Deutsche Bank

Annual Report 2012

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 2012 is also available.

Board of Directors

Dr. Hugo Bänziger
Chairman (until March 18, 2012)
Member of the Management Board
Member of the Group Executive Committee
Chief Risk Officer of Deutsche Bank AG

Stefan Krause
Chairman (since July 9, 2012)
Member of the Management Board
Member of the Group Executive Committee
Chief Financial Officer of Deutsche Bank AG

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

Dr. Michael Kröner
Senior Advisor of Deutsche Bank AG

Dr. Carsten Schildknecht
Chief Operating Officer Germany of Asset & 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

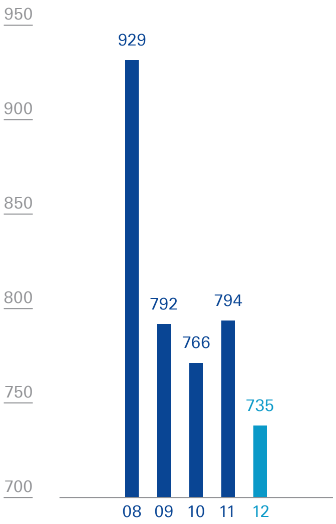
Klaus-Michael Vogel
Managing Director

Ernst Wilhelm Contzen
Chief Executive Officer

Christian Funke
Managing Director
(until August 14, 2012)

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

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



2012 was characterized by the ongoing sovereign debt crisis. Despite these challenging conditions, Deutsche Bank Luxembourg S.A. (hereinafter Deutsche Bank Luxembourg) again delivered robust performance. As in the previous year, we made an active contribution to the success of Deutsche Bank Group.

Deutsche Bank Luxembourg generated a profit of € 251.0 million in 2012. As a result of lower volumes of transactions within the Group, total assets decreased by € 10.6 billion to € 85.3 billion.

Administrative expenses (staff and non-compensation related costs) amounted to € 80.8 million. As per December 31, 2012, Deutsche Bank Luxembourg had 307 employees.

All four business divisions of Deutsche Bank Luxembourg made a solid contribution to the bank's overall result, with the infrastructure divisions providing optimal support.

Wealth Management can look back on a satisfactory 2012. Based on the wide range of products and services we offer, and above all thanks to our marketing success as lending hub for the global Wealth Management of Deutsche Bank, interest income accounts for nearly half of total revenues.

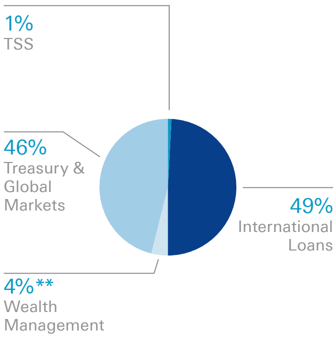
In 2012, International Loans once again demonstrated that it is capable of performing even the most sophisticated credit transactions for our clients and the Group. The division will continue to play a strong role as advisor in complex situations. International Loans makes up an important part of the services offered to our clients and provided within Deutsche Bank Group.

Treasury & Global Markets, which is responsible for funding, interest rate management and special transactions, closed the year successfully and exceeded expectations. This is all the more remarkable considering that its operations were those most strongly impacted by the ongoing crisis situation. Capital and liquidity requirements were met at all times.

Trust & Securities Services continues to be recommended 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 special funds and private equity funds. Despite the difficult situation on the markets, the business division was able to leverage its leading market position and report above-average results in a challenging environment.

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

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



* Excluding effects of the CPSG fair value portfolio
** Including the costs for the depreciation of the PWM system platform

Luxembourg as a financial centre

The financial sector (banks, fund industry, insurance companies and asset managers) continues to form the backbone of Luxembourg's economy. At the end of 2012, 142 banks had offices in Luxembourg.

In a country with a population of 525,000 and a labour force of 380,000, the banking sector employs 26,700 people and the financial centre as a whole around 63,000.

2012 was not an easy year for Luxembourg's banking sector. The industry is undergoing profound changes, in some cases with unforeseeable consequences. Steadily growing regulatory demands have triggered steep rises in staff expenses, IT costs and compliance-related expenses which customers are not prepared to shoulder. While banks have made mistakes over the past few years, they are now more aware and committed than ever before of their duty to lend to businesses. In future, it is essential that new rules come into force at the same time and apply equally to all banks. Otherwise major competitive disadvantages will arise, especially for EU member states that are usually the first to implement new statutory requirements.

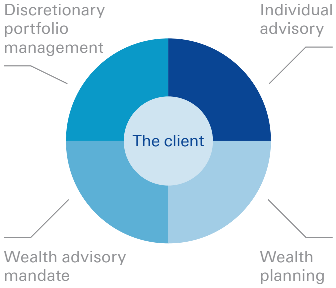
Outlook

Thanks to our highly qualified staff and state-of-the-art infrastructure, we feel well prepared to face the future. Although the market environment remains challenging, we are confident that we will be able to deliver top services and expand our core business fields.

As in previous years, we are again optimistic that we will achieve a solid operating result.

Wealth Management (WM)
Business Division

02-1
The Wealth Management service range



Wealth Management (WM) Luxembourg provides strategic advisory and asset management services for high net worth individuals, multinational families, entrepreneurs with international operations as well as institutions. Apart from asset structuring and wealth management, clients also rely on the division's extensive lending expertise.

The regional focus of our activities lies on the European markets, as well as Russia and the Middle East. In addition, as a global booking centre, we develop first-class solutions for independent asset managers and for Wealth Management clients of Deutsche Bank whose needs are served at locations outside of Luxembourg.

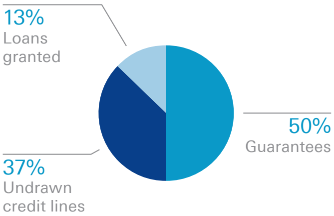
In the year under review, we were successful in maintaining our strategic focus on the management of wealthy clients outside of Luxembourg. Our wide-ranging services have met with growing demand from our partners within the Deutsche Bank network. As a result, client assets under management of € 9.1 billion and a satisfactory development of revenues were recorded in 2012.

The strongest contribution to earnings came from interest income. Thanks to our marketing success as lending hub for the global Wealth Management of Deutsche Bank, interest income meanwhile accounts for nearly half of total revenues. Recurring revenues are another major source of earnings within our business model, while non-recurring, transaction-based revenues are decreasing in significance, as planned. We managed to keep operating costs at a low level, as reflected by a good cost/income ratio of 54%.

As part of Deutsche Bank's new strategic approach, the Asset Management and Private Wealth Management divisions are being more closely integrated. As one of our company's four operating pillars, the new "Asset & Wealth Management" division (AWM) will play a decisive role for the long-term growth strategy of Deutsche Bank. By promoting closer cooperation both within AWM and with the other corporate divisions of the bank, the integration will enable us to continue to perform our fiduciary duties as asset manager and leverage further potential for our clients.

