for Finance, ensuring compliance with Group standards.

A new tax reporting system was launched for our clients in Private Wealth Management and a new "Online Portal" service was introduced.
Substantial assistance was provided by IT for the technical migration of the data and positions of private clients of Sal. Oppenheim jr. & Cie. S.C.A., Luxembourg, to the Private Wealth Management Division at Deutsche Bank Luxembourg, supported by automated solutions.

In 2010, extensive Business Continuity Planning (BCP) trials were once again carried out involving various departments. These confirmed that the applications tested at the new BCP centre all function smoothly.

Growth in the individual divisions resulted in greater requirements for computing power and data storage. To meet these needs, the bank's production systems were moved to a new computer centre with the highest level of classification and their availability increased.

In 2010, a whole range of measures were taken to maintain and improve information security. In addition to the servicing, maintenance and further development of the security infrastructure, we also performed risk analyses. One significant step was the introduction of a new information security framework in compliance with the latest international standards. The bank ran several staff training programmes on this and other important information security topics to maintain the high level of security in this area.

Corporate Real Estate & Services (CRES)

The range of services provided by CRES in Luxembourg covers all aspects of commercial, technical and infrastructural facility management.

In addition to handling the traditional security services relating to site surveillance and the protection of valuables, CRES in Luxembourg is also responsible for coordinating Business Continuity Management activities to ensure the bank can continue operating in the event of a breakdown of all or part of the active infrastructure, as well as for coordinating the internal publication and review/revision of the Policies & Procedures.

Thanks to the ongoing review of existing service agreements and cost-conscious purchasing in 2010, operating costs were reduced as well as one-time savings made.

By considerably reducing water and electricity consumption, purchasing "green" electricity from 2012 and ensuring most company cars are diesel vehicles with dust particle filters, a major contribution was made to the bank's global objective of conserving environmental resources.

Operations

The main activity of the Operations unit is the settlement of Deutsche Bank Luxembourg's securities transactions and money market activities as well as account management for PWM and Treasury & Global Markets. The employees of this unit ensure the smooth performance of the internal processes linked with business activity.

Staff from Operations provided support for the transition to a new IT platform (SAP General Ledger) in Finance, which went into operation in October 2010, as well as for the preparations to launch a new IT platform for PWM. In addition, the Operations team played an important role in the migration of private client positions of Sal. Oppenheim jr. & Cie. S.C.A., Luxembourg, to Deutsche Bank Luxembourg.

The bank maintains accounts for processing payment transactions at Group and third-party banks (nostro accounts) as well as depositaries for the custody and settlement of securities (nostro securities accounts) in all major currencies. These nostro accounts and securities accounts are processed and monitored by Neutral Control using the "SmartStream" reconciliation system.

Corporate Trust and Agency Services Operations (CTAS Ops)

The activities of CTAS Ops include listings in Luxembourg and Ireland as well as the processing of international securities issues. Over and above that, CTAS Ops acts as paying agent for coupon and bond redemptions, capital calls from mutual funds and property companies. In the securities issues listed on the Luxembourg Stock Exchange in 2010, CTAS Ops remains the top listing agent in Luxembourg.

As agent for registrar and trustee transactions in Deutsche Bank Group, CTAS Ops supports the Trust & Securities Services (TSS) business units in Frankfurt, London, New York and Hong Kong and also acts as depositary (vault administration).

Audit

Internal Audit offers consistent, objective assurance regarding the appropriateness of the structure and efficiency of both internal control systems and the risk control and governance processes.

Audit activities cover all business/infrastructure areas and processes within Deutsche Bank Luxembourg.

The business and infrastructure divisions audited in 2010 were given a positive report both in terms of their control environment and of Management awareness as regards risks.

The Audit department is objective and impartial, conducting its activities in accordance with professional standards. It is independent of the day-to-day business of Deutsche Bank Luxembourg.

Legal

The Legal department at Deutsche Bank Luxembourg is an integrated part of Deutsche Bank Group's worldwide legal services. Owing to the business orientation of Deutsche Bank Luxembourg, its work is shaped primarily by support for the International Loans and Agency Services business division, advisory work for Private Wealth Management, and the coverage of structured transactions. It specializes in particular in supporting large-scale financings and all legal issues connected with them. In 2010, coverage for complex loan restructurings continued to be of particular significance.

The Legal department's tasks also include coordinating and monitoring the involvement of external lawyers in numerous jurisdictions.

The bank's importance as lending office and centre of competence in Continental European and Middle Eastern lending business as well as the large number of cross-border transactions characterize the department's international orientation.

Compliance

The neutral Compliance function serves to ensure adherence to legal and regulatory requirements and ethical principles at Deutsche Bank Luxembourg. For this purpose, policies and processes are developed and staff trained. Monitoring systems ensure that capital market regulations and standards of conduct are complied with at Deutsche Bank Luxembourg.

Compliance is integrated into the new client adoption and new product approval processes. The combating of money laundering, the prevention of terrorism and the compliance with the Markets in Financial Instruments Directive (MiFID) have special importance. The MiFID is an EU Directive on harmonization of the financial markets in the European Single Market.

The Compliance department employs four members of staff.

Finance and Taxes

Finance is sub-divided into the two units: Legal Entity Control and Business Area Control.

Legal Entity Control comprises the financial accounting, cost control and tax functions. Business Area Control covers the controlling requirements of the business divisions and risk controlling. The unit's functional competence extends to all operating companies in Deutsche Bank Group at the Luxembourg location. 30 members of staff work in Finance Luxembourg.

Financial Accounting's tasks cover all regulatory aspects. Prime importance is attached to producing financial statements and reports, coordinating annual and audit reports, the tax return and the bank's entire communications with regulators, auditors and consultants.

The annual accounts and divisional management information are prepared for the Group according to the International Financial Reporting Standards (IFRS).

Cross-divisional compliance with the requirements of the Sarbanes-Oxley Act is monitored as part of the monthly management review process.

The launch of the SAP General Ledger was successfully completed in October 2010. In parallel, standardized production processes, partic-ularly for Group reporting, were transferred to a professional service centre (PSC) in Mumbai, India. This freed up capacity to concentrate on acting as a strategic partner of the management and the business divisions in the future. In this role, Finance produces detailed analyses and transparent management reports which form the basis for efficient corporate and risk management. To take account of this expanded role, Finance is scheduled to be restructured in the first half of 2011.

For the Tax unit, an additional remit separate from Finance was defined in 2010, with a direct reporting line to the Management.

Management Report

Profit and Loss Account

In the 2010 financial year, Deutsche Bank Luxembourg generated net income of € 338.9 million (2009: € 129.9 million).

The following transactions significantly affecting the financial position and net assets were concluded in 2010:

The credit guarantee booked in December 2009 in the amount of € 13.4 billion (as at December 31, 2010) was fully reflected in the results for the first time, pushing guarantee commission up by € 65 million.

With effect from January 1, 2010, Deutsche Bank Luxembourg (controlling company) and DWS Investment S.A., Luxembourg, (controlled company) formed a fiscal unit for income tax purposes. Under this fiscal arrangement, the controlling company acts as tax debtor vis-à-vis the tax authorities. In return, the controlled company pays a corresponding share of the costs to Deutsche Bank Luxembourg, which is reported under "other income".

During 2010, Deutsche Bank Luxembourg concluded a Service Level Agreement with Deutsche Bank AG, Frankfurt, regulating the allocation of costs incurred for Group-wide liquidity management. This reduced net interest income by € 52.2 million.

At the beginning of September 2010, a jouissance right was issued in the amount of € 1.5 billion as part of a transaction within the Group. The jouissance right is classified as Upper Tier II capital. Interest is linked to the operative result of Deutsche Bank Luxembourg. Expenditure in the amount of € 53.4 million was incurred in 2010. However, the jouissance right will not have its full impact until 2011. In deviation from the previous year, the payments for all jouissance rights classified as capital were reported in a separate position above "net income".

