

# DEUTSCHE BANK

AKTIENGESELLSCHAFT



REPORT *for the Year 1967*

On November 5, 1967, the Chairman of our Advisory Board

Dr. ADOLF LOHSE

died suddenly at the age of 66.

He was closely associated with our bank for many years and, in his position as member of the Presiding Committee of our Supervisory Board and, from spring 1966, as Chairman of our Advisory Board, he was one of our most valued friends and counsellors.

We shall always remember him with respect and with gratitude.

It is with deep sorrow that we have to announce the  
death of the following members of our Regional  
Advisory Councils

ADOLF AHLERS  
*Herford-Elverdissen*

WALDEMAR CROON SEN.  
*Partner in Tuchfabrik G. H. & J. Croon, Aachen*

BERNHARD VAN DELDEN  
*Partner in Messrs. M. van Delden & Co., Gronau/Westf.*

EDWARD C. A. KRAUSS  
*Managing Director of the C. H. Knorr GmbH,  
Heilbronn/Neckar*

SENATOR A. D. HANS E. B. KRUSE  
*Partner in Messrs. Wiechers & Helm, Hamburg*

GEORG WILHELM MUUS  
*Member of the Board of Managing Directors, Kabel- und  
Metallwerke Gutehoffnungshütte AG, Hannover*

Dr. KURT NEVEN DUMONT  
*Partner and Chief Manager of Messrs. M. DuMont Schauberg,  
Köln*

Dr. ADOLF SCHAEFFER  
*Bankdirektor i. R., Freiburg/Breisgau*

Dr. PAUL UGOWSKI  
*Member of the Board of Managing Directors, Rheinisch-Westfälische  
Kalkwerke AG, Dornap Bez. Düsseldorf*

We shall always remember them.

We regret to report the death of the following  
members of our staff:

FRIEDRICH BEAUJEAN, Eschweiler	WALTER MATUSSEK, Hamburg
HERBERT BEHLING, Stuttgart	LUDWIG MERTZ, Neustadt/W.
HERMANN TEN BRINK, Nordhorn	URSULA MIDDEKE, Mainz
NIKOLAUS BURBACH, Gebhardshagen	INGEBORG MILDENBERG, Hamburg
ANNEMARIE FELLER, Frankfurt	FRANZ MÜLLER, München
ANNEMARIE FREI, Ravensburg	HERMANN NOLTE, Hannover
OTTO GERSEKER, Hannover	JOHANN OCHS, Frankfurt
ANNA GÖTZ, Mannheim	WILHELM PAPE, Lippstadt
VOLKER GRÜLL, Hohenlimburg	GEORG POPP, Bad Hersfeld
JULIANE GÜSTEN, Köln	JOSEF RACK, Frankfurt
RICHARD GUTWASSER, Hamburg	WENZEL RENNER, Jugenheim
ARTHUR HEINRICHS, Hamburg	WILHELM REPSCHLÄGER, Hamburg
HANNELORE HEINS, Hamburg	RICHARD RUHM, Mannheim
EWALD HEPACH, Stuttgart	HELMUT SCHNEIDER, Bielefeld
ALFRED HOFFMANN, Hamburg	HANS SCHIRÖDER, Einbeck
GÜNTHER HÜTTEBRÄUCKER, Lüdenscheld	ALFRED SCHROFF, Frankfurt
OTTO HUPKA, Wiesbaden	FRITZ SCHWANDKE, Düsseldorf
HEINRICH HUSKA, Düsseldorf	IRENE SCHWARZ, Frankfurt
HANS-JOACHIM HUTH, Düsseldorf	GUSTAV SCHWEIZER, Heilbronn
KARL JÜRGENS, Hamburg	HANS SCHWENZNER, Düsseldorf
HUGO KIEL, Frankfurt	MARLENE SIEGER, Aachen
HORST KLIMT, Frankfurt	HERMANN SOLLE, Hamburg
WALTER KOCH, Hamburg	WILHELM STEIN, Frankfurt
FRITZ KOLBERG, Lebenstedt	GERHARD THIELE, Hüttental
GERHARD LAASER, Bremen	HELGA VOGLAU, Ludwigshafen/Rh.
JOHANNES LANDEFELD, Frankfurt	HILDEGARD VOLL, Dortmund
KÄTHE LIEBSCH, Berlin	HANS WALTTEL, Nürnberg
ERICH LODAHL, Hannover	ALFRED WINGENDER, Wuppertal
FRIEDRICH ALFRED LÜTTGEN, Düsseldorf	ILSE WROBLEWSKI, Hamburg
KURT MASCHKOWSKY, Frankfurt	

Moreover, we mourn the passing of 314 retired employees  
of our bank.

We shall always cherish the memory of the deceased.

# AGENDA

*for the*

## ORDINARY ANNUAL GENERAL MEETING

*to be held in the Robert-Schumann Hall at 4, Ehrenhof, Düsseldorf,  
at 10 o'clock on Thursday, May 16, 1968*

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1

To receive the established Annual Statement of Accounts and Report  
for the year 1967 together with the Report of the Supervisory Board

To receive the Statement of Accounts and Report of the Combine  
for the year 1967

2

To resolve as to the appropriation of Profit

3

To grant the Board of Managing Directors discharge from liability  
for the year 1967

4

To grant the Supervisory Board discharge from liability for the year 1967

5

To increase the capital of DM 400 million by DM 80 million  
to a total of DM 480 million by the issue at the price of DM 125 per share  
à nominal DM 50 of new bearer shares carrying entitlement to profit  
as from January 1, 1968.

The underwriting credit institutions are obliged to offer the new shares  
to the shareholders in the ratio of one new share  
for every five shares held at the price of DM 125 per share à nominal DM 50.  
To authorise the Board of Managing Directors to stipulate all further details  
in agreement with the Supervisory Board.

6

To amend the Articles of Association

7

To elect new members to the Supervisory Board

8

To elect the Auditor for the year 1968

## SUPERVISORY BOARD

HERMANN J. ABS, Frankfurt/Main, Chairman (from May 30, 1967)

ERICH BECHTOLF, Hamburg, Chairman (until May 30, 1967)

Dr. Dr. h. c. GÜNTER HENLE, Duisburg, Deputy Chairman

Dr. CLEMENS PLASSMANN, Düsseldorf, Deputy Chairman (until May 30, 1967)

Dr.-Ing. Dr.-Ing. E. h. KONRAD ENDE, Salzgitter-Drütte

Dr. h. c. RICHARD FREUDENBERG, Weinheim/Bergstrasse

Dr.-Ing. E. h. FRANZ HELLBERG, Köln

HERMANN HELMS, Bremen

HEINZ P. KEMPER, Herne/Westf. (from May 30, 1967)

Dr.-Ing. Dr.-Ing. E. h. HEINZ KÜPPENBENDER, Oberkochen/Württemberg

HANS L. MERKLE, Stuttgart

BERNHARD H. NIEHUES, Nordhorn

Dr.-Ing. E. h. HANS REUTER, Duisburg

RUDOLF SCHLENKER, Hamburg

Dr.-Ing. E. h. ERNST VON SIEMENS, München

Professor Dr. Dr. h. c. Dr.-Ing. E. h. Dr. h. c. CARL WURSTER, Ludwigshafen/Rhein

Elected by the Staff:

OTTMAR BAUMGÄRTNER, Frankfurt/Main

WILLI BUCKARDT, Wuppertal-Elberfeld

BERNHARD DREWITZ, Berlin

WERNER HECK, Frankfurt/Main

ALFRED KISTENMACHER, Hamburg

WERNER LEO, Düsseldorf

GERHARD ZIETSCH, Mannheim

## ADVISORY BOARD

Dr. ADOLF LOHSE, München, Chairman, † November 5, 1967

Dr. Dr. h. c. ERNST HELLMUT VIRS, Wuppertal-Elberfeld, Deputy Chairman

Dr. HUGO GRIEBEL, Hamburg

ALFRED HAASE, München

Professor Dr. KURT HANSEN, Leverkusen-Bayerwerk

Dr.-Ing. FELIX HERRIGER, Ulm/Donau (from May 30, 1967)

PAUL HOFMEISTER, Hamburg

MAX HOSEIT, Essen

HEINZ P. KEMPER, Herne/Westf. (until May 30, 1967)

Dr.-Ing. E. h. WILLY OCHEL, Dortmund

Dr. EGON OVERBECK, Düsseldorf

WERNER SÖHNGEN, Essen

Bergassessor a. D. CLEMENS VON VELSEN, Hannover

CASIMIR PRINZ WITTGENSTEIN, Frankfurt/Main

OTTO WOLFF VON AMERONGEN, Köln

Dr. JOACHIM ZAHN, Stuttgart-Untertürkheim

## BOARD OF MANAGING DIRECTORS

HERMANN J. ABS (until May 30, 1967)

F. WILHELM CHRISTIANS

HANS FEITH

FRITZ GRÖNING

WILFRIED GUTH (from January 1, 1968)

MANFRED O. VON HAUENSCHILD

HANS JANBERG

KARL KLASSEN

ANDREAS KLEFFEL

HEINZ OSTERWIND

FRANZ HEINRICH ULRICH

WILHELM VALLENTIN



ASSISTANT GENERAL MANAGERS  
FOR THE ENTIRE BANK AREA

HEINZ ARNAL	Dr OTTO G. PIRKHAM
Dr JOSEF BOGNER	ERNST H. PLESSER
Dr ROBERT FURET	HANS-KURT SCHERER
PROFESSOR Dr JOHANNES FESKE	HANS-OTTO THIERBACH
Dr PAUL KREBS	MAX WALTHER
Dr HANS LEIBKUTSCH	

MANAGERS AND DEPUTY MANAGERS OF THE CENTRAL OFFICES

DÜSSELDORF CENTRAL OFFICE

ERICH BINDERT	ALFRED JÄHRIG	Dr WALTER OBERMÜLLER, Syndic
ALBERT GUCHT	Dr SIEGFRIED JENSEN	RUDOLF WEBER
	HEINZ JÜRGENS	
Dr DIETER BÖKENKAMP, Deputy	MANFRED HAHN, Deputy, Syndic	GÜNTHER POHL, Deputy
ERNST CREMER, Deputy	Dr THEO LOEVENICH, Deputy	HANS ROSENTALSKI, Deputy
HELMUT ECKERMANN, Deputy	Dr HANS-JOACHIM PANTEN, Deputy	Dr ERNST TAUBNER, Deputy

FRANKFURT CENTRAL OFFICE

WILHELM BALZER	ERNST LEDERER	Dr GEORG SIARA
Dr HANS-ALBERT VON BECKER	Dr WALTER LIPPENS	KURT H. STAHL
GEORG BEHRENDT	ALFRED MOOS	Dr WINFRIED WERNER, Syndic
WILHELM EILERS	ALBERT NIEMANN	WALTER WERNICKE
RUDOLF HABICHT	MARTIN ROSENBROCK	Dr KURT WINDEN, Syndic
Dr ECKART VAN HOOVEN	CLAUS SCHATZ	WILHELM HUGO WITT
Dr ULRICH HOPPE	Dr WALTER SEIPP	HANS WOYDT
HERMANN BRENGER, Deputy	HEINRICH KUNZ, Deputy	Dr KARL SCHNEIDERS, Deputy
SIEGFRIED BROCKHAUS, Deputy	Dr HANS-PETER LINSS, Deputy	Dr ULF SIEBEL, Deputy
HELMUT GERDAU, Deputy	HEINZ MECKLENBURG, Deputy	GÜNTER SONNENBURG, Deputy
HANS J. JACOBY, Deputy	Dr KLAUS MERTIN, Deputy	Dr FRANZ-JOSEF TROUVAIN, Deputy
	Dr ERNST SCHNEIDER, Deputy, Syndic	

## MANAGERS AND DEPUTY MANAGERS OF THE REGIONAL HEAD BRANCHES

Aachen	Dr KARL-HEINZ BÖHRINGER ERICH MÖLLER	Frankfurt/Main	Dr ULRICH KLAUCKE RICHARD LADENBURG GOTTFRIED MICHELMANN Dr WALTER HOOK, Deputy JACOB KÖPER, Deputy HERBERT KRAUSS, Deputy NORBERT SCHIFFER, Deputy
Bielefeld	ANTON HELHAKE KURT LANDGRAF Dr GEORG VAERST, Deputy		
Braunschweig	Dr HANS-DIETER HAHNE ERICH OSTERKAMP HANS WITSCHER HORST THIELE, Deputy	Freiburg/Breisgau	Dr GÜNTHER DIETZEL HEINZ QUESTER ERNST BAREISS, Deputy
Bremen	PETER HARTMANN Dr KARL-HEINZ WESSEL	Hamburg	WERNER BLESSING ROLF HANSEN CHRISTOPH KÖNNEKER JOHANN PFEIFFER HEINRICH ELSNER, Deputy WILHELM GROTH, Deputy GÜNTHER HOOPS, Deputy
Dortmund	Dr WOLFGANG DIESEL ALFRED FEIGE Dr HARRY LEHNER		
Düsseldorf	WALTER KARKLINAT GÜNTER SENGPIEL FRIEDRICH STÄHLER Dr KARL-FRIEDRICH WOESTE Dr EBERHARD BARANOWSKI, Deputy Dr LOTHAR GRUSS, Deputy WOLFGANG MÖLLER, Deputy	Hannover	Dr WERNER ANDERS Dr HEYKO LINNEMANN RUDOLF HAHN, Deputy WALTER KASSEBEER, Deputy BRUNO REDETZKI, Deputy
Duisburg	Dr HORST BURGARD HANS JOCHEN JANSEN GERHARD KELLERT	Kiel	WALTER FRIESECKE WERNER PFEIFFER WILHELM R. SCHLEGEL, Deputy
Essen	Dr HERBERT F. JACOBS GEORG WIEGMINK ARNO KROMEIER, Deputy Dr THEODOR F. PIETZCKER, Deputy Dr HERMANN SCHMIDT, Deputy	Köln	Dr HANS HINRICH ASMUS Dr WALTER BARKHAUSEN Dr FRANZ VON BITTER PAUL HUSMANN WILHELM CLEMENS, Deputy Dr PETER W. HELLER, Deputy

Krefeld	HANS MÜLLER-GRUNDSCHOK JÜRGEN PASCHKE THEO DRESCHMANN, Deputy	Münster	OSKAR KLOSE WALTER SPRINGER LOTHAR ZELZ, Deputy
Mainz	Dr HARRO PETERSEN Dr HANS PÜTZ Dr JOST PRÜM, Deputy	Osnabrück	HELMUT REINHARDS Dr WERNER SELL ULRICH STUCKE
Mannheim	BERNHARD AHLEMANN HEINZ G. ROTHENBÜCHER OSKAR VOGEL Dr HERBERT ZAPP HERBERT FUSS, Deputy KARLHEINZ REITER, Deputy HELMUT SCHNEIDER, Deputy	Siegen	RUDOLF PLAAS WERNER VOIGT EMIL FREUND, Deputy REINHOLD SELOFF, Deputy
München	Dr JOSEF BOGNER Dr SIEGFRIED GROPPER Dr HAMILKAR HOFMANN RICHARD LEHMANN, Deputy LOTHAR LUDWIG, Deputy Dr BERNT W. ROHRER, Deputy	Stuttgart	Dr NIKOLAUS KUNKEL PAUL LEICHERT HELMUT BAILLÉ, Deputy GEORG SPANG, Deputy
		Wuppertal	HERBERT FREUDENBERG HANS W. STAILL HANNS WALTER

## I

### *Economic Situation*

In 1967 the economy of the Federal Republic suffered its first recession since the currency reform. The middle of the year saw the lowest point of this recession. Since the autumn it has been possible to observe signs of a revival of economic activity. In general the outlook for 1968 appears favourable.