International Loans
Business Division

02-2
International Loans
in %



Total credit volume covered: € 60 billion

Lending business

Deutsche Bank Luxembourg's lending business again proved itself to be a revenue engine for the bank over the past financial year. The policy of concentrating global credit risks in Luxembourg has led to improved credit portfolio management. Deutsche Bank Group is planning to pool its credit portfolios (primarily investment grade risks) to meet the more stringent regulatory demands and safeguard transparent risk management.

In deciding on where to do so, the Group's choice fell on Deutsche Bank Luxembourg because it pursues an integrated approach that ensures the largest possible combination of value-added services in specific product areas:

- optimized processes and systems for booking and managing complex credit structures,
- a broad selection of products (ranging from project, acquisition and export finance to Islamic finance), as well as
- an international and highly qualified team (representing 9 nations and 13 languages) able to provide customers with one-stop service – clients have one and the same contact person from their initial contact to the bank through to full repayment of a loan.

At € 60 billion, the credit portfolio under management remained at a high level. Deutsche Bank Luxembourg is the largest of the Group's four global lending hubs.

Our lending to clients amounted to € 44 billion, and transactions in the Group's interests stood at € 16 billion.

True to our motto "Rooted in Europe, but at home all over the world" Deutsche Bank Luxembourg provides support to both large clients making international investments and mid-cap clients based in Germany or the Netherlands. At € 31 billion, credit volumes in the international large exposures clients and mid-cap clients segment remained at the high level of 2011.

Agency Services

Deutsche Bank Luxembourg is one of the renowned lead managers for syndicated loans (offered by a group of lenders working together to provide funds) on the European credit market and steadily strengthened this position in 2012. Demand for the service model offered to clients has continually increased since the beginning of the crisis, allowing us to achieve 24% growth in new client business in the year under review.

The focus of this integrated service model is on providing intensive support to the respective syndicate as well as the corresponding borrower. The crisis made it clear that having a strong and efficient lead manager is the only way for a banking syndicate to retain its ability to take action, both in the interests of the borrower and in its own interests.

On the basis of its business success to date, the bank is currently thinking of expanding its agency services to include third-party mandates in future.

Outlook

For 2013 we expect a further decline in demand for credit facilities as many borrowers have already taken out sufficient loans based on the favourable market conditions in recent years. Competition will put further pressure on credit margins. Despite increased equity capital requirements for banks, we are still able to extend loans to our clients, not least owing to the position Deutsche Bank Luxembourg holds as part of the consolidated Deutsche Bank Group.

Treasury & Global Markets
Business Division

Financial and economic crisis – no end in sight
2012 was another year impacted by the ongoing financial and economic crisis. The consequences were reflected in the business division's balance sheet, liquidity and equity capital management activities.

Based on the central banks' generous money supply, it seems very unlikely that the situation on the money market will normalize and return to more favourable pre-crisis conditions. While some banks hold sufficient liquidity reserves, others still have to rely on the support of the central banks. This is causing the money market to drift apart, increasing both the North-South divide in the Euro monetary area and the gap between large and small banks.

Treasury & Global Markets reconfirmed the prominent position it holds for the liquidity management of Deutsche Bank Group; not only was the business division able to meet local refinancing requirements, it also passed on excess liquidity to other Group units.

The total assets of Deutsche Bank Luxembourg remained high as a result of stable volumes, on balance, from various business divisions; this in turn serves as the basis for the bank's asset/liability management.

The resulting positioning in connection with anticipated interest rate cuts in major currencies were the basis for the higher than expected operating contribution of Treasury & Global Markets.

Trust & Securities Services (TSS)
Business Division

In Luxembourg, Trust & Securities Services (TSS) is made up of the Corporate Services Division (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 structured project financing in Mergers & Acquisitions, Private Equity or for real estate transactions. This also includes financial reporting in accordance with various accounting standards (Lux GAAP, 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, transfer agency services, registering and monitoring investors, providing operational support for the processing of transactions as well as supervising the funds' different investments.

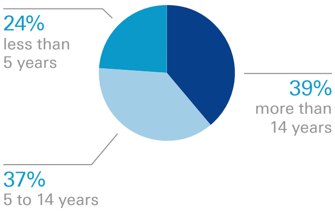
Luxembourg is a leading global financial centre. Given its extensive system of double taxation agreements, strong financial industry and innovative legislation, Luxembourg is the preferred location for many different investment structures.

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

Earnings in CSD and AFS increased against the previous year in spite of the challenging situation on the markets. Demand for the products we offer has grown substantially so that a positive development can be expected for 2013.

Divisional Functions

02-3
Length of service
in %



Human Resources

As per December 31, 2012, Deutsche Bank Luxembourg employed 307 members of staff (end of 2011: 330).

14 different nationalities and more than 16 languages spoken reflect the bank's diversity. This international quality means individual advice can be provided to customers in their own native language.

The proportion of female staff remained virtually unchanged at 51%. 75 employees are part-time, which corresponds to a part-time employment ratio of 24%. Deutsche Bank fosters an open business culture that values the diversity of its employees, makes use of their unique talents and provides unprejudiced working environment in which they can reach their full potential. Deutsche Bank believes that diverse teams are more successful because of the wider range of viewpoints they tend to have. Only by living according to our diversity philosophy we can find innovative solutions to meet the great variety of client demands.
We place particular importance on providing basic and advanced training for employees.

39% of staff at Deutsche Bank Luxembourg have been with the Group for over 14 years.

Information Technology

The main task of the IT department is to provide optimal systems and support their ongoing enhancement to meet business and technical requirements. This involves continually developing the bank's infrastructure and ensuring maximum stability and availability.

Many projects were successfully implemented in 2012.

Extensive testing was carried out to ensure system availability in the event of a disaster.

The many security measures implemented to safeguard the information infrastructure again proved to be appropriate and effective in 2012. No security-relevant incidents occurred. The technical and organizational steps taken in this respect are reviewed and upgraded regularly.

This enables us to fulfil the ever greater information security requirements and live up to our own high standards in the best interests of our clients.

Corporate Real Estate & Services (CRES)

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

Furthermore, in addition to handling the traditional infrastructure services relating to site surveillance and the protection of valuables, CRES is responsible for coordinating Business Continuity Management activities in Luxembourg to ensure that the bank can continue operating in the event of a breakdown of all or part of the active infrastructure. Other CRES responsibilities include revising the guidelines as well as the Policies & Procedures.

The Group-wide outsourcing project for CRES activities, which was launched in 2011, was implemented in Luxembourg in the first quarter of 2012. Tasks previously performed by CRES were transferred to two general contractors.