The block of Springer shares in the bank's portfolio was sold during the reporting year at a profit of € 132 million.

In the course of the acquisition of Sal. Oppenheim by Deutsche Bank AG, Frankfurt, Deutsche Bank Luxembourg took over the private banking business of Sal. Oppenheim jr. & Cie. S.C.A., Luxembourg. The Sal. Oppenheim clients were integrated into our existing systems and advisory groups. Since the assets acquired are not reported separately for management purposes, and outflows of invested funds cannot be excluded, the basis used to determine the purchase price has changed. This means a transparent valuation of the asset item is no longer possible. We have therefore completely written off the takeover price of € 13 million as an intangible asset during the financial year.

In 2010 the Loan Exposure Management Group (LEMG) performed a global entity restructuring. As part of this project, the credit risks for the majority of the loan booking entities worldwide were transferred to Deutsche Bank Luxembourg in December 2010. The risks were assumed via credit guarantees/credit default swaps (CDS). In parallel, hedging transactions, primarily in the form of CDS, were concluded with the London branch of Deutsche Bank AG. The hedging covers not only the new portfolio but also the LEMG loans already booked at Deutsche Bank Luxembourg. Based on this overall transaction and taking into account our existing portfolios, sub-portfolios were defined as valuation units for the Profit and Loss Account. In net terms, the transaction had a positive effect of € 7.5 million on the Profit and Loss Account. The impact on the individual segmental results is explained below. Valuation details are set out in the Notes (Section A, Derivative financial transactions).

The key components of the results compare as follows:

Net results

in T €	2010	2009
Net interest income *	558,596	303,432
Net commission income	17,599	45,961
Net profit on financial operations	139,273	4,889
General administrative expenses	-74,715	-64,270
Depreciation of tangible and intangible assets	-13,385	-401
Operating profit	627,368	289,611
Other income / expenses including dividends	338,257	58,884
Net addition to provisions for risk	-491,200	-186,906
Taxes	-67,932	-31,657
Payment for jouissance right *	-67,569	0
Net income	338,924	129,932

* The comparative figures for 2009 include jouissance right payments of T€ 17,246 under “net interest income”.

The increase in net interest income is largely due to the premium payments received for the credit default swaps which Deutsche Bank Luxembourg issued in its capacity as collateral provider as part of the LEMG restructuring project. After deduction of expenses for the corresponding hedging transactions, the net effect amounts to € 161 million, which is reported as interest-related income/expenses. A further € 7 million was collected for the credit guarantees.
The aforementioned specific items relating to the credit guarantee booked at the end of 2009 (+ € 65 million) and to global liquidity management costs of - € 52 million are also reflected in this position.

Independent of these one-time effects, lending margins further improved as interest rate levels remained low. Paired with an increase in advances both in International Loans and in Private Wealth Management, this led to a pleasing development of net interest income from “day-to-day” business.

The decline in net commission income (- € 28.4 million, - 61.7%) was essentially due to the increase in expenditure under the existing transfer pricing agreements, which totalled € 36 million and also reflects the improvement of margins in International Loans.

This development was partly offset by higher revenues in Private Wealth Management. Price developments on the securities markets had a positive impact here, and at the same time volume-based commission income rose.
In addition to the aforementioned tax allocation contribution, "other income" includes € 253 million for "first day loss (shortfall)". This income comprises a compensation payment to Deutsche Bank Luxembourg, in its capacity as loan booking entity, by the relevant Group entity benefitting from the cross-selling to cover the difference between the expected net margin of a loan and the market-based hedging of the credit risk. The calculation and payment methods are regulated in the Group's internal master spread agreements.

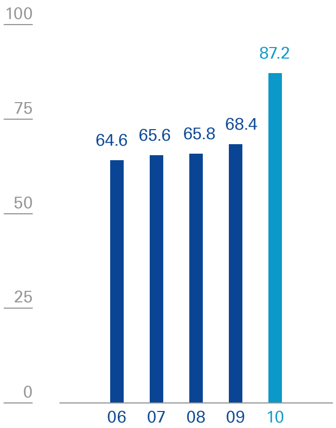
Administrative expenses were up by € 10.4 million. At € 34.2 million, staff costs were once again slightly below the level of the previous year. Other administrative expenses grew to € 11.3 million due to increased offsetting (increased restructuring costs, costs for improvement of the new PWM platform) within the Group.

Risk provisions of € 432 million were made for the unrealized valuation losses determined by the LEMG valuation unit for the fair value loans and credit default swaps.

Adequate provisions have been made for all other discernible risks in loan and securities business (including participating interests) and for operating risks. Net new specific risk provisions were, at € 50 million, considerably lower than the previous year (€ 94 million), reflecting the easing of tension on the global financial markets. For discernible industry risks the lump-sum provision was increased.

The retention of the entire profit of € 338.9 million will be recommended to the Ordinary General Meeting.

03-1
Development of total assets
in € billion



Balance Sheet

Total assets amounted to € 87.2 billion, significantly exceeding the level of the previous year (€ 68.4 billion). The net exchange rate fluctuations had no significant effects on the development of total assets.

Loans and advances to credit institutions (including balances with central banks), totalling € 70.1 billion, were 35.9% higher than in 2009 due to the increase in the volume of investments and loans within the Group.

At € 13.7 billion, advances to customers hardly changed in comparison to the previous year (€ 13.5 billion). Note that there was a further increase in loans to clients in Private Wealth Management (by € 0.6 billion to € 1.6 billion). The entire credit volume (loans extended, confirmed credits and contingent liabilities) covered by International Loans amounts to € 64.0 billion (previous year: € 41.0 billion). This increase is largely attributable to the risks of the Loan Exposure Management Group (LEMG) amounting to € 16.5 billion that were assumed in December 2010.

As at balance sheet date, Deutsche Bank Luxembourg has the following substantial participating interests and shares in affiliated undertakings:

Participating interests and shares in affiliated undertakings	
DWS Investment S.A., Luxembourg	50.00%
Hua Xia Bank Company Limited, Beijing	2.42%

Amounts owed to credit institutions have considerably increased due to additional deposits within the Group. By contrast, amounts owed to customers are down on 2009 as a result of a reduction in payables to counterparties of Deutsche Bank Group. The negative development in client deposits was partially offset by the acquisition of the private banking business of Sal. Oppenheim jr. & Cie. S.C.A., Luxembourg, in October 2010.

The issuance of a jouissance right for € 1.5 billion increases subordinated liabilities to € 2.2 billion.

The regulatory own funds of Deutsche Bank Luxembourg amounted to € 5.4 billion. The increase of € 1.5 billion in comparison to the end of 2009 results from the jouissance right issued in September 2010 in the amount of € 1.5 billion, which is classified as Upper Tier II capital.

The EU solvency ratio according to Basel II was 10.0% as at reporting date (2009: 10.5%).

Business policy as well as risk and capital management strategy

As a subsidiary of Deutsche Bank AG, the bank operates within the framework of Deutsche Bank's Group-wide business strategy. The operational and strategic objectives of the individual local business divisions are components of the respective planning in the corporate divisions of Deutsche Bank Group.

Deutsche Bank Luxembourg is integrated in organizational terms and in terms of IT into the risk and capital management as well as Finance structures of Deutsche Bank Group and its systems. This means that the bank manages capital and risks with the help of a framework of risk policies, organizational structures and processes which are standardized throughout the Group, closely aligned with the activities of the corporate divisions and which take account of regulatory requirements. Accordingly, adequate account has been taken of all discernible risks.

For the most part, Deutsche Bank Luxembourg has to manage the following risk categories:
– credit risk, primarily in the form of default and country risk,
– market risk, especially interest rate and currency risk,
– liquidity risk,
– operational risks,
– reputational risk.