The economic position at the end of 1967 proved not to be as adverse as was to be feared during the course of the year. The national product – price changes included – still grew by 0.6 per cent, but, when calculated at constant prices, fell by 0.1 per cent. The price level consequently remained almost stable. The balance of trade closed with a record surplus.

There was a danger of a serious reverse. This was avoided, thanks to a purposive economic policy on the part of the Federal Government aimed at a revival of economic activity, and to a monetary and credit policy on the part of the Bundesbank calculated to encourage the self-healing powers of the market. The Federal Government above all supported the level of demand for capital goods by means of two economic policy programmes and by its decision temporarily to increase the rates of depreciation allowed for tax purposes. The Bundesbank lowered the minimum reserve ratios in seven stages, and the discount rate in four stages from 5 to 3 per cent.

The negative result of the recession was a considerable decrease in the growth rate. On the positive side, the economic decline has in many respects, after years of excess strain, had a restorative effect. Undertakings have still increased their efforts to rationalise both production and administration. Stiffer standards have been adopted for expenditure and costs. Attitudes towards work have improved. A good and secure job is no longer taken for granted. Output per man-hour has increased, although the utilisation of industrial capacity decreased substantially.

The experiences of the last few years have shown that it is necessary for the Federal Republic to make use of all the weapons of modern economic and financial policies orientated towards a free market economy. The necessary prerequisites for this have now been provided. The “Law to Promote Economic Stability and Growth” enacted in June has given the Government the instruments for economic policy appropriate to the times. At the beginning of July the Federal Government adopted a five-year financial plan for the Federal budget economy covering the years from 1967 to 1971. We welcome the fact that the Bundesbank will in future no longer have to bear the burden of the battle for the stability of our currency alone. Economic policy has in the past fundamentally been a matter of policy in the monetary and credit fields. This, particularly in the last few years, has had the practical effect of placing excessive strain on the Bundesbank, producing considerable repercussions on the capital market and confronting the entire economy with serious problems. In this situation it was the task of the banks to reconcile and produce a common denominator between the aims set by these restrictive policies in the monetary and credit fields on the one hand and the understandable desire on the part of undertakings for finance on the other. In future it will be possible for the Federal Government in many ways to influence the aggregate figures of social accounts. It is essential that all those participating in the planning of political targets be prepared to avoid the mistakes made in the past, and to use the instruments now available exclusively in the interests of the economy. These instruments should be applied judiciously as and when appropriate, in order that the free forces of our economy may work themselves out unhindered.

In the coming economic upswing it will be important to ensure that the positive effects of the past are maintained. In a period of increased growth the bitter lessons of the recession should not be forgotten. Appropriate economic policies and reasonable behaviour on the part of management and labour, especially in respect of an adequate wage policy, should aim to prove that any renewed overheating of economic activity can be avoided and that recessions are not necessary in order to induce a selective and cleansing process in our economy from time to time. Even in a favourable economic climate the forces of competition acting on the market should be sufficient for this purpose.

Lastly, the recession has clearly shown that our highly industrialised economy depends upon a suitable rate of growth and can prosper only if that rate of growth is maintained. Important sectors of our industry live on economic expansion. Moreover, in an expanding economy, the consequences of structural changes, which irresistibly take place in all industrial countries and which in nearly all sectors of the economy urge towards ever increasing production units as a result of the pressure for higher productivity, are also easier to surmount. This is fundamentally true also of structural problems, which as in the case of hard-coal mining affect whole branches of the economy. However, a lasting growth of our economy will only be realised if these inevitable structural changes run their course and if the basic structural problems are resolutely solved. An active policy of stimulating economic activity requires more than ever to be complemented by a policy furthering structural adjustments in a free market economy.

#### *Factors of Economic Dynamism*

The determining factor for a dynamic economy is still private investment. This was strongly affected by the restrictive policies in the credit field of the last few years directed towards the achievement of price stability. Willingness to invest contracted more and more. Growth in investment as the motive power of our economy failed to materialise, and it became evident that at a time of unfavourable earnings prospects it is not possible to speed it up again sufficiently quickly. As the third largest industrial country in the world, however, and in view of the complex inter-relationship of its foreign trade, the Federal Republic cannot permanently afford a considerable reduction in the proportion of investment.

Since the autumn the tendency to invest has again increased. Attempts at rationalisation hold the stage. Investment for the purpose of expansion is as yet of relatively little importance. Such investment will resume its rightful place only when the utilisation of capacity in industry has generally increased and the profit expectations of the undertakings have fundamentally improved.

At the moment there is still a relatively large amount of spare capacity. This is the natural consequence of the violent fluctuations in the growth of our economy and of the considerable amount of investment for expansion undertaken in the Federal Republic in the years from 1964 to 1966. In most sectors it cannot be described as genuine excess capacity, and it constitutes a good reserve for the coming revival of the economy to enable the increased demand to be met without considerable price rises. An increased utilisation of this existing capacity will quickly lead to an improved earnings situation. This effect has already been shown in the last few months of 1967, and will probably continue in the near future. An improvement in the profit situation of the undertakings would serve only to correct the strong decline in profits in the last few years, and would give no grounds for speaking of the "social symmetry" being endangered. There are some indications that the tendency to invest on the part of the private

sector will increase in the course of the year 1968, and will again become the prop on which the upswing in the economy is based.

The marked decrease in the propensity to invest resulted in the financial structure and the liquidity position of many business enterprises improving as the recession subsided. An insufficient volume of investment, however, is not considered to be normal. On the contrary, investment must again be increased to a level that will ensure the expansion and competitiveness of business enterprises in the more distant future. But even then the improvement which has been achieved in the relationship between company and borrowed funds and in the liquidity position should if possible be maintained. It is therefore important that ways and means be found of strengthening the capitalisation basis of the business enterprises without forfeiting the necessary investment.

The foreign trade of the Federal Republic in 1967, with exports still increasing and imports being slightly reduced, resulted in a favourable trade balance of nearly DM 17 billion\*). At a time of decline in internal economic activity, exports proved to be an important stabilising factor for our economy. The favourable foreign trade balance, however, did not, as in the previous growth cycles, have an encouraging effect on the investment tendencies of the undertakings. The profit margins in export business were, in consequence of the strong competition in world markets, not high enough for this purpose.

A large proportion of the foreign trade surplus was required to cover liabilities under other headings of the balance of current and capital transactions. In the field of travel alone, nearly DM 3 billion more was spent abroad than was received from visits to Germany.

In contrast to the considerable favourable balance on current transactions, the gold and foreign currency holdings of the Bundesbank increased only to a small extent, as the exports of funds on the part of the banks, in particular, multiplied in comparison with the previous year. As a result, at a time of marked tension in international monetary policies relating to world trade, international liquidity was not jeopardised by the German export surplus. Certain negative repercussions on the economy in some foreign supplier countries resulting from reduced German imports made themselves apparent. The intended upturn in the economy should result also in a relatively rapid and marked increase in the demand for imported goods.

Demand on the part of households in 1967 increased slightly. Above all, consumers reduced their expenditure on durable consumer goods. By so doing they reacted psychologically in a manner similar to that of entrepreneurs in the field of investment. Uncertainty about the future if anything tended still further to strengthen the tendency to save and to establish reserves. The ability to save, however, increased barely at all, as the so-called "mass incomes" still grew only to a limited extent, and the income of independent persons, who save an above-average proportion of their incomes, decreased. In general the tendency to take up consumer credits also receded to a marked extent.

The budgets of public authorities were caught in the dilemma between the classic principle of balanced annual budgets and the social necessity of stimulating the economy. It was only in 1966 that it had been decided to limit expenditure in the interests of balanced finance. In 1967 it proved necessary to undertake deficit spending with a view to giving a new impulse to the economy and thereby avoiding a further diminution in tax receipts.

On the basis of the economic conditions prevailing in the Federal Republic, deficit spending was a legitimate means of anti-cyclical financial policy. It helped to avoid a still

\*) 1 billion = 1,000,000,000

sharper economic setback. The acceptance in principle of such a policy, however, requires that its importance in terms of a growth cycle should be clearly understood. Deficit spending should be undertaken only for as long as state spending on investment has not yet again been replaced by a sufficiently high degree of private investment. Public authorities must not drive private entrepreneurs out of the money and capital market. With a reviving economy, the state must therefore endeavour to settle credits taken up with the more ample tax receipts coming in, or to build up a revenue surplus. It will always be relatively easy for Government and Parliament to be willing to pursue an anti-cyclical financial policy when this involves spending more money in order to safeguard the growth of the economy. Such a policy, however, must also be pursued when, in the interests of sound finance and considerations of correct economic policy, this involves the limitation of government expenditure. It is just this which was lacking in earlier years.

At the moment conditions are such as to suggest that it will in 1968 be possible to achieve a "regulated upturn". This should not be brought about at too fast a tempo, in order that excess demand may be avoided. The Federal Government is aiming in 1968 at a growth rate in the gross national product of 4 per cent. With the capacity and labour available, it should be possible to achieve such a growth without any serious increase in the level of prices. When the economic upturn has been accomplished, there will come a very testing time for the Federal Government's new economic policy.

#### *New Regulations covering Monetary and Credit Policy*

In the field of monetary and credit policy the Government endeavoured, by means of a series of measures, still more effectively to organise the forces of the market. On the initiative of the Federal Minister for Economic Affairs, and with the agreement of the Bundesbank, the banks' rates of debtor and creditor interest were freed from restriction with effect from April 1, 1967 and the special regulations hitherto covering the banks' advertising lifted in December 1967.

The purpose underlying the release from restriction of debtor and creditor interest rates was to allow interest rates in general to adapt themselves more quickly to market conditions and, on the deposit side in particular, to avoid the establishment of so-called "grey" rates of creditor interest. The Federal Minister for Economic Affairs hoped that, in the existing circumstances of greater bank liquidity and of a relatively low level of demand for credit, the level of interest rates would, after the lifting of the regulation covering the level of interest rates, show a marked reduction. This aim, which matched the requirements of economic policy, was not achieved. The rise in interest rates abroad, inter alia, was a contributory factor in this failure. The decisive factor, however, was above all the tendency on the part of the savings banks to keep up the basic rate of interest on savings, and to approximate the rates of interest on savings deposits more closely to the rates reigning on the capital market. This policy of closing even further the gap between the rates of interest paid for savings deposits and those prevailing on the capital market, has made more difficult the transfer, desirable in itself, of funds from savings deposits into investment in securities. A further consequence of this policy is that the rates of interest on term deposits are also kept high.

Bank advertising will in future be subject only to the general regulations covering commercial advertising. We have welcomed the lifting of the former special regulations. The very fact that special regulations existed always tended to give the general public the impression that there was a tendency among credit institutions to limit competition. In reality competition

among credit institutions is as fierce as – perhaps even more fierce than – in most other sectors of the economy. However, it would be regrettable if the advertising efforts of the credit institutions, in form or extent, were now to get out of hand.

For reasons of policy in the field of competition, also, it was logical for the legislature to investigate the long-established privileges of the savings banks in the field of taxation, and to revise these with a view to achieving equality of competition between all types of banking institutions. We are sorry, however, that the legislature have still been unable to decide to follow this path to its logical conclusion, namely to place banks and savings banks on an identical footing in all respects for tax purposes.

The tendency on the part of the banks, which has long been noticeable, to orientate themselves more in the direction of attracting savings on a continually broadening basis, and to offer their services to new types of clients, has been strengthened as a result of the measures mentioned above. We can see the results of our efforts in the field of deposits, in credit transactions and in many other fields of current business.

#### *Turnabout on the German Stock Exchanges*

One of the happiest developments in the year under review has been the long-awaited turnabout on the German stock exchanges. In 12 months share prices have risen by a total of nearly 40 per cent. At the end of December 1967 the share index had reached a point around a third below its peak up to that time, attained in August 1960. Turnover on the German stock exchanges increased considerably. At the end of 1966 and the beginning of 1967 it was still difficult to find buyers for shares. In the last few months of the year the narrowness of the market made itself felt more and more on the offer side. It is important that the supply of shares on offer be continually raised, in order that increased demand may be covered. Consequently there is an improved possibility for joint-stock companies of obtaining new capital by means of an increase in share capital, for which, in suitable circumstances, issues at above par should also be considered. Moreover, the supply of shares on offer could be increased by means of further de-nationalisation of publicly owned undertakings.