For 2013, we are confident that we will again be able to deliver services that meet the quality standards expected by our external and internal clients.

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 Wealth Management and Treasury & Global Markets. The employees of this unit ensure the smooth performance of the internal processes linked with these business activities.

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 are reconciled by an independent group at regular intervals.

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 special purpose vehicles. In terms of the number of securities issues listed on the Luxembourg Stock Exchange in 2012, 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 provides an objective assessment of the quality of internal control systems. The scope of the audits conducted depends on the assumed extent of potential risks and the statutory and/or regulatory requirements that apply. Audit performs its tasks in an atmosphere of transparency, integrity and independence.

The results of their audits support the Management Board in monitoring and managing the relevant corporate risks. Audit's objective assessment creates considerable added value for all parties involved.

A strict separation of activities in day-to-day business ensures the independence and objectivity of Internal Audit.

Regular reports are made to the bank's Management Board, the Board of Directors and the national supervisory authority.

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 Wealth Management, and the coverage of structured transactions. Legal plays a leading role in large-scale financings and complex loan restructurings.

The Legal department's tasks also include selecting, coordinating and monitoring the external lawyers engaged by the bank in numerous jurisdictions.

The international orientation of the department reflects 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 both in corporate lending and wealth management.

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. Special importance is attached to the combating of money laundering, the prevention of terrorism and compliance with the Markets in Financial Instruments Directive (MiFID). The MiFID is a Directive of the European Union (EU) on harmonization of the financial markets in the European Single Market.

The Compliance department employs five members of staff.

Finance and Taxes

Finance is organized in the following groups:

- Finance Director Manager Regulatory/Group Accounting
- Finance Director Manager Business
- Analytics
- Chief Operating Officer (COO) Function Finance

Finance Director Manager Regulatory/Group Accounting covers all regulatory aspects. Its focus lies on communicating with regulators, auditors and consultants, coordinating annual and audit reports as well as the correct and timely preparation of the financial statements, regulatory reporting and tax returns. The annual accounts are prepared for the Group according to the International Financial Reporting Standards (IFRS).

The Finance Managers responsible for the business act as strategic partners for the Management and the business divisions. They prepare the groundwork for decisions on efficient corporate and risk management (introduction of new products, planning processes, etc.). Risk Controlling is also part of this unit.

The Analytics group supports the Finance Director Managers by providing detailed analyses and transparent management reports. These form the basis for preparing decisions for both the overall business and the individual business divisions.

Part of the Chief Operating Officer (COO) function involves coordinating and monitoring the standardized production processes transferred to the Group’s professional services centres (PSCs). A further focus is on the cross-divisional supervision of the monthly management review process and the effectiveness of the key controls defined on the basis of the requirements set out in the Sarbanes Oxley Act.

The aforementioned functions are carried out by 25 employees based in Luxembourg for the majority of the operating companies of Deutsche Bank Group.

The Tax unit was reintegrated into the Finance division as part of a restructuring plan.

Management Report

Profit and Loss Account

In the 2012 financial year, Deutsche Bank Luxembourg generated net income of € 251.0 million (2011: € 177.5 million).

The following transactions significantly affected the financial position and net assets in 2012:

In 2012, Cabarez S.A. was integrated into the fiscal unit for income tax purposes in which Deutsche Bank Luxembourg acts as controlling company, with Cabarez S.A. becoming a further controlled company in addition to DWS Investment S.A., Luxembourg, and Willem S.A.. Deutsche Bank Luxembourg holds 95% of Cabarez S.A., which like Willem S.A. was established in the context of ship-financing business. Cabarez S.A. distributed an interim dividend of € 21.4 million in the reporting year.

Expenditure of € 244.4 million (2011: € 198.8 million) was incurred in 2012 for the participation certificates issued in September 2010 and in July 2011 in the aggregate amount of € 2.4 billion. The transaction which was concluded in 2011 had its full impact in the 2012 financial year. Interest is linked to the operating profit of Deutsche Bank Luxembourg in each case (including the item "Other income/expenses including dividends"). As in the previous year, the maximum coupon became due for both transactions. Both participation certificates are classified as Upper Tier II capital.

The fair value portfolio of CPSG (Credit Portfolio Strategies Group) – formerly LEMG (Loan Exposure Management Group) – again had a considerable impact on Deutsche Bank Luxembourg's results in 2012. In net terms, the transaction had a positive effect of € 169.2 million (2011: € 57.3 million) on the Profit and Loss Account in 2012. The individual components of the results are explained below.

The item "Depreciation of and value adjustments to intangible and tangible assets" includes the write-down of development costs of € 20.2 million for the planned PWM platform after the decision to discontinue its implementation in Luxembourg in 2012.

Against the background of future Basel III capital requirements calling for a Tier I capital ratio of at least 9.0%, a capital increase in the amount of € 1.0 billion was carried out in May 2012.

The key components of the results compare as follows:

Net results

in T €	2012	2011
Net interest income*	338,857	200,370
Net commission income/loss*	–31,775	–88,190
Net profit on financial operations	4,734	3,223
General administrative expenses	–80,797	–71,069
Depreciation of tangible and intangible assets	–20,656	–347
Operating profit I	210,363	43,987
Other income/expenses including dividends	314,706	234,217
Operating profit II	525,069	278,204
Net change in provisions for risk	13,601	166,504
Taxes	–43,248	–48,882
Payments for jouissance rights capital	–244,381	–218,355
Net income	251,041	177,471

* The comparative figures for 2011 include remuneration for costs allocated as part of Group-wide liquidity management of € 53.0 million in Net commission income; the corresponding cost allocations (€ 75.8 million) are shown in Net interest income for 2012. For more details, cf. Notes to the Accounts – Section C.

The change in net interest income (+€ 138.5 million) is largely due to the premium payments received for the credit default swaps which Deutsche Bank Luxembourg issued in its capacity as protection seller as part of the CPSG fair value portfolio. After deduction of expenses for the corresponding hedging transactions, the net effect for 2012 amounts to – € 111.0 million (previous year: – € 301.5 million), which is reported as interest-related income/expenses. € 86.8 million was collected for the credit guarantees issued in connection with this transaction.

The net interest income from “day-to-day” business was strongly influenced by the development on the capital markets. This had an especially pronounced impact on Treasury & Global Markets (– € 18.0 million) as well as on net interest income from the investment of capital (– € 31.5 million). These negative effects were partly offset by the early termination of participation certificate transactions (result for 2011: – € 45.6 million) at the end of 2011.

The net commission loss resulted from the transfer pricing agreements for the CPSG fair value portfolio. On the basis of these agreements, payments totalling € 91 million (previous year: € 73 million) were made during the reporting year for collateralized loan obligations (CLOs); this included € 9.3 million in backpayments for 2011.