We do not see any significant reputational risks at present. Detailed information on the management of the main risk categories and quantitative statements on financial instruments are given in the Notes and in the Risk Report.

The principles of business policy and of risk and capital management are established and monitored by the Board of Directors and the Management Board. This takes place at the regular meetings of the Board of Directors and of the Management Board.

In 2010, the Board of Directors in principle delegated the task of approving loans to Deutsche Bank Luxembourg's Credit Committee.

The bank also has an Asset/Liability Committee (ALCO) which meets regularly to discuss the current risk and balance sheet situation as well as the effects of new business on risks and capital.

In addition to the Management Board meetings, there are regular meetings of the Executive Committee. The Executive Committee comprises the heads of the business and infrastructure divisions.

Outlook for 2011

No events of particular significance for the annual accounts occurred after the cut-off date.

A critical eye still needs to be kept on interest rate levels on the capital markets and risks in the lending business. The same applies to political decisions on banking secrecy and the equity capital requirements already announced for banks.

Through the acquisition of the PWM business of Sal. Oppenheim jr. & Cie. S.C.A., Luxembourg, and the concentration of global LEMG risks in Luxembourg, Deutsche Bank Luxembourg once again demonstrated its strength and created a very sound basis for future business development.

Against this backdrop, we assume we will also achieve a good result in 2011. The development of business so far confirms our assessment.

Luxembourg, March 1, 2011

The Board of Directors

Balance Sheet
as at December 31, 2010

Assets

in T €	[Notes]	Dec 31, 2010	Dec 31, 2009
Cash in hand, balances with central banks and post office banks	[B2]	8,847	1,507,688
Loans and advances to credit institutions	[B1, 2, 6]	70,050,183	50,029,466
repayable on demand		4,183,910	1,647,822
other loans and advances		65,866,273	48,381,644
Loans and advances to customers	[B1, 2, 6]	13,730,386	13,528,630
Debt securities and other fixed-income securities	[B1, 2, 3]	338,820	329,013
of public issuers		22,693	22,693
of other issuers	[B5, 6]	316,127	306,320
Shares and other variable-yield securities	[B2, 3]	2,102,775	2,234,331
Participating interests	[B4, 5]	57,962	58,018
Shares in affiliated undertakings	[B4, 5]	6,394	6,386
Tangible assets	[B5]	3,877	4,028
Other assets	[B8]	242,506	42,792
Prepayments and accrued income		692,790	694,918
Total Assets		87,234,540	68,435,270

Liabilities

in T €	[Notes]	Dec 31, 2010	Dec 31, 2009
Amounts owed to credit institutions	[B1, 2, 14]	64,883,121	47,477,122
- repayable on demand		1,549,027	493,254
- with agreed maturity dates or periods of notice		63,334,094	46,983,868
Amounts owed to customers	[B1, 2, 14]	9,767,541	10,832,546
other debts		9,767,541	10,832,546
- repayable on demand		787,463	636,617
- with agreed maturity dates or periods of notice		8,980,078	10,195,929
Debts evidenced by certificates	[B1, 9]	1,114,088	1,332,709
debt securities in issue		824,391	1,052,820
other debts		289,697	279,889
Other liabilities	[B8]	4,343,092	4,161,930
Accruals and deferred income		777,696	548,962
Provisions for liabilities and charges		649,243	169,165
provisions for taxation		30,770	23,890
other provisions		618,473	145,275
Subordinated liabilities	[B1, 10]	2,200,000	700,000
Special items with a reserve quota portion	[B11]	33,869	33,869
Subscribed capital	[B12]	2,465,000	2,465,000
Share premium account		55,600	55,600
Reserves	[B13]	606,366	528,435
Net income		338,924	129,932
Interim dividend		0	0
Total Liabilities		87,234,540	68,435,270

Off balance sheet items

Contingent liabilities	[B2, 16]	35,160,420	14,766,205
of which:			
guarantees and assets pledged as collateral security		35,160,420	14,766,205
Confirmed credits	[B2, 17]	22,195,590	19,895,701
Fiduciary operations	[B2, 18]	4,614,352	58,213,845

The Notes are an integral part of the Annual Financial Statements.

Profit and Loss Account
for the period from January 1 to December 31, 2010

Profit and Loss Account

in T €	[Notes]	Jan 1 - Dec 31, 2010	Jan 1 - Dec 31, 2009
Interest receivable and similar income		1,321,298	1,112,144
of which:			
from fixed-income securities		2,780	3,796
Interest payable and similar charges	[B10]	762,702	808,712
Income from transferable securities		29,279	55,291
from shares		22,537	44,069
from participating interests		1,613	1,442
from shares in affiliated undertakings		5,129	9,780
Commissions receivable		130,988	124,958
Commissions payable		113,389	78,997
Net profit on financial operations		139,273	4,889
Other operating income	[C2]	311,942	6,234
General administrative expenses		74,715	64,270
Staff costs		34,180	35,066
of which:			
wages and salaries		28,599	29,393
social security costs		4,700	4,715
of which: pensions		1,871	1,828
Other administrative expenses		40,535	29,204
Depreciation of and value adjustments to intangible and tangible assets		13,385	401
Other operating charges	[C3]	2,964	2,641
Depreciation of and value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments		491,200	167,112
Value adjustments in respect of securities held as financial fixed assets, participating interests and shares in affiliated undertakings		0	19,794
Income from the writing back of special items with a reserve quota portion		0	0
Taxes on profit on ordinary activities		65,630	29,229
Profit on ordinary activities after taxes and before payment for jouissance right		408,795	132,360
Other taxes not shown under the preceding items		2,302	2,428
Payment for jouissance right	[B10]	67,569	0
Net income		338,924	129,932

The Notes are an integral part of the Annual Financial Statements.

Notes to the Accounts
Deutsche Bank Luxembourg S.A.

A. Principles and methods

Corporate matters
The bank was founded on August 12, 1970, in Luxembourg in the legal form of Société Anonyme. The bank is a wholly-owned Group subsidiary of Deutsche Bank AG, Frankfurt am Main.

The bank's business policy and valuation principles, unless prescribed by Luxembourg rules and regulations, are established and monitored by the Board of Directors.

Business object of the bank
The object of the bank, in accordance with the Articles of Association, is to transact banking and financial business for its own account and for the account of third parties and all activities directly or indirectly connected thereto.

Annual accounts
The financial year is identical to the calendar year.

The reporting currency is the euro.

Deutsche Bank Luxembourg is a parent company for the purposes of Article 77 (1) of the law of June 17, 1992 on the annual accounts and consolidated accounts of banks incorporated under Luxembourg law in conjunction with the law of March 2006 concerning the introduction of international accounting standards for banks. Deutsche Bank Luxembourg is exempt from the obligation to prepare its own consolidated accounts as a subgroup pursuant to Article 80 of the law of June 17, 1992.

The annual accounts of Deutsche Bank Luxembourg are included in the consolidated financial statements of Deutsche Bank Group according to IFRS.

The accounting and valuation methods are described below.

Accounting and valuation principles
The bank draws up its annual accounts in accordance with the laws and regulations of the Grand Duchy of Luxembourg under the historical cost principle and on the basis of accounting principles generally accepted in the banking sector in the Grand Duchy of Luxembourg.

To increase transparency, the method for reporting expenses relating to jouissance rights in the Profit and Loss Account was adjusted for 2010.

In particular, the following accounting principles and valuation methods are applied:

– Foreign currencies

Transactions are accounted for in their respective currencies on the day they are concluded.

Expenses and income in foreign currency are recorded daily in the Profit and Loss Account at the prevailing exchange rates.

Assets and liabilities in foreign currency are valued at the foreign exchange mid-market rate at balance sheet date. Historical exchange rates are used for hedged deals. Open forward exchange contracts are converted at the forward rate for the remaining term at balance sheet date. For pending losses, a provision is formed which is reported in the Balance Sheet under "other provisions".