It is desirable that the German stock market should, in the months to come, be extended on both the offer and the bid sides. The less hectic the manner in which prices develop, the better will be the prospects of gaining permanently for the field of savings in the form of shares and investment certificates a greater proportion of the formation of capital in the Federal Republic, already high in itself.

The increases in prices on the stock exchange gave a new impetus to the field of investment funds. This had expanded relatively quickly in the period from 1957 to 1960. From an international point of view, the Federal Republic during that period probably showed the highest rate of increase in the field of saving through investment companies. This favourable development was largely curbed due to the fall in prices commencing in 1960/61. As a result, the way was at the same time eased for foreign investment companies to a greater extent to gain buyers on the German market for foreign investment certificates, with the consequence that a corresponding amount of capital was diverted abroad. In conjunction with aggressive sales techniques, a reference, above all, to the rise in share prices in the United States proved an effective advertising slogan. As a result of the turnabout on the German stock exchanges this situation has fundamentally changed. The German investment companies, as well as the banks holding an interest in them, have developed a considerable amount of activity and, particularly by means of their longer-term savings plans, have achieved good sales figures.



### *“Modern” Sales Techniques of Investment Companies?*

In the last few years there has been a great deal of discussion regarding “modern” sales techniques of investment companies. What was meant by this was the sale of investment certificates through a network of agents visiting the customer. The success of this method of selling is well-known. It is based not only on the possibility of having lengthy talks with the interested party in his own home surroundings, but also on the “hard-sell” techniques used in the process.

These sales techniques, described as “modern”, suffer under the disadvantages, *inter alia*, that they do not offer the customer any kind of comprehensive investment advice and are relatively expensive. Investment advice must of necessity be geared to the customer’s personal circumstances, in order that it may be possible, from the broad spread of all the fields of investment available, to find the one most suitable for the individual case. The sale of a few investment certificates or programmes through agents will not, as a rule, enable a service of comprehensive investment advice to be provided. The hitherto low sales expenses incurred by German investment funds – particularly also in respect of savings plans – will not suffice to provide a level of commission high enough to attract competent agents. In fact the investor must in general pay for the convenience of the agent’s visit by means of considerably higher charges – expenses which could be saved by means of a purchase through traditional channels. It is probable that the general introduction of a system of agents for the sale of investment certificates, of securities in general, and subsequently, perhaps, of other bank services, would result in these services becoming markedly more expensive. In the retail and wholesale trade there has, in the last few years, been a tendency to bring down the costs of distribution. Why should the trend in banking be in the opposite direction? A thorough investigation is necessary, to see whether, bearing in mind the fact that all the groups of credit institutions maintain an extensive network of branches, sales through a system of agents would be appropriate from an economic point of view and in the interests of broad sectors of the community, who would have to pay for what may perhaps be a somewhat greater convenience by means of increased charges.

The importance of this question cannot be minimised by pointing to the good profit chances of foreign investment certificates. Taken over a longer period of time, German investment funds had the prospect of at least the same degree of success. In any event it is necessary that the general public be fully informed of the situation. Should investors then, when in full possession of the facts, be prepared to pay higher sales charges for the greater convenience offered, then the doubts expressed regarding the new sales methods would disappear.

### *Stock Exchange Reform*

Towards the end of 1967 the first draft, prepared by ministerial officials, of a bill to reform the German stock exchanges was presented. This follows the tendency to try to improve the productiveness of the capital market by means of organisational methods. In the process too much importance has been placed on technical innovation. More deep-seated economic factors responsible for a certain narrowness of the share market, on the other hand, are in our view too little taken into account. In the efficiency of this market, however, economic factors and tax considerations are of decisive importance. Suggested reforms should, above all, be directed towards these. One of the decisive problems encountered during the course of the last few years has been that caused by the fact that the monetary and credit policies introduced

to steer the economy have hit the German capital market, in particular, very severely. The modern instruments for the conduct of economic policy now created give grounds for hope that this process will not in the future be repeated to the same degree. From a taxation point of view, shares remain penalised vis-à-vis, for example, bond issues. This is the consequence of shares being subjected to double taxation. The Board of Experts for Assessment of Overall Economic Trends has made various proposals aimed at placing participating finance on the same basis as loan finance for taxation purposes. The enactment of these proposals could, in a short time, give a considerable impetus to share investment in the Federal Republic. These recommendations, therefore, should be thoroughly investigated. On no account must any reform of the stock exchanges be allowed to limit freedom of movement in capital transactions or freedom and activity in dealings in securities.

### *Bond Market*

In the bond market, the tendency for interest rates to subside, after some quick early successes, was unable to make further headway. The fall in interest rates came to a standstill towards the middle of the year. Apart from the trend of interest rates abroad already mentioned, other contributory factors in this situation were, in particular, the increased demand for capital on the part of public authorities and certain liquidity difficulties on the part of the social insurance institutions. The latter found it necessary to sell holdings of loan stock of about DM 1 billion. Despite this handicap, the fixed-interest market proved itself very efficient, considering that turnover amounted to more than twice the total of the year before. The credit institutions were buyers to a far greater extent than in previous years. It is to be hoped that the attempts now being undertaken by the Bundesbank to influence the fixed-interest market for a fairly long time by means of open-market operations will in future continue to have a stabilising and calming effect.

### *International Trade Relations*

The international trade relations of the Federal Republic were characterised by the large foreign trade surpluses. The development of exports and imports in the course of the last few years has clearly shown to what great extent our foreign trade has been governed by the varying economic trends in the countries of Western Europe and in the United States. The growth cycles in the most important European countries for the most part did not coincide in time, but evidenced a time-lag. This provided an opportunity for a certain degree of equalisation between the economies of, in particular, the Common Market countries, by means of foreign trade. At a time of decreasing activity in its own economy, the Federal Republic was able to profit from the economic upturn in other countries and vice versa. In 1967, however, this equalisation no longer operated to its full extent. In previous years it had already often been combined with violent fluctuations in the balance of trade results. This situation could only be improved if the economic policies of the countries of Western Europe were more firmly co-ordinated and aimed at stability. It is in the interests of all the Common Market countries that the customs union now nearly achieved be developed into a genuine economic union. Unfortunately it did not prove possible in 1967 to advance economic integration to the necessary degree. We regard a simultaneous extension of the European Common Market, particularly by means of the inclusion of Great Britain, as desirable, as such an extension would

contribute towards the pulling down of the customs barriers through the middle of Europe and the strengthening of the economic power of Europe. It will therefore be important to support all such measures as may help to bring us in the foreseeable future nearer to the aim of an enlarged European Common Market.

Since the autumn of 1967 the world monetary system has been exposed to critical strains on an increasing scale. Continuous balance-of-payments deficits of the international key currencies stirred up speculations. In the course of these monetary crises, the Pound Sterling was devalued by 14.2 per cent in November 1967. At the beginning of 1968 President Johnson announced his programme for the rehabilitation of the American balance of payments. Another wave of activity in March 1968 led to the dissolution of the Gold Pool and to a two-tier gold price.

This development has shown that the stability of the international monetary system cannot be ensured unless the British and the US balance of payments are brought into equilibrium. A lasting return of confidence may only be expected when both these key-currency countries have solved their balance-of-payments problems. After the devaluation of Sterling, England has proved her resolve to secure the position of the Pound in particular by submitting a tough budget. The programme submitted by President Johnson in January envisages some direct interference with several items in the balance of payments. It is to be hoped that further decisive steps will follow and that the United States will complement its foreign trade measures by action in the field of domestic economy, especially in budgetary policy. In addition to the serious efforts being made by these two countries, great importance will attach to the special drawing rights on the International Monetary Fund as an element of confidence. The drawing rights should be realised as soon as possible in order to offset the lack of gold flowing into the international monetary system, and to banish partly existing anxiety – be it justified or not – over a shortage of international liquidity after the US balance of payments has been restored to equilibrium.

The actions taken by Great Britain and the United States will primarily affect industrial nations on the Continent. The Federal Republic and other Common Market countries have decided to adopt a policy aimed at economic expansion; through this policy they will endeavour to attain a better equilibrium in the balances of payments, and to support the proper functioning of the international monetary system. Simultaneously, they will thereby counteract the contractive consequences of the American and British economic policies.

The American programme will have considerable repercussions on the Euro-currency and Euro-capital market. Funds are now reaching this market from the American side only in limited quantities, whilst United States subsidiary companies have increasingly recourse to it so as to be able to carry out their investment plans in Europe. Hitherto the Euro-bond market has proved remarkably resilient in the face of the additional strains even though there has been a certain increase in interest rates.

On no account should the strain on its balance of payments cause the United States to endanger the international reduction in customs duties aspired to by the Kennedy Round. An increase of the tariff barriers in the United States would very probably evoke counter-measures in many other countries and thereby introduce a new phase of world-wide protectionism, such as we witnessed earlier this century in the twenties – one of the essential causes of the world economic crisis. All the participating countries are, from an economic point of view, dependent on free world trade, so as to be able to steadily increase their national income and standard of living.

*Increased Volume of Business*

In 1967 the balance sheet total of the Bank increased by DM 2.3 billion, or almost the same amount as in the previous year. At a figure of DM 20.4 billion it showed an increase over the total at the end of 1966 of 12.5 per cent. The economic recession in the first half of the year, the stagnation in the third quarter and the slow pace of economic revival in the fourth quarter all had a decisive influence on the progress made in attracting deposits as well as on the volume of credit. Deposits increased by DM 2.3 billion. The renewed general increase in the liquidity of the economy was reflected above all in the unusually marked increase in sight deposits. In consequence of the marked reduction in the propensity to invest, the volume of credit, on the other hand, increased by only DM 771 million. The increase in deposits, therefore, was three times as great as the increase in the volume of credit. The deposits received were for the most part invested in Treasury bills, in medium-term interest-bearing bonds and as credit balances with other financial institutions. This resulted in the Bank's overall liquidity increasing from 37.5 per cent to 42.6 per cent. The fourth growth cycle of the German economy, after a period during which liquid funds were in great demand for the granting of credit – particularly in 1965 – has thus run its full course, culminating in a phase of increased overall liquidity and growing credit potential. In the course of this cycle, from the autumn of 1963 onwards, the balance sheet total of the DEUTSCHE BANK increased by a total of around DM 7 billion, or more than 50 per cent.

The continued high rate of establishment of monetary capital was reflected in the continuation of the considerable increase in savings deposits. This increase, however, was smaller than in the preceding year, as we were able to a growing extent to persuade our customers to buy securities and thereby to profit from the favourable tendency on the German stock exchanges. Term deposits continued, at DM 390 million (+9.4 per cent), to grow considerably, even though not quite as strongly as in the previous year.

*Small Increase in the Volume of Credit*

During most of 1967 the demand for credit was practically stagnant, reviving only towards the end of the year. The volume of credit expanding by DM 771 million, there were shifts in the types of credits. Whilst bills discounted showed an increase of DM 925 million, advances fell by DM 957 million; long-term lendings increased sharply by DM 802 million.

The decrease in advances was closely connected with the reduction in stocks on the part of industry and the wholesale and retail trades, and with the reduced propensity to invest. The increase in bills discounted does not serve to contradict this tendency, as the greater part of this increase was in respect of finance for the growing volume of exports. The increased volume of longer-term credits resulted from the endeavours on the part of many undertakings to consolidate during the phase of quiet market conditions the short-term credits taken up at a time of strained liquidity. Furthermore, the favourable development in the field of exports resulted in an increased demand for long-term credits. We were better able to meet our customers' demand for longer-term credits, as the necessary funds for this purpose were available as a result of the continual increase in savings deposits. The ever changing deposit structure of the Bank makes it possible to extend the terms for which credit is granted. It is significant that the recession has caused hardly any increase in the losses suffered by the Bank

from credit transactions. Our observations show that the undertakings have in general, in the financial field, quickly and accurately adjusted themselves to the changed economic circumstances.

The volume of personal loans remained stagnant in the first half of the year. However, the increased demand encountered in the second half of the year more than compensated for the setback resulting from the recession. At the end of the year the Bank, measured in terms of turnover and volume of credit, was, for all practical purposes, the largest institution in the field of consumer credit in the Federal Republic. Within this field of credits the trend towards financing principally acquisitions of higher value continued. As a result the average amount per credit granted continued at the same time to increase. The Bank accommodated itself to this development by raising the maximum amount of loans for specified purchases from DM 10,000.— to DM 20,000.— and the maximum lifetime from 4 to 5 years. Thus it is now possible also to finance smaller-scale investments in trade and industry with the help of this credit programme.

#### *The Cheque Card – A New Service*

The services offered by the Bank were also supplemented by the introduction of the cheque card at the beginning of January 1968. This service was planned in the course of last year on the initiative of the big banks, and accepted by all German credit institutions. As a result there is a uniform cheque card throughout the Federal Republic. Its purpose is to facilitate and promote payments without the use of cash. The cheque card is to be preferred to the credit card, which, in comparison with the cheque card, involves both commerce and the user in considerable additional expenses. A future development will be the acceptance of cheques of up to DM 200.— in conjunction with the cheque card also in a number of neighbouring European countries. The cheque card has made a thoroughly satisfactory start; within two months of its introduction circa 100,000 cards had been issued by our Bank.

#### *Considerable Increase in Turnover in Securities Transactions*

In securities transactions there was a considerable increase in turnover for both shares and fixed-interest securities. With the complete turnabout of the tendency on the stock exchanges in the Federal Republic, demand for German shares on the part of private investors has revived strongly. The increase in the turnover of fixed-interest securities was due mainly to purchases on the part of institutional investors, whereas private customers tended to prefer shares. Taken as a whole, securities transactions in 1967 contributed greatly to the Bank's good results.