“Other income” includes € 245 million (2011: € 186 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.

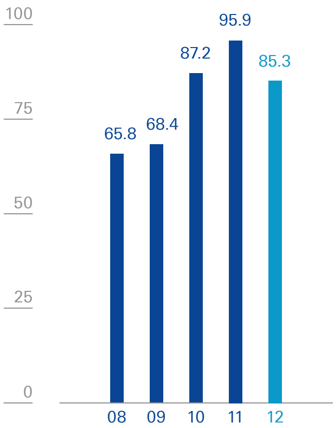
Administrative expenses increased by € 9.7 million. At € 35.8 million, staff expenses were € 4.1 million below the previous year's level. The decline is attributable to the one-off effect of an adjustment to pension provisions in 2011. Other administrative expenses rose by € 13.8 million primarily due to increased expenses for Group internal services.

The unrealized valuation result determined by the CPSG valuation unit for the fair value loans and credit default swaps led to a release of risk provisions in the amount of € 39 million (2011: release of € 172 million).

Sufficient provisions have been made for all other discernible risks in loan and securities business (including participating interests) and for operating risks. The development of the lump-sum provision is explained in the Notes to the Accounts (Section D, Risk Report).

An Extraordinary General Meeting is to be held to resolve the payment of a dividend totalling € 144.0 million and the allocation to reserves of the remaining profit of € 107 million.

03-1
Development of total assets
in € billion



Balance Sheet

At € 85.3 billion, total assets did not match the high level of the previous year (€ 95.9 billion). The net exchange rate fluctuations had no significant effect on the development of total assets.

Loans and advances to credit institutions (including balances with central banks), totalling € 73.3 billion, were 8.1% lower than in 2011 due to the decline in the volume of investments and loans within the Group (– € 2.7 billion) and the unwinding of a structured financing (– € 2.3 billion) ahead of schedule.

At € 60.0 billion, the entire credit volume (loans extended, confirmed credits and contingent liabilities) covered by International Loans was below the level of the previous year (€ 64.8 billion). Advances to customers decreased versus 2011 (€ 11.8 billion) by € 1.5 billion to € 10.3 billion. Of this reduction, € 1.0 billion is attributable to the settlement of loans within the Group.

As at the 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	9.28%

Amounts owed to credit institutions decreased to € 66.1 billion, mainly due to lower deposits within the Group (– € 2.8 billion) as well as deposits from Swiss banks (– € 2.2 billion). Amounts owed to customers also fell compared with the previous year (–15.3%) owing to a reduction in payables to counterparties of Deutsche Bank Group.

Subordinated liabilities remained unchanged at € 2.4 billion.

The regulatory own funds of Deutsche Bank Luxembourg increased by € 1.0 billion to € 7.0 billion primarily as a result of the capital increase.
The EU solvency ratio according to Basel II was 14.5% as at the balance sheet date (2011: 10.0%).

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, both in organizational and IT terms, into the risk and capital management as well as the 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 risk,
- reputational risk.

All of the above risks were monitored appropriately at all times. Detailed information on the management of the main risk categories and quantitative statements on financial instruments are given in the Notes to the Accounts 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.

The Board of Directors has 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 once a quarter to discuss the current risk and balance sheet situation as well as the effects of new business on risks and capital. The ALCO also acts as Capital and Risk Committee (CAR). This means that it discusses changes in the bank's risk profile as well as deciding on any corresponding measures. Furthermore, the Risk and Capital Profile Report (RCP) is approved as part of the internal capital adequacy assessment process (ICAAP).

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 2013

An Extraordinary General Meeting is to be held after the balance sheet date at which the distribution of retained earnings amounting to € 494 million is to be resolved. This amount is to be used to fund a capital increase at Deutsche Bank Luxembourg.

We do not expect to see any significant change in interest rate levels on the capital markets in 2013. That will further increase the pressure on revenues at Deutsche Bank Luxembourg. In 2013, we therefore intend to strengthen and expand the cost containment measures launched in 2012. This will include an active and timely risk management.

As regards the final implementation of the new Basel III requirements, there are still a number of principal requirements that have not yet been finalized by the regulators. That makes it more difficult to carry out our plans in a timely manner and adjust our business strategy accordingly.

Irrespective of this, through our capital increase in 2012 we have built a foundation to meet the regulatory requirements, achieve targeted growth and a stable development of earnings at Deutsche Bank Luxembourg.

We therefore assume that we will achieve a good result again in 2013. The development of business to date confirms our assessment.

Luxembourg, February 25, 2013

The Board of Directors

Balance Sheet
as at December 31, 2012

Assets

in T€	[Notes]	Dec 31, 2012	Dec 31, 2011
Cash in hand, balances with central banks and post office banks	[B2]	4,959	1,004,971
Loans and advances to credit institutions	[B1, 2, 6]	73,283,922	78,750,092
repayable on demand		1,621,512	556,001
other loans and advances		71,662,410	78,194,091
Loans and advances to customers	[B1, 2, 6]	10,344,230	11,832,459
Debt securities and other fixed-income securities	[B1, 2, 3]	531,050	353,153
of public issuers		19,450	28,095
of other issuers	[B5, 6]	511,600	325,058
Shares and other variable-yield securities	[B2, 3]	2,823	2,095,051
Participating interests	[B4, 5]	644,877	644,722
Shares in affiliated undertakings	[B4, 5]	6,426	6,320
Tangible assets	[B5]	4,113	3,717
Other assets	[B8]	313,544	425,061
Prepayments and accrued income		193,447	829,035
Total assets		85,329,391	95,944,581

Liabilities

in T€	[Notes]	Dec 31, 2012	Dec 31, 2011
Amounts owed to credit institutions	[B1, 2, 14]	66,057,022	73,216,608
– repayable on demand		611,288	1,366,828
– with agreed maturity dates or periods of notice		65,445,734	71,849,780
Amounts owed to customers	[B1, 2, 14]	9,308,230	10,991,185
other debts		9,308,230	10,991,185
– repayable on demand		2,642,715	788,456
– with agreed maturity dates or periods of notice		6,665,515	10,202,729
Debts evidenced by certificates	[B1, 9]	335,636	327,078
debt securities in issue		29,049	28,449
other debts		306,587	298,629
Other liabilities	[B8]	1,446,552	4,031,629
Accruals and deferred income		470,286	911,045
Provisions for liabilities and charges		433,394	439,806
reserves for pensions and similar obligations		1,359	2,028
provisions for taxation		56,074	33,301
other provisions		375,961	404,477
Subordinated liabilities	[B1, 10]	2,350,000	2,350,000
Special items with a reserve quota portion	[B11]	33,869	33,869
Subscribed capital	[B12]	3,465,000	2,465,000
Share premium account		55,600	55,600
Reserves	[B13]	1,122,761	945,290
Net income		251,041	177,471
Interim dividend		0	0
Total liabilities		85,329,391	95,944,581