– Derivative financial transactions

Derivative financial transactions such as currency interest rate swaps, interest rate swaps and future or forward rate agreements (FRAs) are used for the purpose of managing the interest rate and currency risk within the framework of asset/liability management. The bank's obligations arising from such transactions are accounted for on the transaction date. The counterparties in such transactions are for the most part companies which are members of Deutsche Bank Group.

Currency-related transactions are concluded to hedge exchange rate risks for the bank's own account and on behalf of customers.

The above derivative financial transactions form, to a very large extent, economic unities with asset or liability exposures. In view of the economic objectives of such operations, year-end revaluation or provisioning is not considered necessary.

The transaction reported in December 2010 in relation to the Loan Exposure Management Group (LEMG) is to be considered separately, with the following sub-portfolios of the overall transaction being grouped to form one valuation unit:

- Deutsche Bank Luxembourg's existing LEMG loan portfolio,
- credit derivatives issued in the context of the assumption of risks (credit default swaps),
- credit derivatives received as collateral for the aforementioned underlying transactions (largely also credit default swaps).

With the underlying transactions of this valuation unit, the bank is not pursuing a trading strategy intended to generate a profit in the short term. The hedging transactions are therefore structured primarily to cover the credit/default risk of the underlying transactions. No separate examination of other risks (particularly market risks) is provided as far as the uncollateralized risks from the underlying and hedging transactions are considered to be comparable, subject to low volatility and deemed to be negligible.

The hedging transactions were concluded with the London branch of Deutsche Bank AG, primarily in the form of credit default swaps, taking into account specific risk tolerance and hedging parameters agreed by Deutsche Bank Luxembourg in cooperation with the global Credit Risk Management unit of Deutsche Bank AG.
In Balance Sheet terms, they are treated in line with the gross hedge presentation method (Durchbuchungsmethode). For unrealized losses resulting from this valuation, appropriate risk provisions are formed, which are reported under "other provisions".

– Treatment of premiums/discounts

Premiums and discounts on amounts receivable and amounts owed are in principle accounted for pro rata temporis.

With regard to securities, premiums are also accounted for in principle pro rata temporis. Discounts from the purchase of bonds and other fixed-income securities are not booked to the Profit and Loss Account until final maturity or sale.

– Value adjustments in respect of debts

The bank establishes specific value adjustments in respect of doubtful and irrecoverable debts for creditworthiness and country risks in accordance with strict valuation standards.

Value adjustments are deducted from the assets to which they relate. Risk provisions for contingent liabilities are reported under "other provisions".

– Lump-sum provision for inherent risks

In accordance with Luxembourg tax legislation, the bank establishes a lump-sum provision for inherent risks in risk-bearing assets weighted pursuant to regulatory law and for the credit risk equivalent from derivatives.

Pursuant to the instructions issued by the Tax Authority on December 16, 1997, a maximum rate of 1.25% may be applied for the establishment of the tax-deductible lump-sum provision.

The lump-sum provision is to be allocated in proportion to the underlying elements to
– a value adjustment deducted from the respective risk-weighted asset positions, and
– a provision reported under "other provisions".

– Securities
Securities are booked at cost using the weighted average method.

– Debt securities and other fixed-income securities
The bank holds a portfolio designated "other securities" which includes, in particular, securities held as a source of liquidity.

These securities are valued at the lower of cost and market value in conjunction with the option to maintain previous value adjustments (Beibehaltungswahlrecht) (see below).

The bank also holds a security position in its investment portfolio which was acquired in the context of reinvesting the special item with a reserve quota portion. This is valued at cost, taking into account a value adjustment equivalent to the reinvested amount.

– Securities issued on a discounted basis
Such securities are accounted for at cost plus the proportionate difference between issue value and par value.

– Equity shares and other variable-yield securities
As at reporting date, equity shares and other variable-yield securities are valued at the lower of cost and market value.

– Participating interests/shares in affiliated undertakings
Participating interests/shares in affiliated undertakings held as financial fixed assets are valued at cost or, if lower, at their market value. Write-downs are made for declines in value which are permanent.

– Option to maintain previous value adjustments (Beibehaltungswahlrecht)
Value adjustments made in earlier years in respect of specific assets are maintained in accordance with Articles 56 (2) (f) and 58 (2) (e) of the law on the accounts of banks even in cases where the market value of the assets has increased.

– Intangible assets
The bank's policy is to write off intangible assets in full in the year of acquisition.

– Tangible assets

Office furniture and equipment are reported at cost less depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the office furniture and equipment. If there is a permanent diminution in value, the bank may record exceptional value adjustments to value these assets at the impaired valuation attributable to them as at balance sheet date.

Low value assets are charged as operating expenses in the year of acquisition.

– Special items with a reserve quota portion

The special item with a reserve quota portion relates to fiscally-neutralized translation gains from the reinvestment of equity capital in DEM in accordance with Article 54 of the Luxembourg income tax law.

– Income taxes

Income taxes are recorded using the accruals method based on the Profit and Loss Account for the current financial year taking into account tax-exempt revenues and expenses with no tax effect.

In 2010, Deutsche Bank Luxembourg (controlling company) and DWS Investment S.A., Luxembourg, (controlled company) formed a fiscal unit for income tax purposes. This arrangement has been effective since January 1, 2010. Under Luxembourg law, it can only be recognized once the fiscal unity has existed for more than five years. Since the controlling company acts as tax debtor vis-à-vis the tax authorities, income taxes of both companies are shown in Deutsche Bank Luxembourg's Balance Sheet and Profit and Loss Account. In return, DWS Investment S.A., Luxembourg, in its capacity as controlled company, pays a corresponding contribution to Deutsche Bank Luxembourg. The calculation basis for this is set out in a tax allocation agreement signed by both companies.

B. Notes to the Balance Sheet

[1] Classification by remaining maturity

The table shows selected balance sheet positions classified by remaining maturities as at December 31, 2010.

Loans and advances

in € m.	up to 3 months	3 months up to 1 year	1 year up to 5 years	over 5 years	Total
Loans and advances at term to credit institutions	44,441	7,591	12,475	1,359	65,866
Loans and advances at term to customers	2,595	2,710	6,425	1,978	13,708
Debt securities and other fixed-income securities	0	0	49	290	339
Total	47,036	10,301	18,949	3,627	79,913

For comparison Dec 31, 2009:

Total	37,523	7,543	13,847	3,285	62,198

In addition to loans and advances at term to customers, loans and advances repayable on demand are also reported in the amount of € 23 million (Dec 31, 2009: € 42 million).

Amounts owed

in € m.	up to 3 months	3 months up to 1 year	1 year up to 5 years	over 5 years	Total
Amounts owed at term to credit institutions	51,255	5,603	3,368	3,108	63,334
Amounts owed at term to customers	8,323	329	139	189	8,980
Debts evidenced by certificates	0	0	819	295	1,114
Subordinated liabilities	0	0	1,500	700	2,200
Total	59,578	5,932	5,826	4,292	75,628

For comparison Dec 31, 2009:

Total	49,085	4,669	1,386	4,073	59,213

Of the loans and advances at term to credit institutions and customers, € 330 million (Dec 31, 2009: € 271 million) are subordinated.

Of the loans and advances at term to customers, loans and advances in a nominal volume of € 998 million are deposited as collateral with Banque centrale du Luxembourg (BcL) as at balance sheet date.

For liabilities where the repayable amount exceeds the amount provided, there is a difference of € 1 million as at balance sheet date.

There are no netting agreements for balance sheet positions as at balance sheet date.