In this connection it proved useful that the Bank had used the preceding years of slackness in securities transactions to improve the training of its advisory staff in securities, to further improve its information services, and to speed up the technical side of the work by means of data processing. The Bank's statements of securities, for example, at the end of 1966 included, apart from nominal holdings, also the year's final quotations and the corresponding valuations of the holdings concerned. These additional details enable customers to obtain a faster overall picture of their securities holdings. Where a large number of lines are involved, holdings are, in addition, listed under various headings according to sectors. For customers interested in securities dealt in in America and France, the Bank had STOCKMASTER machines installed in Düsseldorf and Frankfurt. This electronic equipment enables the different data relating to shares

quoted on the New York and Paris stock exchanges to be received within the shortest possible period of time.

The INVESTA Fund of the DEUTSCHE GESELLSCHAFT FÜR WERTPAPIERSPAREN M.B.H. (DWS), in which, together with other banks and bankers, we participate, in 1967 achieved a sales figure of more than 2 million units and accrued savings of circa DM 107 million – a new peak. The assets of the INVESTA Fund at the end of December 1967 totalled circa DM 872 million, whilst the total assets of all the funds administered by DWS – INVESTA, INTERVEST, AKKUMULA, INRENTA – in the middle of November 1967 already exceeded DM 1 billion. Particularly successful has been the DEUTSCHE WERTPAPIER-SPARPLAN (German Securities Savings Plan) which has been on offer since the beginning of October 1967. Within a period of four months contracts for savings totalling more than DM 100 million were concluded with about 16,000 savers. A contributory factor to this success has, in particular, been the fact that subscriptions to the DEUTSCHE WERTPAPIER-SPARPLAN do not involve any additional charges.

The unit value of INVESTA certificates, inclusive of the amount of the distribution, in the course of 1967 rose by around 43 per cent. In eleven years since the establishment of the Fund at the end of 1956, these units have yielded holders 278 per cent in the form of price appreciations and distributions. This good record stands comparison internationally, c. g. with American mutual funds. It speaks well for the investment policy of the Fund in which we hold an interest, and is clear evidence that this policy is directed exclusively towards the furtherance of the interests of unit-holders. This policy is also expressed by the extensive publicity given to the Fund, which every quarter issues a full report to unit-holders and the Press on the Fund's current holdings and the most important changes which have been made.

The assets of the investment fund for European securities, VALEUROP, administered by »EURALLIANCE«, SOCIÉTÉ DE GESTION D'INVESTMENT TRUSTS, S. A., Luxembourg, last year increased in value by 16 per cent to more than DM 100 million, although the number of units in circulation continued to decline.

#### *New Issue Business Satisfactory*

The new issue business transacted in 1967 continued to be satisfactory. Of the many new share issues in which the Bank participated, the capital increase of FARBENFABRIKEN BAYER AG should be specially mentioned. Compared with 1966, the volume of fixed-interest securities placed increased by more than 50 per cent. Conditions on the capital market made it possible to raise capital to an increased extent again by the issue of fixed-interest securities, although the development of interest levels at times had a dampening effect on the demand for capital. DEUTSCHE LUFTHANSA AG were able, through a consortium of banks led by ourselves, to place the first option loan floated by a German company. Again in the year under review the Bank has successfully joined in the sponsorship of all foreign DM loans and in numerous international bond issues, as manager and co-manager. Inter alia, for example, it was possible for loans totalling DM 100 million each to be accommodated on the international, and principally European, capital market for the Commonwealth of Australia and the Republic of Argentina by an international banking consortium led by the Bank.

A list of the new issue and other consortium business as well as of the stock exchange introductions in which the Bank participated in 1967 will be found on pages 65 to 68 of this Report.

The DEUTSCHE BETEILIGUNGSGESELLSCHAFT M.B.H., in which, together with a number of notable banks and private bankers, we hold a participating interest, was able in 1967 to

acquire further interesting minority holdings. The partnerships already in existence have developed favourably despite the adverse economic situation. The company's role is generally welcomed as an effective contribution in securing the independence of medium-sized family undertakings. It is anticipated that distributions of profits will be received for the first time for the financial year 1967/68.

At the end of 1967 the Bank established the DEUTSCHE GESELLSCHAFT FÜR FONDSVERWALTUNG M.B.H. (DEGEF) as a new service, particularly for medium- and larger-sized undertakings. This is an investment company which can establish an unlimited number of specialised funds. It offers the possibility of converting into specialised investment funds the social service capital accumulated by undertakings in the form of benevolent and pension funds.

### *Foreign Business Expanded*

Turnover in the Bank's foreign business kept step with the development of the Federal Republic's foreign trade. In conformity with the overall figures for the economy as a whole, turnover on the export side increased considerably, whereas that on the import side declined a little.

We continued to receive an increasing amount of business from our banking correspondents all over the world. The credit facilities placed by us at the disposal of foreign banks were utilised to an even more intensive degree than in the preceding years. The margin between interest rates in German and foreign financial centres has served to strengthen this tendency. We ourselves have utilised the facilities offered to us by foreign banks only to the extent that this was expressly requested by customers in special cases, or when, as for example in the case of guarantees of the most varied character, this was necessary according to the terms of tenders.

The consortium of the AKA AUSFUHRKREDIT-GESELLSCHAFT M.B.H. led by our Bank continued in 1967 and the beginning of 1968 to be able to widen the scope of the finance available for medium- and long-term export credits. The ceiling A made available by the consortium members of the AKA was increased from DM 1.5 billion to DM 1.8 billion in February 1967, and to DM 2.5 billion in January 1968. The ceiling B, also, which provides re-discounting facilities for medium- and longer-term export credits with the Bundesbank, was increased in stages from DM 900 million to DM 2.5 billion. This makes it possible to meet the considerably increased requirements for finance in the export trade.

At the beginning of May 1967 the same consortium as that responsible for AKA established the GESELLSCHAFT ZUR FINANZIERUNG VON INDUSTRIEANLAGEN M.B.H. It is the purpose of this company to participate in medium- and long-term inter-zonal transactions. The procedure for making finance available is the same with this company as with AKA, and the company has also, like AKA, two ceilings at its disposal.

The Bank's turnover in foreign exchange transactions in 1967 – a year of crisis for the international key currencies – increased by more than 25 per cent compared with the preceding year. There was a particularly marked increase in forward transactions, two factors being of decisive importance. Firstly, the high degree of liquidity on the German money market caused a remarkable increase in the arbitrage on interest rates. Considerable amounts emanating from the money market were invested in the international financial centres, and the attendant exchange risks covered forward. Secondly, our customers' requirements for exchange risk cover grew with the increasing uncertainty in the international foreign exchange markets, with the turbulent speculation against Sterling and later also against the Dollar. Although this increased demand for exchange risk cover arose just at the critical time when the forward

markets proved less efficient, we were nevertheless in nearly all cases able to meet our customers' requirements. Dealings in foreign money, on the other hand, showed a certain decline in turnover. It was possible to counter-balance this decline by means of greatly increasing gold transactions, particularly in the last few months of the year.

At the beginning of 1967 we opened a representative office in Beirut. Its purpose is to foster the relationships with banks, business and official authorities in the Lebanon, as well as in Jordan, Iran, Iraq, Saudi-Arabia, Syria, Kuwait and the other states of the Gulf, Afghanistan and Cyprus.

In the year under review we acquired holdings in two further foreign banks, the BANQUE TCHADIENNE DE CRÉDIT ET DE DÉPÔTS, Fort-Lamy, Chad Republic, in April, and THE INDUSTRIAL FINANCE CORPORATION OF THAILAND, Bangkok, in December. The new participation in Chad follows the acquisition of similar participations in the African republics of the Ivory Coast, Gabon, the Cameroons, Dahomey, Senegal, Togo and the Congo (Brazzaville). The Bank's intention in establishing these footholds in the French-speaking countries of Black Africa is principally to serve the interests of German exporters, who will in all probability develop a greater interest than heretofore in the former French territories in Africa, now associated with the European Common Market.

In Thailand we have acquired a participation in the only private development bank of that country. Its purpose is to further the development of the Thai economy, particularly by means of the granting of credits. At the beginning of 1968 we also acquired a participation in the first private development bank in Korea, the KOREAN DEVELOPMENT FINANCE CORPORATION (KDPC), Seoul.

In September, the DEUTSCHE BANK, jointly with the AMSTERDAM-ROTTERDAM BANK N.V., MIDLAND BANK LIMITED, SOCIÉTÉ GÉNÉRALE DE BANQUE S. A. and SAMUEL MONTAGU & CO. LTD., established in Brussels a European bank for medium-term credits, the BANQUE EUROPÉENNE DE CRÉDIT À MOYEN TERME (BEC). The principal function of the new bank is the granting of medium-term credits for a period of up to seven years to undertakings operating in Europe and requiring funds from outside sources to finance their international investments. BEC's activities have encountered great interest, as is evidenced by the volume of credit advanced. In the meantime the circle of original founders of the bank has been enlarged by the entry of BANCA COMMERCIALE ITALIANA, Milan, CRÉDIT LYONNAIS, Paris, and SOCIÉTÉ GÉNÉRALE, Paris.

#### *European Advisory Committee*

The »European Advisory Committee«, which we established in 1963 jointly with the AMSTERDAM-ROTTERDAM BANK N. V., the SOCIÉTÉ GÉNÉRALE DE BANQUE and the MIDLAND BANK LIMITED, consisted of the following members:

Dr. J. R. M. VAN DEN BRINK (from March 1968)  
C. A. KLAASSE (until March 1968)  
Dr. C. F. KARSTEN  
AMSTERDAM-ROTTERDAM BANK N. V.

H. H. THACKSTONE  
E. J. W. HELLMUTH  
MIDLAND BANK LIMITED

P. Baron BONVOISIN (until December 1967)  
H. P. CROMBÉ  
P. E. JANSSEN (from December 1967)  
SOCIÉTÉ GÉNÉRALE DE BANQUE

H. J. ABS (until June 1967)  
K. KLASSEN  
F. H. ULRICH (from June 1967)



The committee and its sub-committees, at their regular meetings, dealt with questions of mutual interest. One of the results of this co-operation, inter alia, was the establishment of the BANQUE EUROPÉENNE DE CRÉDIT À MOYEN TERME (BEC), Brussels. Some of the studies undertaken by sub-committees have again been published.

#### *European Bank in New York*

The member banks of the »European Advisory Committee« have decided, with effect from May 1, 1968, to found the first European bank in New York. The establishment is effected by Deutsche Bank, Amro Bank and Midland Bank entering as partners into the Belgian American Banking Corporation and the Belgian American Bank & Trust Company, which were hitherto solely owned by Société Générale de Banque. Deutsche Bank, Midland Bank and Société Générale de Banque will participate to the extent of Dollar 20 million each, Amro Bank to the extent of Dollar 10 million. The two associated institutions in New York will change their names to European American Banking Corporation and European American Bank & Trust Company. The capital and the open reserves will total Dollar 70 million; the European bank will thus move to the leading position among foreign banks in New York. In the new bank, a special German department will be set up, which will enable Deutsche Bank to offer its business friends the services of a strong affiliation with its own financial facilities and to give any assistance and advice in banking matters on the spot.

#### *Changing Organisation*

In 1967 the Bank opened 69 new branches and sub-branches. As a result the number of offices maintained by the Bank, including those of BANKHAUS WILH. AILMANN, Kiel, which we have taken over, increased to 812, in which a total staff of 25,603 is employed. Since the end of 1952 the number of offices maintained by the DEUTSCHE BANK has more than trebled whilst the number of staff employed has approximately doubled. These circumstances spurred us to examine the organisation of the Bank in the light of changed requirements, and to think it out afresh. With a view to more efficient organisation as a whole and the saving of unnecessary expense, it was announced in April 1967 that it was intended to re-centralise the management of the Bank. In the process of this centralisation a number of Central Office departments have already been moved from Hamburg to Frankfurt. Further departments, also from the Düsseldorf Central Office, will follow. The delegation of responsibility and competence to local centres, a measure which appears to us to be of equal importance, is being continued and intensified, with a view to extending the scope for decision-making allowed to local branch managers within the tightened organisation of our Bank.

Also of organisational importance has been the concentration of the former Department in charge of steering customers' deposits and small personal loans – in the meantime renamed MARKET AND SALES DEPARTMENT (MVA) – at the Central Office in Frankfurt. The department deals in particular with all fundamental questions relating to retail banking, with the problems of marketing, and with training in these fields.

A technical prerequisite for the successful management of the continually increasing number of business transactions was the extension of electronic data processing. The transfer of work to computers has now already been effected to the extent of more than 90 per cent. By the end of 1968 all our work will have been computerised.

### III

Despite the comprehensive application of labour-saving devices -- particularly computers -- the opening of new branches, the rising volume of business and the incorporation of BANKHAUS WILH. AHLMANN, Kiel, have, in the year under review, led to a further increase in our staff by 3.8 per cent. Consequently the number of full-time employees rose to 25,603. This figure includes 3,615 apprentices and young beginners receiving limited instruction; the number of these has increased to an above-average degree as a result of the shorter school year in 1966. 43 per cent of our staff were women. In addition there were, at the end of December 1967, 1,447 part-timers -- mainly female -- in our employ.

The average age of our staff is roughly 33. At the present time

36 per cent of our employees are under 25,  
42 per cent of our employees are between 25 and 45,  
22 per cent of our employees are over 45.

In the past financial year, 11 of our employees celebrated 50 years of service with the Bank, 124 employees their 40th anniversary in our employ, and 105 their 25th.

We continued to devote particular attention to the care of our staff as well as of our 6,030 pensioners and surviving dependants.