Off-balance sheet items

Contingent liabilities	[B2, 16]	30,086,091	35,217,261
of which:			
guarantees and assets pledged as collateral security		30,086,091	35,217,261
Confirmed credits	[B2, 17]	23,462,647	24,045,859
Fiduciary operations	[B2]	4,191,321	5,584,404

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

Profit and Loss Account
for the period from January 1 to December 31, 2012

Profit and Loss Account

in T€	[Notes]	Jan 1 – Dec 31, 2012	Jan 1 – Dec 31, 2011
Interest receivable and similar income		1,351,804	1,749,550
of which:			
from fixed-income securities		7,214	3,491
Interest payable and similar charges**	[B10, C2]	1,012,947	1,549,180
Income from transferable securities		66,747	69,216
from shares		20,414	48,038
from participating interests		41,196	16,059
from shares in affiliated undertakings		5,137	5,119
Commissions receivable		129,624	117,270
Commissions payable**		161,399	205,460
Net profit on financial operations		4,734	3,223
Other operating income	[C3]	250,606	195,137
General administrative expenses		80,797	71,069
Staff costs		35,831	39,928
of which:			
wages and salaries		30,147	28,950
social security costs		4,873	10,116
of which: pensions		1,725	6,915
Other administrative expenses		44,966	31,141
Depreciation of and value adjustments to intangible and tangible assets		20,656	347
Other operating charges	[C4]	2,647	30,136
Depreciation of and value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments*		–13,601	–166,540
Value adjustments in respect of securities held as financial fixed assets, participating interests and shares in affiliated undertakings		0	36
Income from the writing back of special items with a reserve quota portion		0	0
Taxes on profit on ordinary activities		43,580	51,672
Profit on ordinary activities after taxes and before payments for jouissance rights capital		495,090	393,036
Other taxes not shown under the preceding items		–332	–2,790
Payments for jouissance rights capital	[B10]	244,381	218,355
Net income		251,041	177,471

* Due to offsetting of additions and releases, the net risk provision is recognized as a negative figure.

** The comparative figures for 2011 include remuneration for costs allocated as part of Group-wide liquidity management of € 53.0 million in Commissions payable; the corresponding cost allocations (€ 75.8 million) are shown in Interest payable and similar charges for 2012.

The Notes to the Accounts 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 its amended version; hereinafter referred to as the law on the accounts of banks). As a subgroup, Deutsche Bank Luxembourg is exempt from the obligation to prepare its own consolidated accounts and a consolidated Management Report pursuant to Article 80 of the law on the accounts of banks.

The annual accounts of Deutsche Bank Luxembourg are included in the consolidated financial statements of Deutsche Bank Group according to IFRS. Deutsche Bank AG, Frankfurt am Main, draws up the consolidated financial statements for the majority of companies.

The accounting and valuation methods are described below.

Presentation of comparative figures
To increase transparency in the reporting year 2012, some of the items in the Profit and Loss Account were presented differently than in the previous year. Details are specified 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.

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 the 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 the 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 primarily 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 units with asset or liability exposures. In view of the economic objectives of such transactions, year-end revaluation or provisioning is not considered necessary.

The transaction of the Credit Portfolio Strategies Group (CPSG) – formerly 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 CPSG 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 (also credit default swaps in most cases).

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 unhedged 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". In connection with the CPSG portfolio, no distinction could be reasonably made, without entailing undue expense, between one-off payments made/received in the form of premiums (upfront) for protection buyer positions and the other income components influencing the fair value of the credit default swaps in question. To this extent, therefore, it was not always possible to divide the income components into an interest rate and a credit risk component. Against this background, the market value-related valuation effects of the credit default swaps affected are included in full in "provisions for contingent liabilities and for commitments".

– 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 and commitments are reported under "other provisions".

To determine the write-down, the net present value is calculated based on expected future cash flows. The change in net present value ("unwinding") is reported as income from the release of 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 and legal requirements as well as 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 in the Balance Sheet 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.

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.

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).

– 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 the 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.

– Pension provisions

Pension provisions are calculated in line with the parameters relevant under IFRS, firstly to ensure consistency with the active management of the Deutsche Bank pension fund in accordance with IFRS rules and secondly to adhere more closely to the commercial law principle of prudence, which takes into account economic criteria (market-oriented actuarial interest rate, dynamics, etc.).

– Subordinated liabilities

Repurchased own bonds are deducted from subordinated liabilities.

– 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.

In 2011, Willem S.A. was integrated into the fiscal unit for income tax purposes, which was expanded to include Cabarez S.A. in 2012. Deutsche Bank Luxembourg holds 95% in both companies. No tax allocation agreement was concluded for either company.

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, 2012.

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	53,595	10,048	6,880	1,139	71,662
Loans and advances at term to customers	1,907	1,358	5,987	987	10,239
Debt securities and other fixed-income securities	0	26	326	179	531
Total	55,502	11,432	13,193	2,305	82,432

For comparison Dec 31, 2011:

Total	60,443	14,290	13,209	2,426	90,368

In addition to loans and advances at term to customers, loans and advances repayable on demand are also reported in the amount of € 105 million (December 31, 2011: € 11 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	54,234	6,715	3,971	526	65,446
Amounts owed at term to customers	3,864	831	1,835	136	6,666
Debts evidenced by certificates	0	0	336	0	336
Subordinated liabilities	0	0	2,350	0	2,350
Total	58,098	7,546	8,492	662	74,798

For comparison Dec 31, 2011:

Total	70,927	8,485	4,354	964	84,730

Of the loans and advances at term to credit institutions and customers, € 111 million (December 31, 2011: € 384 million) are subordinated.

Of the loans and advances at term to customers, loans and advances in a nominal volume of € 337 million are deposited as collateral with Banque Centrale du Luxembourg (BCL) as at the balance sheet date.

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

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

[2] Geographical distribution

The table shows the geographical distribution of selected positions as at December 31, 2012.