[2] Geographical distribution

The table shows the geographical distribution of selected positions as at December 31, 2010.

in € m.	European Union	Rest of Europe	North-America	South America	Asia	Other countries	Total
Loans and advances							
Cash in hand, balances with central banks and post office banks	9	0	0	0	0	0	9
therein: balances with central banks	2	0	0	0	0	0	2
Loans and advances to credit institutions	69,559	295	88	0	106	2	70,050
Loans and advances to customers	8,543	799	514	96	2,083	1,695	13,730
Debt securities and other fixed-income securities	339	0	0	0	0	0	339
Shares and other variable-yield securities	2,089	14	0	0	0	0	2,103
Total	80,539	1,108	602	96	2,189	1,697	86,231

For comparison Dec 31, 2009:

Total	63,432	990	197	15	1,320	1,675	67,629

Amounts owed							
Amounts owed to credit institutions	54,737	7,097	74	0	2,965	10	64,883
Amounts owed to customers	8,757	573	118	85	147	88	9,768
Total	63,494	7,670	192	85	3,112	98	74,651

For comparison Dec 31, 2009:

Total	52,251	5,538	75	153	121	171	58,309

Off-balance sheet items							
Contingent liabilities	32,681	61	1	0	2,416	1	35,160
Commitments	19,333	1,801	341	26	155	540	22,196
Fiduciary operations	4,614	0	0	0	0	0	4,614
Total	56,628	1,862	342	26	2,571	541	61,970

For comparison Dec 31, 2009:

Total	90,301	1,718	234	364	257	2	92,876

Financial transactions

in € m.	European Union	Rest of Europe	North-America	South America	Asia	Other countries	Total
Interest rate transactions	7,549	0	10	0	0	0	7,559
Foreign exchange / gold transactions	2,831	1	0	13	1	2	2,848
Equity transactions	2,250	0	0	0	0	0	2,250
Credit derivatives*	27,179	0	0	0	402	0	27,581
Total	39,809	1	10	13	403	2	40,238

For comparison Dec 31, 2009:

Total	12,049	123	9	29	0	0	12,210

* of which a nominal amount of € 9,823 million is reported under contingent liabilities

[3] Securities

The securities included in the asset items listed below are classified as at balance sheet date as follows:

in € m.	Unlisted securities	Listed securities	Total
Debt securities and other fixed-income securities (held for investment purposes)	26	0	26
Debt securities and other fixed-income securities (held for liquidity purposes)	290	23	313
Shares and other variable-yield securities (held for liquidity purposes)	2,092	11	2,103

No provisions were formed in accordance with the principle of maintaining previous value adjustments (Beibehaltungsprinzip).

The debt securities and other fixed-income securities held for investment purposes comprise only securities acquired in connection with the reinvestment of the special item with reserve quota portion. A corresponding value adjustment was formed in the amount of the reinvested sum of € 93 million.

The total amount of securities pledged is € 21 million (nominal volume); all of these pledged securities are eligible for refinancing at the European Central Bank (ECB).

[4] Companies in which the bank has a participating interest of 20% or more

Name of company	Registered domicile	Holding	Share holders' equity	Results for financial year* in € m.
DB Finance International GmbH	Eschborn	100%	2.4	-1.0
DB Palladium S.A.	Luxembourg	100%	0.0	0.0
Aqueduct Capital S.à r.l.	Luxembourg	100%	9.8	-1.5
Avon Investments S.à r.l.	Luxembourg	100%	0.0	0.0
DWS Investment S.A.	Luxembourg	50%	240.5	158.8
Deutsche River Investm. Managem. Comp. S.à r.l. **	Luxembourg	49%	0.1	-0.2
DB Vita S.A.	Luxembourg	25%	12.2	1.7
Main Properties S.à r.l. **	Luxembourg	25%	3.0	-0.9
Trave Properties S.à r.l. **	Luxembourg	25%	12.4	-2.5
Isar Properties S.à r.l. **	Luxembourg	25%	1.5	-1.0
Danube Properties S.à r.l. **	Luxembourg	25%	16.3	-6.3
Rhine Properties S.à r.l. **	Luxembourg	25%	4.8	-1.8
Weser Properties S.à r.l. **	Luxembourg	25%	0.0	-0.1
Inn Properties S.à r.l. **	Luxembourg	25%	4.2	-1.9
Elbe Properties S.à r.l. **	Luxembourg	25%	0.0	-0.1
Oder Properties S.à r.l. **	Luxembourg	25%	2.1	-1.0

* results for the year according to latest available annual accounts
** belongs to Deutsche River Group, completely written off in 2009

With the exception of Hua Xia Bank Company Limited, Beijing, (2.42%) there are no other listed participating interests or listed shares in affiliated undertakings.

[5] Movements in fixed assets

in T €	Gross value at beginning of financial year	Additions	Disposals	Parity changes	Gross value at end of financial year	Cumulative deprecia-tion and value adjust-ments at end of financial year	Net value at end of financial year
Securities	119,408	0	0	0	119,408	92,978	26,430
Participating interests	77,813	0	56	0	77,757	19,795	57,962
Shares in affiliated undertakings	6,387	0	0	7	6,394	0	6,394
Intangible assets	6,365	13,000	0	0	19,365	19,365	0
of which:							
goodwill	0	13,000	0	0	13,000	13,000	0
software	6,365	0	0	0	6,365	6,365	0
Tangible assets	14,592	465	99	0	14,958	11,081	3,877
of which:							
office furniture and equipment	14,592	465	99	0	14,958	11,081	3,877
Total fixed assets	224,565	13,465	155	7	237,882	143,219	94,663

[6] Amounts due from affiliated undertakings and from participating interests

in € m.	Affiliated undertakings Dec 31, 2010	Participating interests Dec 31, 2010	Affiliated undertakings Dec 31, 2009	Participating interests Dec 31, 2009
Loans and advances to credit institutions	65,500	0	45,616	0
Loans and advances to customers	3,553	0	2,900	58
Debt securities and other fixed-income securities	316	0	306	0

[7] Assets denominated in foreign currencies

Assets denominated in foreign currencies amount in total to the equivalent of € 10,372 million as at balance sheet date.

[8] Other assets/other liabilities

The other assets include € 27 million in option premiums resulting from a hedging transaction in respect of the issue of the EUR bonds shown under Note 9 with a variable bonus interest rate. Another individual position comprises premium receivables from credit default swaps in the amount of € 193 million.

Social security contributions to be paid over and other payment obligations are reported under other liabilities. Individual positions to be reported are redemption obligations amounting to € 4 billion resulting from two structured transactions.

[9] Debts evidenced by certificates

The debts evidenced by certificates include the following positions:
- EUR Bond, reported value: € 797 million; due: December 21, 2012, with a fixed interest rate and a variable bonus interest rate based on the performance of the CROCI-Euro-OptiVest Index
- Warrants, reported value: € 290 million; due: September 7, 2017
- EUR Zero Bond, reported value: € 23 million; due: December 10, 2015, with a variable bonus interest rate based on the performance of the CROCI-Alpha-Pairs Index
- EUR Zero Bond, reported value: € 5 million; due: December 19, 2016, with a variable bonus interest rate based on the performance of the CROCI-Alpha-Pairs Index

The debts are secured by loans, money market instruments and options.

[10] Subordinated liabilities

There are
- a subordinated EUR jouissance right, € 700 million, due 2016
- a subordinated EUR jouissance right, € 1,500 million, due 2015

The jouissance rights are classified as Upper Tier II capital. In the 2010 financial year, the expense for subordinated liabilities was € 68 million. To take greater account of the fact that the jouissance rights are classified as equity, the expense from the recurrent payments was, in deviation from previous practice, not reported under “net interest income” but rather as a separate position above “net income”. This adjustment was made in line with the “true and fair view” principle to increase transparency. The comparative figures for 2009 (interest expense € 17 million) were not adjusted.