We devoted yet more intensive efforts to the further training of a responsible rising generation of banking experts, in order that it might be fully capable of meeting the additional requirements posed by the continually extending scope of our functions. Practical training in the various departments was supplemented by lectures and courses of instruction, as well as courses outside the Bank. To a number of younger employees we also, in the financial year now ended, gave the opportunity of extending their knowledge by means of employment in other branches of our Bank, or with our correspondents abroad. In return we accepted young foreigners with banking experience for further training.

We would take this opportunity of expressing to our employees, whose diligence and sense of responsibility have contributed measurably to our business successes, our thanks and recognition.

#### IV

We would make the following comments on the individual balance sheet items:

##### *Balance Sheet Total*

The Bank's volume of business has again increased. The *Balance Sheet Total*, including the additional amount emanating from the take-over of Bankhaus Wilh. Ahlmann, Kiel, by the end of the year under review had risen by DM 2.3 billion to DM 20.4 billion. The rate of increase amounted to 12.5 per cent.

##### *Turnover*

*Turnover* on customers' accounts – excluding banks – again exceeded that in the preceding year, increasing by DM 21.9 billion, or 3.6 per cent, to DM 635.8 billion.

##### *Liquidity*

As a result of the repeated reductions in the minimum reserve ratios it proved possible to lower the non-interest-bearing credit balances with the Deutsche Bundesbank to DM 1,135.5 million. At the end of the year the cash reserve, including cash in hand and balances on Postal Cheque Accounts, amounted to DM 1,387.1 million, i. e. 7.6 per cent of liabilities in respect of deposits, borrowed funds (nostro liabilities) and the Bank's own acceptances in circulation.

As newly received deposits were only in part utilised for the granting of credits, total liquid funds – cash reserve, nostro balances on demand, matured bonds, interest and dividend coupons, cheques on other banks, bills of exchange eligible for rediscount with the Bundesbank, Treasury bills and non-interest-bearing Treasury bonds, medium-term interest-bearing bonds and securities eligible as collateral for Bundesbank advances – increased by DM 1.7 billion to DM 7.8 billion. The ratio of liquid funds to the engagements listed above (overall liquidity) therefore worked out at 42.6 per cent, compared with 37.5 per cent at the end of 1966.

##### *Balances with other Credit Institutions (Nostro Balances)*

*Balances with other Credit Institutions* increased from DM 832.2 million to DM 1,416.6 million. The increase of DM 584.4 million is accounted for mainly by the investment of freely available funds as term deposits with other banks. Circa 50 per cent of the total of nostro balances was maintained with foreign banks.

##### *Bills Discounted*

In connection with the increased volume of discount business transacted, *holdings of bills* increased by DM 914.1 million to DM 3,804.5 million. Circa DM 3.5 billion of this total is accounted for by bills – including AKA bills – which, in accordance with the regulations of the Deutsche Bundesbank, are eligible both for discounting and as collateral.

*Treasury Bills, Non-Interest-Bearing Treasury Bonds and Medium-Term Interest-Bearing Bonds*

Investment in *Treasury Bills and Non-Interest-Bearing Treasury Bonds* increased by DM 999.1 million to DM 1,704.0 million. Holdings consisted almost exclusively of bonds issued by the Federal Government, the Federal Railways and the Federal Postal Administration.

Holdings of *Medium-Term Interest-Bearing Bonds* increased from DM 6.2 million to DM 189.1 million.

*Quoted and Unquoted Securities and Consortium Participations*

*Quoted and Unquoted Securities* are shown as totalling DM 1,468.3 million. The increase of DM 86.5 million is accounted for mainly by fixed-interest securities.

On the date the balance sheet was compiled no holdings of the Bank's *own shares* were in hand.

In the course of the year under review a total of 338,183 Deutsche Bank AG shares was acquired, and subsequently sold, by the Bank and its subsidiaries at stock exchange prices. Consequently working capital employed in these transactions came back to the Bank.

*Consortium Participations* have increased to only a small extent, by DM 4.9 million to DM 271.5 million. A list of the consortium transactions in which the Bank participated in 1967 is to be found on pages 65 to 68 of this Report.

As in all previous annual balance sheets, all holdings of securities have been valued by the strict application of the minimum value principle.

Securities holdings and Consortium participations include the following shareholdings reported in accordance with Article 20 of the Law on Joint Stock Companies:

a) *Holdings of more than 25%*

BAYERISCHE ELEKTRIZITÄTS-WERKE, München  
BERGMANN-ELEKTRIZITÄTS-WERKE AKTIENGESELLSCHAFT, Berlin  
DAIMLER-BENZ AKTIENGESELLSCHAFT, Stuttgart  
DIDIER-WERKE AKTIENGESELLSCHAFT, Wiesbaden  
EICHBAUM-WERGER-BRAUEREIEN AKTIENGESELLSCHAFT, Worms am Rhein  
ENZINGER-UNION-WERKE AKTIEN-GESELLSCHAFT, Mannheim  
PHILIPP HOLZMANN AKTIENGESELLSCHAFT, Frankfurt (Main)  
KARSTADT AKTIENGESELLSCHAFT, Hamburg  
MASCHINENFABRIK MOENUS AKTIENGESELLSCHAFT, Frankfurt (Main)  
NEUE AUGSBURGER KATTUNFABRIK, Augsburg  
PITTLER MASCHINENFABRIK AKTIENGESELLSCHAFT, Langen  
PORZELLANFABRIK KAHLA, Schönwald  
SCHUHFABRIK MANZ AKTIENGESELLSCHAFT, Bamberg  
SCHWÄBISCHE TREUHAND-AKTIENGESELLSCHAFT, Stuttgart  
GEBRÜDER STOLLWERCK AKTIENGESELLSCHAFT, Köln  
SÜDDEUTSCHE ZUCKER-AKTIENGESELLSCHAFT, Mannheim  
VERMINGLE TRIKOTFABRIKEN VOLLMÖLLER AKTIENGESELLSCHAFT,  
Stuttgart-Vaihingen

b) *Holdings of more than 50%*

HAMBURG-AMERIKA LINIE (HAMBURG-AMERIKANISCHE  
PACKETFAHRT-ACTIEN-GESELLSCHAFT), Hamburg  
ITZEHOER NETZFABRIK AKTIENGESELLSCHAFT, Itzehoe

### *Claims on Federal and Laender Authorities under the Currency Reform Laws of 1948*

The 3 per cent *Equalisation Claims* on public authorities (Federal Government and Laender) have declined by DM 7.3 million to DM 427.8 million. An addition of DM 1.8 million resulting from the take-over of Bankhaus Wilh. Ahlmann, Kiel, was counter-balanced by redemptions totalling DM 8.8 million and disposals totalling DM 0.3 million.

*Covering Claims* under Article 11 of the Currency Conversion Compensation Law (Währungsausgleichsgesetz), Article 19 of the Old Savings Law (Altsparergesetz), and Article 252 of the Equalisation of Burdens Law (Lastenausgleichsgesetz), despite redemptions totalling DM 4.6 million, still increased by DM 12.2 million to DM 91.4 million. The additional amount received of DM 15.7 million principally emanates from basic equalisation of burdens compensation in respect of savings deposits. In addition an amount of DM 1.1 million was taken over from Bankhaus Wilh. Ahlmann.

Equalisation and Covering Claims accounted for a total of 2.5 per cent of the balance sheet total.

### *Lending Activity*

In view of the economic situation, demand for new credits on the part of our customers was slight; only towards the end of the year did credit transactions revive a little. Compared with the end of 1966 there was therefore an extension of the volume of credits (discounts, advances and long-term lendings) of 6.4 per cent, although this rate of growth was lower than that in the preceding years.

There has been a particularly marked increase in the utilisation of *discounts*, the total of which has grown by DM 925.3 million to DM 3,987.2 million. Demand for short- and medium-term cash advances, on the other hand, as well as for acceptance credits, decreased. The balance sheet figure under *Advances*, which comprises these types of credit, worked out, on the date the balance sheet was compiled, at DM 6,821.2 million, or DM 956.8 million less than at the end of 1966.

Our customers' requirements for longer-term finance continued to increase. *Long-Term Lendings* shared in the increase in the volume of credits with a rise of DM 802.2 million. At the end of 1967 they totalled DM 1,926.6 million, of which amount more than 50 per cent will fall due within the next four years. In respect of a proportion, amounting to DM 435.1 million, of the long-term lendings, the Bank, as intermediary, has accepted liability. These long-term loans have largely been made available by the KREDITANSTALT FÜR WIEDERAUFBAU. Where corresponding agreements had been made with the lenders, the funds in question were lent to the borrowers concerned on the conditions stipulated by the institutions involved.

Claims on associated companies principally cover credits granted to hire-purchase finance institutions affiliated to the Bank.

On the date the balance sheet was compiled, 44,141 of the Bank's *own shares* were pledged to the Bank and its subsidiaries as security for credits granted.

All recognisable risks involved in the granting of credit were provided for by the formation of value adjustments and reserves for special purposes. In addition there is the prescribed global value adjustment entry to cover latent risks.

As a result of the different degrees of development of the various individual types of credit, there has been a shift in the composition of the volume of credit, as shown in the following comparison:

	December 31, 1967	December 31, 1966
Discounts .....	DM 3,987.2 million == 31.3 %	DM 3,061.9 million == 25.6 %
Advances .....	DM 6,821.2 million == 53.6 %	DM 7,778.0 million == 65.0 %
Long-Term Lendings .....	DM 1,926.6 million == 15.1 %	DM 1,124.4 million == 9.4 %
	<u>DM 12,735.0 million == 100.0 %</u>	<u>DM 11,964.3 million == 100.0 %</u>

Lendings are split up as follows:

	Dec. 31, 1967	Dec. 31, 1966
Iron and steel producers and producers of non-ferrous metals; iron, steel and metal foundries; mining .....	7.8 %	7.3 %
Iron and steel construction; machinery and vehicle construction and shipbuilding .....	11.2 %	14.1 %
Chemical and pharmaceutical industry .....	4.7 %	3.3 %
Electrical engineering, precision instruments and optical goods ..	4.2 %	5.1 %
Iron, steel, tin and metal goods; plastics processing .....	4.5 %	4.9 %
Building and contracting and wood processing .....	4.0 %	4.7 %
Foodstuffs, semi-luxuries and fodder .....	4.9 %	4.4 %
Textiles and clothing .....	5.6 %	7.3 %
Paper .....	2.0 %	1.8 %
Miscellaneous industry .....	5.7 %	5.3 %
Trade .....	15.1 %	16.1 %
Other borrowers (including small personal loans, loans for specified purchases and banks) .....	<u>30.3 %</u>	<u>25.7 %</u>
	<u>100.0 %</u>	<u>100.0 %</u>

#### *Loans on a Trust Basis*

The amount shown of DM 198.2 million, apart from loans on a trust basis granted by the Bank in its own name but for account of third parties, also includes claims on the Tax Offices resulting from the crediting of savings premiums. The rise of DM 27.7 million is due to the increase in claims in respect of premiums.

#### *Participations in Subsidiaries and Associated Companies*

The book value of our *Participations* increased by DM 36,663,900.— to DM 190,943,900.—.

The amount of new participations acquired, of DM 38,506,062.01, includes four newly-established companies: DEUTSCHE GESELLSCHAFT FÜR ANLAGEBERATUNG M.B.H., DEUTSCHE GESELLSCHAFT FÜR FONDSVERWALTUNG M.B.H., GESELLSCHAFT ZUR FINANZIERUNG VON INDUSTRIEANLAGEN M.B.H., all in Frankfurt/Main, as well as the BANQUE EUROPÉENNE DE CRÉDIT À MOYEN TERME, Brussels. In the year under review the Bank also acquired participations in the WESTDEUTSCHE KREDITBANK FÜR BAUFINANZIERUNG AG, Köln, the BANQUE TCHADIENNE DE CRÉDIT ET DE DÉPÔTS, Fort-Lamy, and in THE INDUSTRIAL FINANCE CORPORATION OF THAILAND, Bangkok. Our participation in the DEUTSCHE UEBERSEEISCHE BANK, Berlin-

Hamburg, now amounts to 95.3 per cent. The remaining new participations are in the main due to capital increases on the part of some credit institutions. As a result of transfers, the Participations Account on the one hand increased by DM 3,342,675.37, and on the other hand decreased by DM 152,001.—. The amount of participations relinquished, of DM 5,000,000.—, is in respect of the taking-over of Bankhaus Wilh. Ahlmann, Kiel, in which we had previously held a participation, as a branch of the Bank itself. Amounts written off in respect of participations totalled DM 32,836.38.