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	5	0	0	0	0	0	5
therein: balances with central banks	1	0	0	0	0	0	1
Loans and advances to credit institutions	69,914	387	14	0	78	2,891	73,284
Loans and advances to customers	7,711	911	248	53	960	461	10,344
Debt securities and other fixed-income securities	531	0	0	0	0	0	531
Shares and other variable-yield securities	1	2	0	0	0	0	3
Total	78,162	1,300	262	53	1,038	3,352	84,167

For comparison Dec 31, 2011:

Total	89,136	1,183	463	120	1,757	1,376	94,035

	European Union	Rest of Europe	North America	South America	Asia	Other countries	Total
Amounts owed							
Amounts owed to credit institutions	55,229	6,030	0	187	4,605	6	66,057
Amounts owed to customers	8,288	650	114	76	96	84	9,308
Total	63,517	6,680	114	263	4,701	90	75,365

For comparison Dec 31, 2011:

Total	69,466	9,983	180	282	4,194	103	84,208

Off-balance sheet items

in € m.	European Union	Rest of Europe	North America	South America	Asia	Other countries	Total
Contingent liabilities	28,932	1,120	0	0	34	0	30,086
Commitments	19,883	2,656	568	10	223	123	23,463
Fiduciary operations	4,183	8	0	0	0	0	4,191
Total	52,998	3,784	568	10	257	123	57,740

For comparison Dec 31, 2011:

Total	56,582	3,628	753	140	3,417	327	64,847

Financial transactions

Interest rate transactions	2,036	0	0	0	0	0	2,036
Foreign exchange/gold transactions	886	93	0	3	5	34	1,021
Equity transactions	1,031	0	0	0	0	0	1,031
Credit derivatives*	22,460	0	0	0	279	0	22,739
Total	26,413	93	0	3	284	34	26,827

For comparison Dec 31, 2011:

Total	39,503	115	10	21	542	2	40,193

* of which a nominal amount of € 8,635 million is reported under contingent liabilities

[3] Securities

The securities included in the asset items listed below are classified as at the 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)	486	19	505
Shares and other variable-yield securities (held for liquidity purposes)	3	0	3

As at the balance sheet date, there were write-downs in line with the principle of maintaining previous value adjustments (Beibehaltungsprinzip) in the amount of € 0.2 million.

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 € 18 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%	2.1	1.0
Aqueduct Capital S.à r.l.	Luxembourg	100%	11.1	0.0
DB Apex (Luxembourg) S.à r.l.	Luxembourg	100%	0.1	0.0
Willem S.A.	Luxembourg	95%	0.0	0.0
Cabarez S.A.	Luxembourg	95%	0.1	0.0
DWS Investment S.A.	Luxembourg	50%	260.5	135.1
DB Vita S.A.	Luxembourg	25%	15.2	1.3

* results for the financial year according to latest available annual accounts

In the case of individual investments of minor significance – various companies belonging to Deutsche River Group with registered offices in Luxembourg, which have been completely written off in the past – no individual figures are presented in line with Article 68 (2) of the law on the accounts of banks.

With the exception of Hua Xia Bank Company Limited, Beijing, (9.28%) 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	664,517	155	0	0	664,672	19,795	644,877
Shares in affiliated undertakings	6,320	100	0	6	6,426	0	6,426
Intangible assets	19,365	20,168	13,000	0	26,533	26,533	0
of which:							
goodwill	13,000	0	13,000	0	0	0	0
software	6,365	20,168	0	0	26,533	26,533	0
Tangible assets	15,111	966	103	0	15,974	11,861	4,113
of which:							
office furniture and equipment	15,111	966	103	0	15,974	11,861	4,113
Total fixed assets	824,721	21,389	13,103	6	833,013	151,167	681,846

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

in € m.	Affiliated undertakings Dec 31, 2012	Participating interests Dec 31, 2012	Affiliated undertakings Dec 31, 2011	Participating interests Dec 31, 2011
Loans and advances to credit institutions	71,920	0	74,932	0
Loans and advances to customers	286	14	1,145	13
Debt securities and other fixed-income securities	512	0	325	0

[7] Assets denominated in foreign currencies

Assets denominated in foreign currencies amount in total to the equivalent of € 14,953 million as at the balance sheet date.

[8] Other assets/Other liabilities

The “Other assets” include amounts totalling € 100 million owed by other units within the Group in connection with the CPSG fair value portfolio.

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 € 1 billion resulting from a structured transaction.

[9] Debts evidenced by certificates

The “Debts evidenced by certificates” include the following positions:
– Warrants, reported value: € 307 million; due: September 7, 2017
– EUR Zero Bond, reported value: € 24 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 participation certificate, € 1,500 million, due 2015
– a subordinated EUR participation certificate, € 850 million, due 2016

The participation certificates are classified as Upper Tier II capital. In the 2012 financial year, the expense for subordinated liabilities was € 244 million. To take greater account of the fact that the participation certificates are classified as equity, the expense from the recurrent payments was, in line with the “true and fair view” principle to increase transparency, not reported under “net interest income” but rather as a separate position above “net income”.

[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 the balance sheet date, the bank's subscribed and fully paid-up capital is € 3,465 million, divided into 13,860,000 shares.

[13] Movements in reserves and profit brought forward

in € m.	Legal reserve	Other reserves	Profit brought forward
As at January 1, 2012	247	698	0
Changes in legal reserve/other reserves	100	–100	0
Net income for the 2011 financial year	0	0	177
Appropriation			
– Retention	0	177	177
– Dividend	0	0	0
As at December 31, 2012	347	775	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 € 378 million for the imputation of wealth tax in accordance with Article 8a of the Luxembourg wealth tax law.

[14] Amounts owed to affiliated undertakings and participating interests

in € m.	Affiliated undertakings Dec 31, 2012	Participating interests Dec 31, 2012	Affiliated undertakings Dec 31, 2011	Participating interests Dec 31, 2011
Amounts owed to credit institutions	61,796	0	66,597	0
Amounts owed to customers	4,714	13	6,002	15
Debts evidenced by certificates	0	0	0	0
Other liabilities	1,206	0	4,017	0

[15] Liabilities in foreign currencies

The total amount of liabilities denominated in foreign currencies as at the balance sheet date is the equivalent of € 13,784 million.

[16] Contingent liabilities

Contingent liabilities consist of:

in € m.	Dec 31, 2012	Of which: to affiliated undertakings
Guarantees and other direct substitutes for credit	30,086	30,010
of which:		
Credit derivatives	8,635	8,635
Acceptances	0	0
Total	30,086	30,010

[17] Confirmed credits

Confirmed credits consist of:

in € m.	Dec 31, 2012	Of which: to affiliated undertakings
Confirmed credits, not utilized	23,273	2,721
Facilities for the issuance of debt instruments	190	0
Total	23,463	2,721

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] Interest payable and similar charges

To more closely reflect the character of costs passed on as part of centralized liquidity management based on a cost contribution agreement within the Group, these costs – which were shown in “Commissions payable” in the previous year – are recognized under “Interest payable and similar charges” for the year ended December 31, 2012. Consequently there was no need to reclassify the relevant prior amount of € 53.0 million.