[11] Special items with a reserve quota portion

The special item with a reserve quota portion relates to fiscally-neutralized translation gains from the reinvestment of equity capital in DEM for the years 1980 to 1998 in accordance with Article 54 of the Luxembourg income tax law.

[12] Subscribed capital

As at balance sheet date, the bank's subscribed and fully paid-up capital is € 2,465 million, divided into 9,860,000 shares.

[13] Movements in reserves and profit brought forward

in € m.	Legal reserve	Other reserves	Profit brought forward
As at January 1, 2010	247	281	0
Changes in legal reserve / other reserves	0	0	0
Net income for the 2009 financial year	0	0	130
Appropriation			
– Retention	0	78	78
– Dividend	0	0	52
As at December 31, 2010	247	359	0

The bank fulfilled the requirement of the Luxembourg law on commercial companies to form a legal reserve of 10% of subscribed capital. The legal reserve may not be distributed.

The item "other reserves" includes an appropriation of € 336 million for the imputation of wealth tax in accordance with § 8a of the Luxembourg wealth tax law.

[14] Amounts owed to affiliated undertakings and participating interests

in € m.	Affiliated undertakings Dec 31, 2010	Participating interests Dec 31, 2010	Affiliated undertakings Dec 31, 2009	Participating interests Dec 31, 2009
Amounts owed to credit institutions	60,918	0	46,539	0
Amounts owed to customers	6,744	15	10,667	12

[15] Liabilities in foreign currencies

The total amount of liabilities denominated in foreign currencies as at balance sheet date is the equivalent of € 9,975 million.

[16] Contingent liabilities

Contingent liabilities consist of:

in € m.	Dec 31, 2010	of which: to affiliated undertakings
Guarantees and other direct substitutes for credit	35,160	34,655
of which:		
Credit derivatives	9,823	9,823
Acceptances	0	0
Total	35,160	34,655

[17] Confirmed credits

Confirmed credits consist of:

in € m.	Dec 31, 2010	of which: to affiliated undertakings
Confirmed credits, not utilized	21,951	2,740
Facilities for the issuance of debt instruments	245	0
Total	22,196	2,740

[18] Fiduciary operations

The decline in fiduciary operations is due to the expiry of the mandate for managing Hypo Real Estate collateral.

C. Notes to the Profit and Loss Account

[1] Administration and agency services

The bank provides the following principal services for third parties:
Safe custody account administration, central administration and depositary bank function for special funds, asset management, paying agent services, agency function, commercial representation and institutional services.

[2] Other operating income

This position is made up as follows:

in T €	2010	2009
Income from commercial representation services	2,700	2,700
Rental income	1,783	1,636
AGDL refund *	353	824
Income from LEMG risk transfer	271,909	–
Contribution fiscal unit	33,416	–
Sundry income	1,781	1,074
Total	311,942	6,234

* Association pour la Garantie des Dépôts, Luxembourg (AGDL)

[3] Other operating charges

This position is made up as follows:

in T €	2010	2009
Addition to provisions for AGDL	2,402	2,483
Sundry expenses	562	158
Total	2,964	2,641

[4] Auditor’s fees

Fees billed to the Company by KPMG Audit S.à r.l., Luxembourg, and other member firms of the KPMG network for providing services during the year are as follows:

in T € (excluding VAT)	2010	2009
Audit fees *	396	374
Audit-related fees	64	73
Tax fees	320	91
Other fees	130	–

* In the comparative figures for 2009, T€ 122 in fees for the auditing of Group packages were reclassified from “Audit-related fees” to “Audit fees”.

Such fees are presented under other administrative expenses in the Profit and Loss Account.

D. Risk Report

General information

Deutsche Bank Luxembourg is integrated in organizational and IT terms into the risk and capital management as well as the Finance structures of Deutsche Bank Group and its systems. The following statements describe the Group's standard definitions and principles in connection with risks. The importance of a strong focus on risk management and the continuous need to refine risk management practice has become particularly evident during the financial market crisis. While risk and capital management in the Group continuously evolves and improves, there can be no assurance that all market developments, in particular those of extreme nature, can be fully anticipated at all times.

Risk and capital management

Against the background of Deutsche Bank Luxembourg's broadly diversified business activities, it is essential to identify, measure, aggregate and manage risks effectively and to back the various risks appropriately with equity capital. Deutsche Bank Luxembourg manages risks with the help of an overriding set of risk principles, organizational structures and processes for the measurement and monitoring of risk which are closely aligned with the activities of the group divisions.

Principles of risk and capital management

Deutsche Bank Group's risk and capital management approach is based on the following principles:

- The Management Board of Deutsche Bank AG bears overall responsibility for the Group's risk and capital management. The Supervisory Board reviews the risk and capital profile at regular intervals.
- The management of credit, market, liquidity, operational, business and reputational risks and of capital is effected in a coordinated process at all relevant levels of Deutsche Bank Group. This also applies to complex products usually managed within the policy for trading exposures.
- The structure of the integrated Legal, Risk & Capital function of Deutsche Bank Group is closely aligned with the structure of our group divisions.
- The Legal, Risk & Capital function is independent of the group divisions.

The risk and capital management activities are supported by Finance and Audit. These units are independent of the group divisions and the Legal, Risk & Capital function. Finance's role is to quantify and verify the risks assumed and to ensure the quality and integrity of risk-related data. Our Audit department performs risk-oriented reviews of the design and operating effectiveness of our internal control procedures.

Types of risk

The most important risks to which Deutsche Bank Luxembourg's business is exposed are specific banking risks, reputational risks and the risks from general business activity.

Specific banking risks

In the risk management processes, a distinction is made between four kinds of specific banking risk: credit risk, market risk, liquidity risk and operational risk.

- Credit risk arises from all transactions that create actual, contingent or potential claims against a business partner, borrower or debtor (referred to collectively as "counterparties"). The credit risk is the biggest single risk for Deutsche Bank Luxembourg. A distinction is made between three types of credit risk:

  - Default risk is the risk that counterparties may fail to meet contractual payment obligations;

  - Country risk is the risk that a loss may arise for the following reasons in any country: Possible deterioration in overall economic conditions, political and social upheaval, nationalizations and expropriation of assets, government repudiation of external debts, foreign exchange controls, the devaluation or depreciation of the national currency. The country risk also includes the transfer risk; this arises when direct government intervention prevents debtors from transferring assets in order to fulfil their matured obligations to non-residents;

  - Settlement risk is the risk that the settlement or clearing of transactions may fail. A settlement risk always arises whenever the exchange of cash, securities and / or other assets is not simultaneous.

- Market risk arises from uncertainty concerning changes in market prices and rates (including interest rates, share prices, exchange rates and commodities prices) as well as in the correlations among them and their volatilities.

- **Liquidity risk** is the risk of not being in a position to meet payment obligations when they mature, or only being in a position to do so at excessive costs.

- **Operational risk** is the potential for incurring losses in connection with staff, contractual specifications and their documentation, technology, infrastructural failure or collapse, projects, external influences and customer relationships. This definition includes legal and regulatory risks, but not the general business risk or reputational risk.

Reputational risk

For the risk management processes, reputational risk is defined as the risk that public trust in the organization may be negatively influenced by public reporting on a transaction, a business partner or a business practice in which a customer is involved.

General business risk

General business risk designates the risk arising from changes in general business conditions. These include, for example, the market environment, client behaviour and technological progress. Such risks can affect business results unless adjustments to the changed conditions are made in good time.

Credit risk

Credit risk is the largest component of the bank's risk exposure. The measurement and management of credit risk are based on the following principles:

- All group divisions must apply consistent standards in arriving at their credit decisions.

- The approval of credit limits for counterparties and the management of individual credit exposures must accord with portfolio guidelines and credit strategies.

- Every extension of credit to a counterparty and all material changes to a credit facility (e.g. maturity, collateral structure or important covenants) require approval at the appropriate, pre-established seniority level.