At the end of 1967 the Bank held the following participations in credit institutions and other undertakings:

a) *German Credit Institutions*

AKA AUSFUHRKREDIT-GESELLSCHAFT M.B.H., Frankfurt (Main)

Capital of DM 24.0 million, 50% paid-up, our holding 27.2 %

BADISCHE BANK, Karlsruhe

Capital of DM 12.0 million, our holding 25.1 %

BANKHAUS J. WICHELHAUS P. SOHN AG., Wuppertal-Elberfeld

Capital of DM 3.0 million, our holding 100 %

BERLINER DISCONTO BANK AKTIENGESELLSCHAFT, Berlin

Capital of DM 20.0 million, our holding 100 %

DEUTSCH-ASIATISCHE BANK, Hamburg

Capital of DM 7.5 million, our holding 25.1 %

DEUTSCHE CENTRALBODENKREDIT-AKTIENGESELLSCHAFT, Berlin-Köln

Capital of DM 30.0 million, our holding 25.1 %

DEUTSCHE GESELLSCHAFT FÜR FONDSVERWALTUNG MIT BESCHRÄNKTER HAFTUNG, Frankfurt (Main)

Capital of DM 1.0 million, our holding 100 %

DEUTSCHE GESELLSCHAFT FÜR WERTPAPIERSPAREN M.B.H., Frankfurt (Main)

Capital of DM 2.0 million, our holding 30.0 %

DEUTSCHE HYPOTHEKENBANK, Bremen

Capital of DM 20.0 million, our holding 25.1 %

DEUTSCHE SCHIFFFAHRTSBANK AKTIENGESELLSCHAFT, Bremen

Capital of DM 12.0 million, our holding 25.2 %

DEUTSCHE SCHIFFSPFANDBRIEFBANK AKTIENGESELLSCHAFT, Berlin-Bremen

Capital of DM 1.0 million, our holding 25.1 %

DEUTSCHE UEBERSEEISCHE BANK, Berlin-Hamburg

Capital of DM 15.0 million, our holding 95.3 %

FRANKFURTER BODENKREDITBANK AKTIENGESELLSCHAFT, Frankfurt (Main)

Capital of DM 3.0 million, our holding 25.0 %

FRANKFURTER HYPOTHEKENBANK, Frankfurt (Main)

Capital of DM 40.0 million, our holding 25.1 %

GEFA GESELLSCHAFT FÜR ABSATZFINANZIERUNG M.B.H., Wuppertal-Elberfeld

Capital of DM 18.0 million, our holding 100 %

GESELLSCHAFT ZUR FINANZIERUNG VON INDUSTRIEANLAGEN MIT BESCHRÄNKTER HAFTUNG, Frankfurt (Main)

Capital of DM 1.0 million, 50% paid-up, our holding 27.2 %

HYPOTHEKENBANK IN HAMBURG, Hamburg

Capital of DM 16.0 million, our holding 26.3 %

LOMBARDKASSE AKTIENGESELLSCHAFT, Berlin-Frankfurt (Main)  
 Capital of DM 0.9 million, 50% paid-up } our holding 33.8 %  
 DM 0.1 million, fully paid }

MELLER VOLKSBANK AKTIENGESELLSCHAFT, Melle  
 Capital of DM 0.3 million, our holding 34.7 %

PFÄLZISCHE HYPOTHEKENBANK, Ludwigshafen  
 Capital of DM 18.0 million, our holding 25.1 %

PRIVATDISKONT-AKTIENGESELLSCHAFT, Frankfurt (Main)  
 Capital of DM 5.0 million, 50% paid-up, our holding 12.8 %

RHEINISCHE HYPOTHEKENBANK, Mannheim  
 Capital of DM 20.0 million, our holding 25.1 %

SAARLÄNDISCHE KREDITBANK AKTIENGESELLSCHAFT, Saarbrücken  
 Capital of DM 10.0 million, our holding 66.6 %

SCHIFFSHYPOTHEKENBANK ZU LÜBECK AKTIENGESELLSCHAFT, Lübeck  
 Capital of DM 16.0 million, our holding 28.0 %

WESTDEUTSCHE BODENKREDITANSTALT, Köln  
 Capital of DM 10.5 million, our holding 25.1 %

WESTDEUTSCHE KREDITBANK FÜR BAUFINANZIERUNG AKTIENGESELLSCHAFT, Köln  
 (now DEUTSCHE KREDITBANK FÜR BAUFINANZIERUNG AKTIENGESELLSCHAFT)  
 Capital of DM 10.0 million, our holding 75.0 %

b) *Foreign Credit Institutions*

BANCO DEL DESARROLLO ECONÓMICO ESPAÑOL S.A., Madrid  
 Capital of Ptas 420.0 million, our holding 2.8 %

BANCO ESPAÑOL EN ALEMANIA S.A., Madrid  
 Capital of Ptas 48.0 million, our holding 15.0 %

BANQUE COMMERCIALE CONGOLAISE, Brazzaville/Congo  
 Capital of CFA-Francis 180.0 million, our holding 5.0 %

BANQUE COMMERCIALE DU MAROC, Casablanca/Morocco  
 Capital of Dirham 5.0 million, our holding 10.0 %

BANQUE EUROPÉENNE DE CRÉDIT À MOYEN TERME, Brussels  
 Capital of B. Francs 1,250.0 million, our holding 13.1 %

BANQUE NATIONALE POUR LE DÉVELOPPEMENT ÉCONOMIQUE, Rabat/Morocco  
 Capital of Dirham 30.0 million, our holding 1.0 %

BANQUE TCHADIENNE DE CRÉDIT ET DE DÉPÔTS, Fort-Lamy/Chad  
 Capital of CFA-Francis 110.0 million, our holding 7.5 %

H. ALBERT DE BARY & CO. N.V., Amsterdam  
 Capital of D. Fls 15.0 million, our holding 20.0 %

CORPORACIÓN FINANCIERA COLOMBIANA, Bogotá/Colombia  
 Capital of Col. Pesos 118.3 million, our holding 0.5 %

»EURALLIANCE«, SOCIÉTÉ DE GESTION D'INVESTMENT TRUSTS, S.A., Luxembourg  
 Capital of L. Francs 6.0 million, our holding 32.7 %

FOREIGN TRADE BANK OF IRAN, Teheran/Iran  
 Capital of Rials 275.0 million, our holding 14.5 %



INDUSTRIAL AND MINING DEVELOPMENT BANK OF IRAN, Teheran/Iran  
 Capital of Rials 720.0 million, our holding 1.2 %

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD.,  
 Bombay/India  
 Capital of Ind. Rupees 75.0 million, our holding 1.5 %

THE INDUSTRIAL FINANCE CORPORATION OF THAILAND, Bangkok/Thailand  
 Capital of Baht 50.0 million, our holding 2.9 %

MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD, Kuala Lumpur/Malaysia  
 Capital of M\$ 25.0 million, our holding 1.0 %

NATIONAL INVESTMENT BANK FOR INDUSTRIAL DEVELOPMENT LTD., Athens  
 Capital of Drachmae 300.0 million, our holding 4.5 %

THE PAKISTAN INDUSTRIAL CREDIT AND INVESTMENT CORPORATION LTD.,  
 Karachi/Pakistan  
 Capital of Pak. Rupees 40.0 million, our holding 5.5 %

PRIVATE DEVELOPMENT CORPORATION OF THE PHILIPPINES,  
 Makati, Rizal/Philippines  
 Capital of Phil. Pesos 25.0 million, our holding 1.8 %

SOCIÉTÉ CAMEROUNAISE DE BANQUE, Yaoundé/Cameroons  
 Capital of CFA-Francis 400.0 million, our holding 5.0 %

SOCIÉTÉ DAHOMÉENNE DE BANQUE, Cotonou/Dahomey  
 Capital of CFA-Francis 125.0 million, our holding 10.0 %

SOCIÉTÉ IVOIRIENNE DE BANQUE, Abidjan/Ivory Coast  
 Capital of CFA-Francis 500.0 million, our holding 16.0 %

TEOLLISTAMISRAILASTO OY-INDUSTRIALIZATION FUND OF FINLAND LTD.,  
 Helsinki  
 Capital of Fmk 15.0 million, our holding 1.1 %

UNION GABONAISE DE BANQUE, Libreville/Gabon  
 Capital of CFA-Francis 300.0 million, our holding 10.0 %

UNION SÉNÉGALAISE DE BANQUE POUR LE COMMERCE ET L'INDUSTRIE,  
 Dakar/Senegal  
 Capital of CFA-Francis 690.0 million, our holding 4.3 %

UNION TOGOLAISE DE BANQUE, Lomé/Togo  
 Capital of CFA-Francis 130.0 million, our holding 18.0 %

c) *Other German Undertakings*

»ALWA« GESELLSCHAFT FÜR VERMÖGENSVERWALTUNG MIT BESCHRÄNKTER  
 HAFTUNG, Hamburg  
 Capital of DM 0.1 million, our holding 95.0 %

DEUTSCHE BETEILIGUNGSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG,  
 Frankfurt (Main)  
 Capital of DM 1.0 million, 50 % paid-up, our holding 40.0 %

DEUTSCHE GESELLSCHAFT FÜR ANLAGEBERATUNG MIT BESCHRÄNKTER HAFTUNG,  
 Frankfurt (Main)  
 Capital of DM 0.5 million, 25 % paid-up, our holding 100 %

HESSISCHE IMMOBILIEN-VERWALTUNGS-GESELLSCHAFT MIT BESCHRÄNKTER  
HAFTUNG, Frankfurt (Main)

Capital of DM 1.0 million, 25 % paid-up, our holding 95.0 %

MATURA VERMÖGENSVERWALTUNG MIT BESCHRÄNKTER HAFTUNG, Düsseldorf

Capital of DM 0.3 million, our holding 100 %

NORDWESTDEUTSCHER WOHNUNGSBAUTRÄGER GESELLSCHAFT MIT BESCHRÄNKTER  
HAFTUNG, Braunschweig

Capital of DM 0.2 million, our holding 100 %

SÜDDEUTSCHE VERMÖGENSVERWALTUNG GESELLSCHAFT MIT BESCHRÄNKTER  
HAFTUNG, Frankfurt (Main)

Capital of DM 2.0 million, our holding 100 %

TRINITAS VERMÖGENSVERWALTUNG GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG,  
Frankfurt (Main)

Capital of DM 1.0 million, our holding 100 %

d) *Other Foreign Undertakings*

ADELA INVESTMENT COMPANY S.A., Luxembourg/Lima (Peru)

Capital of US\$ 38.21 million, our holding 0.8 %

DELTEC PANAMERICA S.A., Panama/Nassau (Bahamas)

Capital of 3.2 million shares, our holding 3.7 %

PIPELINE FINANCE S.A., Luxembourg

Capital of US\$ 0.5 million, 25 % paid-up, our holding 14.2 %

Proceeds from participations received in 1967 amounted to DM 15,008,313.17, compared with DM 14,175,423.45 in the preceding year.

An account of *associated undertakings* will be given in the Report of the Combine.

*Real Estate and Buildings*

New buildings and extensions, inter alia in Aachen, Darmstadt, Düsseldorf, Oldenburg and Siegen, the acquisition of various vacant plots for banking purposes, as well as the taking-over of the bank building of Bankhaus Wilh. Ahlmann, Kiel, led to additions on Real Estate and Buildings Account of DM 26,137,016.—. Subtractions as a result of sales and demolition totalled DM 1,366,356.—. After allowing for depreciation, including special depreciation in accordance with the First Order covering Economic Tax Measures of February 10, 1967, of DM 7,439,545.—, as well as utilisation of profits on sale, in accordance with Article 6b of the Income Tax Law, of DM 2,304,615.—, *Real Estate and Buildings* as at the end of the year stand at DM 240,726,500.—, of which DM 9,036,000.— is accounted for by *other real estate*.

### *Office Furniture and Equipment*

Of the movable effects of all kinds acquired in the year under review, low-value articles to a total of DM 6,980,383.40 were written off immediately, whilst additions of DM 18,902,941.20 were passed to Equipment Account. After allowing for depreciation, as well as special depreciation in accordance with the First Order covering Economic Tax Measures of February 10, 1967, totalling DM 13,558,941.20, *Office Furniture and Equipment* on December 31, 1967, stood at DM 75,344,000.—.

### *Sundry Assets*

*Sundry Assets*, which have increased to DM 13.6 million, inter alia include an item in course of settlement with the DEUTSCHE BANK, Berlin, as well as down-payments on rebuilding operations and fixtures and fittings.

### *Deposits*

On the date on which the balance sheet was compiled, total *Deposits* amounted to DM 18.2 billion, an increase of DM 2.3 billion or 14.2 per cent. DM 2.1 billion of this increase is accounted for by deposits on the part of customers. The total of new deposits received from customers in 1967 is the highest which the Bank has achieved since the Currency Reform in 1948. There was a particularly marked increase in *Sight Deposits received from non-banking customers*, which have increased by DM 1,076.8 million to DM 6.0 billion.

*Savings Deposits*, with an increase of DM 687.7 million, played a part in the extension of the volume of deposits. On the date on which the balance sheet was compiled, Savings Deposits had reached a total of nearly DM 6.0 billion. Savings Deposits qualifying for premium increased to a slightly greater degree than in the preceding year.

*Term Deposits on the part of customers* increased by DM 368.7 million to DM 4.0 billion.

The composition of total deposits is shown in the following comparison:

	December 31, 1967	December 31, 1966
Deposits by non-banking customers		
<i>Sight Deposits</i> .. . . .	DM 5,951.4 million = 32.7 %	DM 4,874.6 million = 30.6 %
<i>Term Deposits</i> .. . . .	DM 3,960.9 million = 21.8 %	DM 3,592.2 million = 22.6 %
<i>Savings Deposits</i> .. . . .	DM 5,982.6 million = 32.9 %	DM 5,294.9 million = 33.2 %
	DM 15,894.9 million = 87.4 %	DM 13,761.7 million = 86.4 %
Deposits by credit institutions		
<i>Sight Deposits</i> .. . . .	DM 1,716.3 million = 9.4 %	DM 1,610.1 million = 10.1 %
<i>Term Deposits</i> .. . . .	DM 585.7 million = 3.2 %	DM 564.7 million = 3.5 %
Total Deposits .. . . .	<u>DM 18,196.9 million = 100.0 %</u>	<u>DM 15,936.5 million = 100.0 %</u>

### *Borrowed Funds (Nostro Liabilities)*

In connection with the settlement of foreign payment transactions, short-term overdrafts on our foreign currency accounts increased, with the result that *Nostro Liabilities* rose from DM 11.9 million to DM 19.2 million.

### *Own Acceptances*

Liabilities in respect of the Bank's *Own Acceptances* in circulation on the date on which the balance sheet was compiled amounted to DM 4.1 million, compared with DM 141.7 million at the end of 1966, as the relative transactions were financed by means of shorter-term cash credits.

### *Long-Term Loans taken up*

*Long-Term Loans taken up* were exclusively funds for specific purposes intended for transmission to our customers and made available principally by the KREDITANSTALT FÜR WIEDERAUFBAU. This item totals DM 435.1 million, or DM 41.4 million more than at the end of 1966.

### *Loans on a Trust Basis*

This item is the same as the one for DM 198.2 million appearing under the same title on the asset side. Liabilities in respect of savings premiums credited correspond to the claims for premiums on the Tax Offices.