[3] Other operating income

This position is made up as follows:

in T€	2012	2011
Income from commercial representation services	2,846	2,816
Rental income	1,641	1,872
AGDL refund*	156	0
Income from CPSG fair value portfolio	245,325	186,342
Recoveries	209	2,675
Sundry income	429	1,432
Total	250,606	195,137

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

[4] Other operating charges

This position is made up as follows:

in T€	2012	2011
Termination of structured transaction Optivest	0	4,838
Addition to provisions for AGDL	1,988	2,008
Addition to other provisions	597	0
Operative currency loss from acquisition of stake in Hua Xia	0	20,225
Share of the proceeds of a theoretical liquidation based on repurchase of jouissance right ahead of schedule	0	2,925
Sundry expenses	62	140
Total	2,647	30,136

[5] Auditor's fees

Fees billed to the Company by KPMG Luxembourg S.à r.l., Luxembourg, as Réviseur d'Entreprises agréé and as Cabinet de révision agréé authorized to provide services during the year are as follows:

in T€ (excluding VAT)	2012	2011
Audit fees	483	401
Audit-related fees	193	66
Tax fees	174	106
Other fees	14	69

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 an extreme nature, can be fully anticipated at all times.

Risk management principles

We actively take risks in connection with our business and as such the following principles underpin our risk management:

- Risk is taken within a defined risk appetite.
- Every risk taken needs to be approved within the risk management framework.
- Risk taken needs to be adequately compensated.
- Risk is continuously monitored.
- A strong risk management culture helps to reinforce Deutsche Bank's resilience.

Risk management framework

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 proactive monitoring of risk which are closely aligned with the activities of the Group divisions. While Deutsche Bank Group continuously strives to improve risk and capital management, it may be unable to anticipate all market developments, in particular those of an extreme nature.

- The Group's Management Board provides overall risk and capital management supervision for the consolidated Group.
- The risk management model is built on three lines of defence whereby business management, risk management oversight and assurance roles are played by functions independent of one another.
- Risk strategy and risk appetite are defined based on the Group's strategic plans in order to align risk, capital, and performance targets.
- Reviews are conducted across the Group to verify that sound risk management practices and a holistic awareness of risk exists across the organization and to help each business manage the balance between their risk appetite and reward.

- Credit risk, market risk, liquidity risk, business and reputational risk, operational risk and capital are managed by means of a coordinated process at all relevant levels of Deutsche Bank Group.
- Where applicable, modelling and measurement approaches for quantifying risk and capital demand are implemented across the major risk classes.
- Effective systems, processes and policies are a critical component of our risk management capability.

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 as well as the risks arising from general business activity.

Specific banking risks

In the risk management processes, a distinction is made between four kinds of specific banking risks: 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. Country risk also includes 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 cost.

- 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.

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.

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 counterparty or a business practice in which a customer is involved.

Concentration risk
Risk concentrations are not an isolated risk type but are broadly integrated in the management of credit risk, market risk, operational and liquidity risks. Risk concentrations refer to a bank's loss potential through unbalanced distribution of dependencies on specific risk drivers. Risk concentrations are encountered within and across counterparties, regions/countries, industries and products, impacting the aforementioned risks. Risk concentrations are actively managed, for instance by entering into offsetting or risk-reducing transactions. Management of risk concentration across risk types involves expert panels, qualitative assessments, quantitative instruments (such as economic capital and stress testing) and comprehensive reporting.

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 philosophy and principles at Deutsche Bank Group:

- The key principle of credit risk management is client due diligence, which is aligned with our country and industry portfolio strategies. Prudent client selection is achieved in collaboration with our business line counterparts who stand as a first line of defence. In each of our Group divisions credit decision standards, processes and principles are consistently applied.
- We actively aim to prevent undue concentration and long tail risks (large unexpected losses) by ensuring a diversified credit portfolio. This effectively protects the bank's capital in all market conditions. Client, industry, country and product-specific concentrations are actively assessed and managed against our risk appetite.
- We aim to avoid large directional credit risk on a counterparty and portfolio level. To do so, we apply stringent underwriting standards combined with a proactive hedging and distribution model and collateralization of our hold portfolio.
- We are selective in taking outright cash risk positions unless they are secured, guaranteed and/or adequately hedged. Exceptions to this general principle are lower risk, short-term transactions and facilities supporting specific trade finance business requests as well as low risk businesses where the margin allows for adequate loss coverage.
- Deutsche Bank Group aims to secure its derivative portfolio through collateral agreements and may additionally hedge concentration risks to further mitigate credit risks from underlying market movements.
- Every extension of credit or material change to a credit facility (such as its tenor, collateral structure or major covenants) to any counterparty requires credit approval at the appropriate authority level. Credit approval authorities are assigned to individuals according to their qualifications, experience and training. These credit authorities are periodically reviewed.
- Deutsche Bank Group measures and consolidates all credit exposures to each obligor on a global basis that applies across our consolidated Group, in line with regulatory requirements of the German Banking Act (Kreditwesengesetz).

Credit risk ratings

A basic and key element of the credit approval process is a detailed risk assessment of every credit exposure associated with a counterparty. Deutsche Bank Group applies in-house assessment methodologies, scorecards and a 26-grade rating scale for evaluating the creditworthiness of all counterparties. The majority of the rating methodologies are authorized for use within the Advanced Internal Rating Based Approach under Basel II rules. The rating scale facilitates a comparison of internal ratings with common market practice and also ensures the comparability of the bank's different sub-portfolios. Several default ratings therein make it possible to incorporate the potential recovery rate of unsecured defaulted counterparty exposures. The Group generally rates all its credit exposures individually, though certain portfolios of securitized receivables are rated on a pool level. The algorithms of the rating procedures for all counterparties are recalibrated frequently on the basis of the default history as well as other external and internal factors and estimates.

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, the Credit Portfolio Strategies Group (CPSG) has largely concentrated its global credit risks at Deutsche Bank Luxembourg. The risks are assumed by means of credit guarantees or 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. The Board of Directors has 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. Management also 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 CPSG risks did not have a negative effect on the general creditworthiness of the loan portfolio. At the end of 2012, 94% (previous year: 92%) of total loans were to investment grade borrowers (rated BBB or above). The credit guarantee in the amount of € 13.0 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 provide an overview of credit exposure under the respective balance sheet item 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, 2012

in € m.	Loans and advances to credit institutions	Loans and advances to customers	Securities/ Participating interests	Contingent liabilities	Confirmed credits	Total
AAA/AA	71,855	590	445	16,457	6,782	96,129
A	1,131	1,450	0	298	6,245	9,124
BBB	223	3,546	0	202	7,680	11,651
BB	4	2,235	179	13,103	2,326	17,847
B	9	358	0	0	83	450
CCC or below*	62	2,165	561	26	347	3,161
Total	73,284	10,344	1,185	30,086	23,463	138,362