- Credit approval powers are conferred upon members of staff who have the appropriate qualifications, experience and training. Credit approval powers are regularly reviewed.

– Credit commitments towards a borrower group are combined on a Group-wide consolidated basis. Borrowers connected with each other on the basis of at least one criterion determined by the bank, such as equity capital holding, voting rights, apparent exercise of control or other indicators of group membership, or who have joint and several liability for loans or large parts of loans we have extended are deemed to constitute a "borrower group".

Credit risk rating

An important element of the credit approval process is a detailed risk assessment for each credit exposure to a business partner. In assessing the risk, both the creditworthiness of the business partner and the risks relevant to the specific credit facility or exposure are taken into consideration. The resulting risk rating not only affects the structuring of the transaction and the credit decision, but also determines the credit approval power needed to grant or extend or to make a substantial change to the credit and also establishes the scope of monitoring for the exposure concerned.

Deutsche Bank Group has internal rating methods, score cards and a rating scale for the assessment of the creditworthiness of its business partners. A 26-point rating scale is calibrated with the range of default probabilities established on the basis of historical defaults in the portfolio. This scale allows a comparison between the internal ratings and market practice and an improved comparability of the various sub-portfolios. Several default ratings also make it possible to express the expected recoveries from defaulted exposures. The loan exposures are usually assessed individually. In the calculation of internal risk ratings, the internal assessments are compared as far as possible with the external risk ratings given by leading international rating agencies for the bank's business partners.

Lending

Deutsche Bank Luxembourg operates on a large scale as the lending office for loans extended by other European offices of Deutsche Bank Group. Furthermore, in 2010 the Loan Exposure Management Group (LEMG) largely concentrated its global credit risks at Deutsche Bank Luxembourg. The risks were assumed at the beginning of December 2010 via credit guarantees/credit default swaps (CDS). In all cases the risks are first examined by the respective branches in accordance with Group standards and guidelines. Deutsche Bank Luxembourg extends these loans after a further review on the basis of its own credit guidelines coordinated within the Group.

Deutsche Bank Luxembourg regularly reviews the creditworthiness of its credit risks on the basis of submitted annual accounts and other current information obtained from Deutsche Bank Group's credit risk management.

Final approval of the loans is granted by the Board of Directors at its regular meetings. In 2010, the Board of Directors delegated this task to Deutsche Bank Luxembourg's Credit Committee. Loans and loan inquiries exceeding 10% of Deutsche Bank Luxembourg's regulatory capital still require the approval of the Board of Directors. Moreover, Management informs the Board of Directors about current developments regarding specific risks and the credit portfolio risk, also with reference to specific industry and/or country risks.

The assumption of additional LEMG risks did not have a negative effect on the general creditworthiness of the loan portfolio. 92% of total loans are still to investment grade borrowers (rated BBB or above). The credit guarantee in the amount of € 13.4 billion granted as part of a transaction within the Group was not taken into account in this calculation.

Distribution of credit risk

The following tables analyze credit exposure under the respective balance sheet or off-balance sheet item by counterparty industry as well as by issuer and rating category. The amount of loan exposures was calculated without consideration of collateral.

Structure of credit profile by rating category as at December 31, 2010

in € m.	Loans and advances to credit institutions	Loans and advances to customers	Securities / Participating interests	Contingent liabilities	Confirmed credits	Total
AAA/ AA	67,634	3,443	2,445	4,989	7,027	85,538
A	2,137	1,931	0	6,853	5,947	16,868
BBB	241	3,254	0	7,401	6,763	17,659
BB	0	4,261	0	15,315	2,072	21,648
B	23	537	0	168	221	949
CCC or below*	15	304	61	434	166	980
Total	70,050	13,730	2,506	35,160	22,196	143,642

* including unrated customers

Structure of credit profile by industry as at December 31, 2010

in € m.	Loans and advances to credit institutions	Loans and advances to customers	Securities / Participating interests	Contingent liabilities	Confirmed credits	Total
Banks and insurance	70,050	3,457	2,469	6,685	5,853	88,514
Manufacturing	0	2,294	12	5,486	7,449	15,241
Corporate services	0	3,242	2	2,704	2,640	8,588
Power and water utilities	0	643	0	2,182	1,925	4,750
Telecommunications	0	801	0	1,408	1,531	3,740
Wholesale and retail trade	0	889	0	1,518	1,595	4,002
Households	0	1,636	0	13,740	143	15,519
Commercial real estate	0	545	0	495	15	1,055
Other	0	223	23	942	1,045	2,233
Total	70,050	13,730	2,506	35,160	22,196	143,642

Risk provisioning

Adequate provision has been made for individual risks. There are only minor country risks as at balance sheet date. Deutsche Bank Luxembourg also uses the possibility of setting up a lump-sum provision in accordance with Luxembourg regulations. In 2010, the lump-sum provision was increased. On the cut-off date it amounted to € 273 million.

In connection with the implementation of the LEMG restructuring project, additional risks in an amount of € 16.5 billion were assumed. Due to the creditworthiness of the borrowers, it was not necessary to make any individual risk provisions for this portfolio. The risk management for the underlying/hedging transactions entered as part of this project is, in respect of the material risk parameters determining the risk provision, conducted centrally in Deutsche Bank Group on the basis of internal Group agreements with Deutsche Bank Luxembourg, taking into account specific risk tolerance and hedging parameters agreed by Deutsche Bank Luxembourg in cooperation with the global Credit Risk Management unit of Deutsche Bank AG. At the same time, in the context of this project Deutsche Bank Luxembourg plays a much stronger role in Group securitization transactions.

Based on the risk analysis of the credit guarantee granted within the Group in December 2009 to hedge the credit risk of a mortgage portfolio for private clients, there are no circumstances that would render it necessary to make corresponding risk provisions.

Market risk

Owing to its business alignment, Deutsche Bank Luxembourg has the regulatory status of non-trading institution in Luxembourg.

The market risks resulting from asset/liability management – in the form of interest rate, currency and liquidity risks – are managed by the Treasury & Global Markets business division. Other types of material market risk (e.g. commodities price risks) do not exist at the bank. Within the framework of local supplements, Deutsche Bank Group's policies for trading activities, the so-called Global Markets Key Operations Policies, have been established by Management in binding form. The back-office applied the same procedure for the settlement of trades.

Deutsche Bank Luxembourg is integrated into Deutsche Bank Group's global limit system. Risks are calculated and monitored on an ongoing basis by neutral risk controlling using the Group's risk measurement programmes and hence its risk models. A risk performance status report is produced daily and forwarded promptly to Management and the business division.

Financial transactions

The derivative financial transactions consist exclusively of contracts forming part of the non-trading portfolio and are concluded largely with counterparties inside the Group. The following figures show the notional volume by remaining maturity and the market values of derivative transactions. At the end of the year, there were neither exchange-traded deals nor netting agreements in derivative financial transactions.