### *Reserve Fund for Pensions*

The amount of DM 301.5 million placed to *Reserve for Pensions* covers the actuarial valuation at the present time of current and future pensions. In calculating this amount, the increases in both the number of staff and in salaries in the year under review were taken into account. The total increase of DM 57.5 million in the amount placed to Reserve for Pensions is also connected with the transfer of items hitherto included in Reserves for Special Purposes. These items are the provision for future pension contingencies hitherto included in Reserves for Special Purposes, as well as the engagements in respect of pensions taken over in past years from the DEUTSCHE BANK, Berlin.

### *Other Liability Items*

An amount of DM 1.6 million taken from the profits on the sale of securities was placed to a *Reserve in accordance with Article 6b of the Income Tax Law* provided for utilisation in 1968.

The decrease in *Reserves for Special Purposes* by DM 55.7 million to DM 80.6 million was caused principally by the transfers mentioned in the explanation of the Reserve Fund for Pensions.

*Sundry Liabilities* are practically unchanged at a total of DM 1.2 million.

The heading *Transitory Items* comprises, on the assets side, disbursements, and, on the liabilities side, receipts which do not concern 1967.

### *Contingent Liabilities*

In 1967 further guarantees were given on the instructions of our customers. As a result, *Liabilities arising from guarantees, guarantees for bills and cheques, as well as performance contracts*, have increased from DM 1,894.3 million at the end of the preceding year to DM 2,065.6 million.

On the other hand, *Endorsement Liabilities on Bills of Exchange in circulation* have decreased to DM 73.7 million.

On the date on which the balance sheet was compiled, *Liabilities* in respect of possible calls on shares in public and private limited companies not fully paid-up amounted to DM 27.8 million.

#### *Expenditure and Receipts*

The increase in *Wages and Salaries*, of DM 26.0 million to DM 354.9 million, is due to the rise in the number of staff employed, inter alia necessitated by the taking-over of Bankhaus Wilh. Ahlmann, Kiel, as well as to the rise in agreed-scale wages and salaries as from March 1, 1967. A total of DM 52.2 million was spent on *Employee Benefits, Pensions, etc.*

The increase in *Other Operating Expenses* of 6.3 per cent to DM 114.4 million is due to the opening of a further 69 offices, as well as to the continuing rise in general business expenses.

*Taxes and Similar Expenses* at DM 122.6 million roughly maintained the level of the preceding year.

The surplus from *Interest and Discount* transactions amounted to DM 451.3 million, or DM 59.1 million less than the comparable figure for the previous year. These diminished receipts are due to the reduction in interest margins since the lifting of the regulation covering interest rates as from April 1, 1967, as well as to the liquidisation of the balance sheet structure. This setback was cushioned by the extraordinary accounts, which, with the improved situation in securities and stock exchange transactions and higher receipts, have been relieved of the necessity of the last few years to allow for depreciation in the value of securities held.

*Commissions, Fees and Other Income* to an amount of DM 322.8 million have been applied in cover of expenditure, whilst all other receipts have been utilised for value adjustments, reserves for special purposes and depreciation.

An extraordinary cash receipt of DM 45.9 million (gross) resulted from the refund of *branch taxes* paid in previous years, which the Federal Constitutional Court had declared unconstitutional. After deduction of the proportionate tax on earnings, we shall distribute to shareholders a 4 per cent bonus to a total of DM 16.0 million, which is already included in the Balance Sheet Profit. Furthermore, the whole staff of the Bank will receive a special payment. Apart from this, lesser reserves in respect of branch taxes for financial years which had not yet been subject to assessment were dissolved and served to strengthen the del credere reserve.

The total emoluments of the Board of Managing Directors for the financial year 1967 amounted to DM 4,506,164.90. A total of DM 736,410.— was paid to former members of the Board of the DEUTSCHE BANK AG and the DEUTSCHE BANK, Berlin, and to their surviving dependants.

The Supervisory Board received DM 272,500.— as fixed emoluments; the variable Supervisory Board payment amounts to DM 704,000.—. The members of the Advisory Board received DM 356,000.— and those of the Advisory Councils DM 1,401,000.—.

Having transferred to the

<i>Voluntary Reserve</i>	DM 50,000,000.—,
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we propose that the available

<i>Balance Sheet Profit of</i>	DM 80,000,000.—
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be used in payment of a

*Dividend of DM 8.— and a Bonus of DM 2.—*  
*per share à nominal DM 50.—*

on the *Capital* of DM 400,000,000.—.

Furthermore, we propose that, with a view to strengthening the capital resources,\* the Capital be increased by DM 80,000,000.— by the issue of new bearer shares carrying entitlement to profit as from January 1, 1968; the shares will be offered to shareholders in the ratio of 1 new share for every 5 shares held at the price of DM 125.— per share à nominal DM 50.—.

#### *Capital and Reserves*

The Bank's *capital resources*, after the *capital increase* to be resolved by the General Meeting has been completed, will be composed as follows:

<i>Capital</i> .. .. .	DM 480,000,000.—	
<i>Statutory Reserve</i> .. .. .	DM 170,000,000.—	
<i>Voluntary Reserve</i> .. .. .	DM 500,000,000.—	
<i>Voluntary Reserve II</i> .. .. .	DM 100,000,000.—	DM 770,000,000.—
	Total	<u>DM 1,250,000,000.—</u>

FRANKFURT on Main, March 1968

THE BOARD OF MANAGING DIRECTORS

<i>Christians</i>	<i>Feith</i>	<i>Gröning</i>	<i>Guth</i>	<i>v. Hauenschild</i>	<i>Janberg</i>
<i>Klasen</i>	<i>Kleffel</i>	<i>Osterwind</i>	<i>Ulrich</i>	<i>Vallentbin</i>	

## GROWTH OF CAPITAL AND RESERVES

	Capital	Reserves in accord. with Art. 10 of the KWG	Capital and Reserves Total
	DM	DM	DM
January 1, 1952 (opening balance sheet)	100,000,000.—	40,500,000.—	140,500,000.—
Allocation: 1952, as per Annual Report		34,500,000.—	34,500,000.—
December 31, 1952	100,000,000.—	75,000,000.—	175,000,000.—
Allocation: 1953, as per Profit and Loss Statement		10,000,000.—	10,000,000.—
December 31, 1953	100,000,000.—	85,000,000.—	185,000,000.—
Allocation: 1954, as per Profit and Loss Statement		15,000,000.—	15,000,000.—
December 31, 1954	100,000,000.—	100,000,000.—	200,000,000.—
Capital increase: 1955 (1 for 2 at par)	50,000,000.—		50,000,000.—
Allocation: 1955, as per Profit and Loss Statement and Annual Report		25,000,000.—	25,000,000.—
December 31, 1955	150,000,000.—	125,000,000.—	275,000,000.—
Capital increase: 1956 (1 for 3 at par)	50,000,000.—		50,000,000.—
Allocation: 1956, as per Profit and Loss Statement		25,000,000.—	25,000,000.—
December 31, 1956	200,000,000.—	150,000,000.—	350,000,000.—
Allocation: 1957, as per Profit and Loss Statement		30,000,000.—	30,000,000.—
December 31, 1957	200,000,000.—	180,000,000.—	380,000,000.—
Capital increase: 1958 (1 for 4 at par)	50,000,000.—		50,000,000.—
Allocation: 1958, as per Profit and Loss Statement		35,000,000.—	35,000,000.—
December 31, 1958	250,000,000.—	215,000,000.—	465,000,000.—
Allocation: 1959, as per Profit and Loss Statement		35,000,000.—	35,000,000.—
December 31, 1959	250,000,000.—	250,000,000.—	500,000,000.—
Allocation: 1960, as per Profit and Loss Statement		50,000,000.—	50,000,000.—
December 31, 1960	250,000,000.—	300,000,000.—	550,000,000.—
Capital increase: 1961 (1 for 5 at par)	50,000,000.—		50,000,000.—
Allocation: 1961, as per Profit and Loss Statement		40,000,000.—	40,000,000.—
December 31, 1961	300,000,000.—	340,000,000.—	640,000,000.—
Allocation: 1962, as per Profit and Loss Statement		20,000,000.—	20,000,000.—
December 31, 1962	300,000,000.—	360,000,000.—	660,000,000.—
Allocation: 1963, as per Profit and Loss Statement		40,000,000.—	40,000,000.—
December 31, 1963	300,000,000.—	400,000,000.—	700,000,000.—
Allocation: 1964, as per Profit and Loss Statement		30,000,000.—	30,000,000.—
December 31, 1964	300,000,000.—	430,000,000.—	730,000,000.—
Capital increase: 1965 (1 for 6 at par)	50,000,000.—		50,000,000.—
Allocation: 1965, as per Profit and Loss Statement		70,000,000.—	70,000,000.—
December 31, 1965	350,000,000.—	500,000,000.—	850,000,000.—
Capital increase: 1966 (1 for 7 at par)	50,000,000.—		50,000,000.—
Allocation: 1966, as per Profit and Loss Statement		100,000,000.—	100,000,000.—
December 31, 1966	400,000,000.—	600,000,000.—	1,000,000,000.—
Allocation: 1967, as per Profit and Loss Statement		50,000,000.—	50,000,000.—
Proposed capital increase: 1968 (1 for 5 at 250)	80,000,000.—	120,000,000.—	200,000,000.—
After allocation out of Profit of 1967 and capital increase	480,000,000.—	770,000,000.—	1,250,000,000.—

## DEVELOPMENT OF RESERVES

Reserves in accord. with Art. 10 of the KWG (Banking Law) as per opening balance sheet	
1. 1. 1952	40,500,000.—
Allocation out of increased capital resulting from the continued Conversion Account as per Annual Report 1955	1,500,000.—
Allocations out of Profit	608,000,000.—
Premium out of the proposed capital increase	120,000,000.—
Published Reserves, total	770,000,000.—

## REPORT OF THE SUPERVISORY BOARD

At their meetings, the Supervisory Board and the Credit Committee of the Supervisory Board examined and discussed the reports submitted by the Board of Managing Directors concerning basic questions of management, the general course of business and the earning power as well as vital individual matters. They also dealt with and gave their approval to matters submitted in accordance with legal or statutory requirements.

The present Statement of Accounts and Report, as well as the bookkeeping have been examined by the TREUVERKEHR AG Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Bielefeld, who were appointed by the Annual General Meeting to be the Auditors of the Annual Accounts, and were found to have been in conformity with the books, which were properly kept, and the provisions of the applicable law. The Supervisory Board has taken affirmative note of the result of the audit.

The Supervisory Board examined the Statement of Accounts as of December 31, 1967, the proposed appropriation of the Profit and the Report. According to the conclusive result of this examination, it does not raise any objections.

The Supervisory Board has approved the Statement of Accounts drawn up by the Board of Managing Directors. The Board of Managing Directors and the Supervisory Board have thus established the Statement of Accounts. The Supervisory Board has also approved the proposed appropriation of the Profit.

FRANKFURT ON MAIN, April 1968

THE SUPERVISORY BOARD

*Hermann J. Abs*

Chairman



## ASSETS

## DEUTSCHE BANK AKTIENGESELLSCHAFT

	DM	DM	31. 12. 1966 in 1,000 DM
Cash in hand .....		210,737,369.20	185,200
Balances with the Deutsche Bundesbank .....		1,135,492,278.57	1,638,344
Balances on Postal Cheque Accounts .....		40,877,231.18	35,541
Balances with other Credit Institutions ( <i>Nostro Balances</i> )			
a) payable on demand .....	854,184,986.34		790,167
b) for agreed periods, or at agreed periods of notice, of less than 3 months .....	89,696,363.94		34,370
c) for agreed periods, or at agreed periods of notice, of 3 months or more .....	472,679,238.95		7,649
		1,416,560,589.23	832,186
Matured Bonds, Interest and Dividend Coupons .....		23,734,509.79	16,701
Uncleared Cheques on other Banks .....		169,930,821.17	144,152
Bills Discounted .....		3,804,532,318.79	2,890,425
of which:			
a) Bills rediscountable at the Bundesbank inasmuch as they are not generally declared ineligible for rediscount by the Deutsche Bundesbank .....	DM 3,064,712,389.76		
b) Own Drawings .....	DM 4,614,143.38		
Treasury Bills and Non-Interest-Bearing Treasury Bonds .....		1,703,962,059.86	704,907
of which: of the Federal Government and the Laender .....	DM 1,703,962,059.86		
Medium-Term Interest-Bearing Bonds .....		189,061,377.78	6,180
of which: of the Federal Government and the Laender .....	DM 131,265,586.11		
Quoted and Unquoted Securities to the extent that their inclusion is not required under other entries			
a) Loans and Interest-Bearing Treasury Bonds of the Federal Government and the Laender .....	176,945,788.24		177,821
b) Other Interest-Bearing Securities .....	398,021,644.44		326,604
c) Marketable Dividend-Bearing Securities .....	879,218,137.74		855,745
d) Other Securities .....	14,117,715.13		21,650
of which: eligible as collateral for Bundesbank Advances .....	DM 368,387,320.66	1,468,303,285.55	1,381,820
Claims on Federal and Laender Authorities under the Currency Reform Laws of 1948			
a) Equalisation Claims .....	427,771,187.85		435,059
b) Covering Claims .....	91,420,230.58		79,197
		519,191,418.43	514,256
Consortium Participations .....		271,497,498.80	266,598
Advances			
a) Credit Institutions .....	775,109,733.85		863,098
b) Others .....	6,046,063,247.02		6,914,900
		6,821,172,980.87	7,777,998
Long-Term Lendings			
a) against Mortgages on Real Estate .....	712,789.03		901
b) against Local Authorities' Security .....	91,306,406.24		57,783
c) Others .....	1,834,637,083.70		1,065,757
		1,926,656,278.97	1,124,441
Loans on a Trust Basis at Third Party Risk .....		198,183,470.68	170,461
of which: claims on savings premiums under the Savings Premium Law .....	DM 147,599,084.36		
Participations in Subsidiaries and Associated Companies .....		190,943,900.	154,280
of which: in Credit Institutions .....	DM 184,995,300.—		
Real Estate and Buildings			
a) Bank Premises .....	231,690,500.—		216,061
b) Others .....	9,036,000.—		9,639
		240,726,500.—	225,700
Office Furniture and Equipment .....		75,344,000.—	70,000
Sundry Assets .....		13,572,963.35	12,148
Transitory Items .....		403,334.04	316
<b>TOTAL ASSETS</b>		<b>20,420,884,186.26</b>	<b>18,151,654</b>
The assets and the rights of recourse in respect of guarantees and endorsements include:			
a) Claims on associated institutions, pursuant to the Law on Joint Stock Companies of 1937 .....		341,681,299.06	363,592
b) Claims on members of the Board of Managing Directors of the Bank, on Managers and on other persons indicated in Article 15 par. 1 Nos. 1, 3-6 and par. 2 of the Banking Law (KWG), as well as on enterprises of which a member of the Bank's Board of Managing Directors or Supervisory Board is an owner or personally liable partner ..		89,834,815.50	77,906