* including unrated customers

Structure of credit profile by industry as at December 31, 2012

in € m.	Loans and advances to credit institutions	Loans and advances to customers	Securities/ Participating interests	Contingent liabilities	Confirmed credits	Total
Banks and insurance	73,284	1,507	1,166	16,292	4,868	97,117
Households	0	205	0	13,005	634	13,844
Manufacturing	0	1,402	0	70	6,118	7,590
Corporate services	0	1,954	0	227	3,746	5,927
Telecommunications	0	607	0	1	2,551	3,159
Power and water utilities	0	2,554	0	36	1,528	4,118
Wholesale and retail trade	0	1,127	0	18	2,347	3,492
Mining	0	161	0	262	791	1,214
Public sector	0	8	19	0	139	166
Commercial real estate	0	378	0	142	182	702
Building industry	0	264	0	9	195	468
Other	0	177	0	24	364	565
Total	73,284	10,344	1,185	30,086	23,463	138,362

Risk provisioning

Adequate provision has been made for individual risks. Deutsche Bank Luxembourg also uses the possibility of setting up a lump-sum provision in accordance with Luxembourg regulations. The lump-sum provision amounted to € 201 million as at the balance sheet date.

There are only minor country risks as at the balance sheet date. The bank does not hold any bonds issued or guaranteed by the high risk countries Portugal, Italy, Ireland, Greece and Spain.

The risks assumed from the CPSG fair value portfolio came to € 16.1 billion as per December 31, 2012. 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 factors 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 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 book 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 – known as the Global Markets Key Operations Policies – have been established by the Management Board 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 no exchange-traded deals. Under the fair value portfolio agreements, netting is possible in principle. However, no use was made of this possibility in the reporting year. Apart from this, there are no further netting agreements in derivative financial transactions.

Analysis of derivative financial transactions as at December 31, 2012

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	952	262	822	2,036	3	217	–214
Interest rate swaps	952	262	822	2,036	3	217	–214
Forward rate agreements	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0
Foreign exchange/gold transactions	1,012	9	0	1,021	12	7	5
Futures contracts with customers	185	4	0	189	1	4	–3
Futures contracts with banks	723	5	0	728	11	3	8
Cross-currency swaps	0	0	0	0	0	0	0
Options	104	0	0	104	0	0	0
Equity transactions	1,000	31	0	1,031	0	1	–1
Futures contracts	0	0	0	0	0	0	0
Swaps	0	31	0	31	0	1	–1
Options	1,000	0	0	1,000	0	0	0
Credit derivatives*	9,525	12,875	339	22,739	919	961	–42
Other transactions	0	0	0	0	0	0	0
Total	12,489	13,177	1,161	26,827	934	1,186	–252

* of which a nominal amount of € 8,635 million is reported under contingent liabilities

Analysis of derivative financial transactions as at December 31, 2011

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	1,875	4,693	868	7,436	2	147	–145
Interest rate swaps	1,875	4,693	868	7,436	2	147	–145
Forward rate agreements	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0
Foreign exchange/gold transactions	1,326	2	0	1,328	14	15	–1
Futures contracts with customers	204	1	0	205	8	2	6
Futures contracts with banks	984	1	0	985	6	13	–7
Cross-currency swaps	0	0	0	0	0	0	0
Options	138	0	0	138	0	0	0
Equity transactions	3,326	31	0	3,357	0	4	–4
Futures contracts	0	0	0	0	0	0	0
Swaps	0	31	0	31	0	4	–4
Options	3,326	0	0	3,326	0	0	0
Credit derivatives*	7,446	19,462	1,164	28,072	1,565	1,366	199
Other transactions	0	0	0	0	0	0	0
Total	13,973	24,188	2,032	40,193	1,581	1,532	49

* of which a nominal amount of € 10,633 million is reported under contingent liabilities

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 2012, the regulatory value-at-risk from interest rate and currency risks in the non-trading book was € 0.2 million. The average value for 2012 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 the balance sheet date, the Luxembourg liquidity figure was 96.2%. This was well above the regulatory limit of 30%.

Operational risk

Operational risk is managed on the basis of a Group-wide consistent framework that makes it possible to determine the operational risk profile in comparison to risk appetite and systematically identify operational risk themes and concentrations in order to define risk mitigating measures and priorities. The business divisions and infrastructure functions have primary responsibility for the management of operational risk.

Instruments are in place 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 – FD/M CIB and Risk. Besides losses actually incurred due to defective processing, the system also covers 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 book institution, calculates the simplified coefficient. The risk-weighted assets (RWA) are made up as follows:

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

in € m.	Dec 31, 2012	Dec 31, 2011
Central governments and central banks	0	0
Regional governments	0	0
Administration/Non-profit institutions	57	75
Credit institutions	16,861	18,276
Corporates	19,008	21,333
Retail customers	9,848	10,103
Other assets	669	2,786
Secured by mortgage charges	1,036	906
Currency transactions	0	0
Operational risks	1,002	723
Total	48,481	54,202

* Common Solvency Ratio Reporting (COREP)

Regulatory capital and reserves according to Basel II amount to € 7,008 million (end of 2011: € 5,415 million); the solvency ratio is 14.5% (end of 2011: 10.0%). The minimum requirement of 8% was fulfilled at all times during the financial year.

At 9.4% at the end of 2012 (previous year: 6.0%), the Tier I capital ratio already met the Basel III minimum requirements.

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 in the Balance Sheet under "other provisions"; additions in the financial year are noted in Section C [3]. On the balance sheet date, the provision amounted to T€ 29,277.

Staff

Number of staff	Dec 31, 2012	Average in 2012
Management Board	2	2.58
Executives	28	29.92
Staff	277	283.08
Total	307	315.58

In 2012, the total remuneration of the Management Board and the executives was T€ 7,979. The addition to pension provisions for members of the Management Board and executives was T€ 1,166.

The expense for pension obligations for former members of the Management Board was T€ 119.

As at December 31, 2012, loans, advances and other commitments to members of the Management Board and executives totalled T€ 158.

Annual Report 2012 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/12
www.db.com/12

Luxembourg, February 25, 2013

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 June 20, 2012, we have audited the accompanying annual accounts of Deutsche Bank Luxembourg S.A., which comprise the Balance Sheet as at December 31, 2012, 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, 2012, 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, February 25, 2013

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

Harald Thönes

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We aspire to be the leading client-centric global universal bank

We serve shareholders best by putting our clients first and by building a global network of balanced businesses underpinned by strong capital and liquidity.

We value our German roots and remain dedicated to our global presence.

We commit to a culture that aligns risks and rewards, attracts and develops talented individuals, fosters teamwork and partnership and is sensitive to the society in which we operate.