Analysis of derivative financial transactions as at December 31, 2010

Classes of financial transaction in € m.	up to 1 year	1 year to 5 years	more than 5 years	Total	Positive market value	Negative market value	Net market value
Interest rate transactions	1,931	4,692	936	7,559	2	37	-35
Interest rate swaps	1,931	4,692	936	7,559	2	37	-35
Forward rate agreements	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0
Foreign exchange/gold transactions	2,837	11	0	2,848	37	18	19
Futures contracts with customers	177	5	0	182	2	3	-1
Futures contracts with banks	2,604	6	0	2,610	35	15	20
Cross-currency swaps	0	0	0	0	0	0	0
Options	56	0	0	56	0	0	0
Equity transactions	3,016	25	6	3,047	24	5	19
Futures contracts	0	0	0	0	0	0	0
Swaps	0	25	6	31	0	5	-5
Options	3,016	0	0	3,016	24	0	24
Credit derivatives*	2,311	7,368	17.902	27,581	76	301	-225
Other transactions	0	0	0	0	0	0	0
Total	10,095	12,096	18.844	41,035	139	361	-222

* of which a nominal amount of € 9,823 million is reported under contingent liabilities

Analysis of derivative financial transactions as at December 31, 2009

Classes of financial transaction in € m.	up to 1 year	1 year to 5 years	more than 5 years	Total	Positive market value	Negative market value	Net market value
Interest rate transactions	2,897	4,839	999	8,735	20	5	15
Interest rate swaps	2,897	4,839	999	8,735	20	5	15
Forward rate agreements	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0
Foreign exchange/gold transactions	1,327	0	0	1,327	17	13	4
Futures contracts with customers	218	0	0	218	1	2	-1
Futures contracts with banks	1,106	0	0	1,106	16	11	5
Cross-currency swaps	0	0	0	0	0	0	0
Options	3	0	0	3	0	0	0
Equity transactions	2,117	0	31	2,148	0	6	-6
Futures contracts	0	0	0	0	0	0	0
Swaps	0	0	31	31	0	6	-6
Options	2,117	0	0	2,117	0	0	0
Credit derivatives	0	0	0	0	0	0	0
Other transactions	0	0	0	0	0	0	0
Total	6,341	4,839	1,030	12,210	37	24	13

Value-at-risk

To measure and manage market risks a value-at-risk model is used which was developed by the Group and approved by the German bank regulator. The value-at-risk approach is used to derive a quantitative measure specifically for market risks in the trading book under normal market conditions. For a given portfolio, value-at-risk measures the possible future loss (in terms of market value) which, under normal market conditions, will not be exceeded with a defined probability in a certain period. Value-at-risk allows us to apply a constant and uniform risk measure to all trading transactions and products. It also permits a comparison of market risk assessments over time and with actual daily trading results.

Both for internal and external reporting purposes, value-at-risk is calculated in accordance with the regulations of the Bank for International Settlements (BIS) with a confidence level of 99%. For internal reporting purposes, a holding period of one trading day is used. For regulatory reporting purposes, the holding period is ten days.

As at the end of 2010, the regulatory value-at-risk from interest rate and currency risks in the non-trading book was € 0.2 million. The average value for 2010 was € 0.3 million. The limit allocated by global risk management is € 1.5 million.

In foreign exchange business, only relatively small positions in foreign currency arise from broken amounts in futures contracts and from balances arising out of the bank's net interest and commission income in foreign currencies. These positions are closed regularly.

Liquidity risk

The principal objective of liquidity management is to guarantee the bank's solvency at all times. The Treasury & Global Markets Division handles the management of this task in Luxembourg and is involved in Group-wide liquidity management. Risk Controlling ensures prompt availability of data and informs Deutsche Bank Luxembourg's management within the scope of the daily risk performance status.

At the same time, all data relevant to the Group are supplied to Global Risk Controlling.

As at balance sheet reporting date, the Luxembourg liquidity figure was 86%. This was well above the regulatory limit of 30%.

Operational risk

The Group operational risk policy determines the tasks and responsibilities with regard to management and reporting. Divisional policies supplement the Group policy. The business divisions have primary responsibility for the management of operational risk.

There are instruments for the self-assessment of operational risk and for recording and monitoring qualitative and quantitative risk indicators.

Losses and gains due to operational risks are captured in the Group-wide db-Incident Reporting System (db-IRS) monitored at Deutsche Bank Luxembourg by Finance-Risk Control. Besides losses actually incurred due to defective processing, the system also covers pending transactions and potential risks as well as reported provisions for operational risks. Reports from the database give insight into the success of risk management and into the quality of the selected risk indicators.

Regulatory risk position

The bank, as a non-trading institution, calculates the simplified coefficient. The risk-weighted assets (RWA) are made up as follows:

Composition of risk-weighted assets in accordance with COREP* reporting (Basel II)

in € m.	Dec 31, 2010	Dec 31, 2009
Central governments and central banks	0	0
Regional governments	0	1
Administration / Non-profit institutions	439	164
Credit institutions	16,116	10,524
Corporates	24,087	12,661
Retail customers	10,276	10,029
Other assets	2,506	2,625
Secured by mortgage charges	305	174
Currency transactions	37	211
Operational risks	807	742
Total	54,573	37,131

* Common solvency ratio Reporting (COREP)

Regulatory capital and reserves according to Basel II amount to € 5,431 million (end of 2009: € 3,915 million); the solvency ratio is 10.0% (end of 2009: 10.5%). The minimum requirement of 8% was fulfilled at all times during the financial year.

In the context of regulations on limiting large exposures, Luxembourg's financial regulator, the CSSF (Commission de Surveillance du Secteur Financier), consented to the bank's request to exempt companies belonging to Deutsche Bank Group from the requirement to take such risks into account. This approval was granted in accordance with CSSF circular 06 / 273, Part XVI, No 24 (revised version).

E. Other information

Deposit guarantee scheme

The bank is a member of Association pour la Garantie des Dépôts, Luxembourg (AGDL), which was founded on September 25, 1989, and provides a deposit guarantee system for its members' customers.

The guarantee covers in particular natural persons, irrespective of nationality or country of residence. Each customer of an AGDL member is covered for up to the equivalent of a maximum of € 100,000 per cash deposit and € 20,000 per claim arising out of investment transactions.

The bank sets up a provision in recognition of the specific risk under the guarantee as a result of a member's default. The provision is shown under "other provisions"; additions in the financial year are noted in Section C [3]. On the balance sheet date, the provision amounted to T € 25,281.

Staff

Number of staff	Dec 31, 2010	Average in 2010
Management Board	3	3.0
Executives	32	31.25
Staff	296	301.5
Total	331	335.75

In 2010, the total remuneration of the Management Board and the executives was T € 7,660. The addition to pension provisions for members of the Management Board and executives was T € 1,598.

The expense for pension obligations for former members of the Management Board was T € 115.

As at December 31, 2010, loans, advances and other commitments to members of the Management Board and executives totalled T € 148.

Annual Report 2010 of Deutsche Bank Group

The Annual Report of the Group consists of the Annual Review and the Financial Report. Both publications can be obtained from

arvato logistics services
Bestellservice Deutsche Bank
Gottlieb-Daimler-Str. 1
33428 HARSEWINKEL
GERMANY

and on the Internet at
www.deutsche-bank.com/10
www.deutsche-bank.de/10

Luxembourg, March 1, 2011

Deutsche Bank Luxembourg S.A.
The Board of Directors

Report of the Réviseur d’Entreprises agréé

To the Board of Directors of Deutsche Bank Luxembourg S. A.

Report on the annual accounts

Following our appointment by the Board of Directors dated March 23, 2010, we have audited the accompanying annual accounts of Deutsche Bank Luxembourg S.A., which comprise the Balance Sheet as at December 31, 2010 and the Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors’ responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d’Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d’Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error.
In making those risk assessments, the Réviseur d’Entreprises agréé considers internal control relevant to the entity’s preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Deutsche Bank Luxembourg S.A. as of December 31, 2010, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The Management Report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, March 3, 2011

KPMG Audit S.à r.l.
Cabinet de révision agréé

Harald Thönes

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Our mission

We compete to be the leading global provider of financial solutions, creating lasting value for our clients, our shareholders, our people and the communities in which we operate.

Our promise

Excellence – in idea origination and execution, in advice, product and service, delivering one bank with all its resources and capabilities.

Relevant client solutions – understanding diverse client needs, adding value, building trust and commitments that endure.

Responsibility – acting today, thinking about tomorrow, demonstrating transparency and leadership.

Our brand

Deutsche is clear: we are here to perform – in business and beyond. We do this with a unique mix of passion and precision. This measured approach gives us the confidence to enable agile minds to look beyond the obvious, gaining advantage for everyone we work with.