## LIABILITIES

	DM	DM	DM	31. 12. 1966 in 1,000 DM
<b>Deposits</b>				
a) Sight Deposits of				
aa) Credit Institutions .....	1,716,296,459.15			
bb) Other Depositors .....	5,951,397,118.87	7,667,693,578.02		6,484,693
b) Term Deposits of				
aa) Credit Institutions .....	585,716,419.62			
bb) Other Depositors .....	3,960,870,550.79	4,546,586,970.41		4,156,887
of which:				
for agreed periods, or at agreed periods of notice, of 3 months or more ... DM 3,445,704,549.20				
c) Savings Deposits				
aa) subject to legal period of notice .....	3,386,222,780.45			
bb) subject to specially agreed periods of notice .....	2,596,387,368.30	5,982,610,148.75		5,294,940
Due to Banks and other Institutions ( <i>Nostro Liabilities</i> )			18,196,890,697.18	15,936,520
of which:			19,164,595.82	11,937
a) for agreed periods, or at agreed periods of notice, of 3 months or more ... DM 5,087,054.48				
b) customers' drawings on credits opened at other institutions ... DM 1,793,061.72				
Own Acceptances and Promissory Notes .....		454,711,345.01		511,287
less Own Holding .....		450,564,437.53		399,581
Long-Term Loans taken up			4,146,907.48	141,706
a) against Mortgages on Real Estate .....				
b) Others .....		435,059,478.37		393,643
Loans on a Trust Basis at Third Party Risk .....			435,059,478.37	393,643
of which: receipts of savings premiums under the Savings Premium Law ... DM 147,599,084.36			198,183,470.68	170,461
Capital .....			400,000,000.	400,000
Reserves in accordance with Article 10 of the Banking Law (KWG)				
a) Statutory Reserve Fund .....		50,000,000.		50,000
b) Voluntary Reserve Fund .....	450,000,000.			
Allocation .....	50,000,000.—	500,000,000.—		450,000
c) Voluntary Reserve Fund II .....		100,000,000.—		100,000
Reserve in accordance with Article 6b of the Income Tax Law .....			650,000,000.—	600,000
Reserve Fund for Pensions .....			1,590,214.27	
Reserves for Special Purposes ( <i>including Taxes</i> ) .....			301,498,700.—	243,967
Sundry Liabilities .....			80,607,047.04	136,305
			1,247,891.49	1,220
FRANZ URBIG UND OSCAR SCHLITZER ENDOWMENT				
Assets of the Endowment .....		1,542,318.40		1,537
less Investments in Securities .....		1,458,894.—		1,438
Transitory Items .....			83,424.40	99
Balance Sheet Profit .....			52,411,759.53	51,796
			80,000,000.—	64,000
<b>TOTAL LIABILITIES</b>			20,420,884,186.26	18,151,654
Liabilities arising from Guarantees of various kinds and warranty contracts .....			2,065,606,146.15	1,891,317
Endorsement Liabilities on Bills of Exchange in circulation .....			73,723,073.04	90,363
The Liabilities include:				
<i>Liabilities towards associated institutions, pursuant to the Law on Joint Stock Companies</i>				
of 1937 ( <i>including liabilities in respect of guarantees and endorsements</i> ) .....			293,765,834.51	162,481

## PROFIT AND LOSS STATEMENT

	DM	1966 in 1,000 DM
Wages and Salaries .. .. .	354,908,275.64	328,915
Employee Benefits, Pensions, etc. .. .. .	52,165,044.09	48,229
Other Operating Expenses .. .. .	114,397,127.71	107,638
Taxes and Similar Expenses .. .. .	122,635,666.47	121,288
Transfer to the Voluntary Reserve .. .. .	50,000,000.00	100,000
Balance Sheet Profit .. .. .	80,000,000.00	64,000
	<b>DM 774,106,113.91</b>	<b>770,100</b>

In the year under review the Bank effected payment of DM 33,665,000.— representing pensions and contributions to the BEAMTENVERSICHERUNGSVEREIN DES DEUTSCHEN BANK- UND BANKIERGEWERBES (A. G.), Berlin. The payments to be effected in the next five years will probably reach 102.5 %, 104.7 %, 106.9 %, 109.1 % and 111.2 % of the above-mentioned amount.

FRANKFURT on Main, March 1968

DEUTSCHE BANK AKTIENGESELLSCHAFT

Christians      Feith      Gröning      Guth      v. Hauenschild      Janberg

Klasen      Kleffel      Osterwind      Ulrich      Vallenthin

	DM	1966 in 1,000 DM
Interest and Discount .....	451,337,264.10	510,126
Commissions, Fees and Other Income .....	322,768,849.81	189,674
Appreciation in Value of Office Furniture and Equipment .....	—	70,000
	DM 774,106,113.91	770,100

According to our audit, which was duly carried out, the bookkeeping, the Annual Statement of Accounts, and the Report are in conformity with the law and the Articles of Association.

FRANKFURT on Main, March 29, 1968

TREUVERKEHR AG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

*Dr. Red*

*Dr. Nebendorf*

Certified Auditor

Certified Auditor

## DEVELOPMENT OF BALANCE SH

ASSETS	31. 12. 1967	31. 12. 1966	31. 12. 1965	31. 12. 1964	3
Cash, Balances with Deutsche Bundesbank and on Postal					
Cheque Accounts .....	1,387	1,859	1,609	1,386	
Balances with other Banks ( <i>Nostro Balances</i> ) .....	1,417	832	576	874	
Bills Discounted .....	3,805	2,890	2,711	2,890	
Treasury Bills and Non-Interest-Bearing Treasury Bonds ..	1,704	705	203	210	
Medium-Term Interest-Bearing Bonds .....	189	6	22	331	
Quoted and Unquoted Securities .....	1,468	1,382	1,417	1,172	
of which					
<i>Loans and Interest-Bearing Treasury</i>					
<i>Bonds of the Federal Government and the Laender</i> .....	177	178	187	174	
<i>Other Interest-Bearing Securities</i> .....	398	326	395	308	
<i>Marketable Dividend-Bearing Securities</i> .....	879	856	814	668	
<i>Other Securities</i> .....	14	22	21	22	
Claims on Federal and Laender Authorities under the					
Currency Reform Laws of 1948 .....	519	514	511	506	
Consortium Participations .....	271	267	281	159	
Advances .....	6,821	7,778	6,911	5,929	
Long-Term Lendings .....	1,927	1,125	1,004	803	
Loans on a Trust Basis .....	198	170	153	124	
Participations in Subsidiaries and Associated Companies ..	191	154	146	121	
Real Estate and Buildings .....	241	226	207	162	
Office Furniture and Equipment .....	75	70	—	—	
Other Assets .....	208	174	103	119	
<b>BALANCE SHEET TOTAL</b>	<b>20,421</b>	<b>18,152</b>	<b>15,854</b>	<b>14,786</b>	<b>14</b>
LIABILITIES					
Deposits .....	18,197	15,937	13,852	13,128	14
of which					
<i>Sight Deposits</i> .....	7,668	6,485	6,138	6,124	
<i>Term Deposits</i> .....	4,546	4,157	3,270	3,301	
<i>Savings Deposits</i> .....	5,983	5,295	4,444	3,703	
Due to Banks and other Institutions .....	19	12	10	7	
Own Acceptances in Circulation .....	4	142	133	41	
Long-Term Loans taken up .....	435	394	387	319	
Loans on a Trust Basis .....	198	170	153	124	
Capital .....	400	400	350	300	
Reserves in accordance with Article 10					
of the Banking Law (KWG) .....	650	600	500	430	
of which					
<i>Statutory Reserve Fund</i> .....	50	50	50	50	
<i>Voluntary Reserve Fund</i> .....	500	450	450	380	
<i>Voluntary Reserve Fund II</i> .....	100	100	—	—	
Reserves for Special Purposes ( <i>including Pensions and Taxes</i> ) ..	382	380	366	350	
Other Liabilities .....	56	53	47	39	
Balance Sheet Profit .....	80	64	56	48	
<b>BALANCE SHEET TOTAL</b>	<b>20,421</b>	<b>18,152</b>	<b>15,854</b>	<b>14,786</b>	<b>14</b>
Liabilities arising from Guarantees etc. ....	2,066	1,894	1,856	1,718	
Endorsement Liabilities .....	74	90	417	260	
Dividend .....	16%	16%	16%	16%	
Bonus .....	4%	—	—	—	
= DM 10.— = DM 8.— per share					

RES from January 1, 1952 to December 31, 1967

illions of DM —

I. 12. 1962	31. 12. 1961	31. 12. 1960	31. 12. 1959	31. 12. 1958	31. 12. 1957	31. 12. 1956	31. 12. 1955	31. 12. 1954	31. 12. 1953	31. 12. 1952	I. 1. 1952
224	1,194	1,389	1,009	953	894	699	557	620	518	465	417
805	668	447	549	746	318	341	386	430	306	222	308
140	2,288	2,109	2,172	2,041	1,973	1,897	1,451	1,495	1,270	1,032	598
448	641	482	320	406	456	54	1	31	38	7	64
111	176	98	395	16	—	—	—	—	—	—	—
087	989	942	1,058	787	568	512	491	366	222	78	60
179	95	117	151	243	130	162	188	157	37	1	1
289	334	330	550	260	238	171	164	110	104	7	2
613	545	480	341	266	190	172	132	92	74	63	49
6	15	15	16	18	10	7	7	7	7	7	8
496	494	501	502	506	493	476	472	436	432	418	417
219	243	223	188	127	174	173	125	50	16	10	3
567	4,831	4,230	3,533	2,829	2,781	2,728	2,489	2,313	2,003	1,753	1,497
639	610	434	390	368	375	423	451	457	393	292	232
89	77	64	60	66	78	87	89	89	76	66	46
109	97	80	67	62	58	54	43	28	17	13	9
161	158	154	149	142	134	117	103	93	83	73	60
—	—	—	—	—	—	—	—	8	15	17	20
101	109	69	82	62	55	60	67	57	42	42	27
196	12,575	11,222	10,474	9,111	8,357	7,621	6,725	6,473	5,431	4,488	3,758
677	11,122	9,904	9,288	7,874	7,124	6,354	5,605	5,442	4,483	3,627	2,912
575	5,425	4,776	4,607	3,991	3,539	3,137	2,985	2,910	2,210	1,976	1,921
324	3,314	2,928	2,767	2,456	2,434	2,253	1,690	1,773	1,789	1,340	794
778	2,383	2,200	1,914	1,427	1,151	964	930	759	484	311	197
9	14	16	16	76	160	161	97	96	105	125	137
61	53	51	56	25	15	15	17	12	18	42	119
318	292	299	257	312	338	387	370	361	311	229	191
89	77	64	60	66	78	87	89	89	76	66	46
300	300	250	250	250	200	200	150	100	100	100	100
360	340	300	250	215	180	150	125	100	85	75	41
50	50	50	25	25	25	25	25	25	25	25	25
310	290	250	225	190	155	125	100	75	60	50	16
—	—	—	—	—	—	—	—	—	—	—	—
308	310	281	219	206	202	209	231	207	221	194	189
26	19	17	38	52	35	33	25	57	23	24	23
48	48	40	40	35	25	25	16	9	9	6	—
196	12,575	11,222	10,474	9,111	8,357	7,621	6,725	6,473	5,431	4,488	3,758
646	1,618	1,473	1,326	1,213	1,338	816	777	644	583	575	461
526	235	167	133	74	138	317	792	544	456	571	794
6%	16%	16%	16%	14%	12%	12%	10%	9%	8.5%	6%	—

# DEUTSCHE BANK

AKTIENGESELLSCHAFT



REPORT OF THE COMBINE *for the Year 1967*

The DEUTSCHE BANK AKTIENGESELLSCHAFT herewith presents its first *Consolidated Statement*, in which its annual balance sheet as at December 31, 1967, has been combined with the final figures of the following German undertakings:

BERLINER DISCONTO BANK AKTIENGESELLSCHAFT, Berlin  
TERRAINGESELLSCHAFT GROSS-BERLIN G.M.B.H., Berlin  
DEUTSCHE UEBERSEEISCHE BANK, Berlin-Hamburg  
(including their branch office BANCO ALEMÁN TRANSATLÁNTICO, Buenos Aires)  
GEFA GESELLSCHAFT FÜR ABSATZFINANZIERUNG M.B.H., Wuppertal-Elberfeld  
EFGEE GESELLSCHAFT FÜR EINKAUF-FINANZIERUNG M.B.H., Düsseldorf  
GEFI G.M.B.H., TEILZAHLUNGSBANK, Berlin  
SAARLÄNDISCHE KREDITBANK AKTIENGESELLSCHAFT, Saarbrücken  
SAARLÄNDISCHE IMMOBILIEN-GESELLSCHAFT M.B.H., Saarbrücken  
BANKHAUS J. WICHELHAUS P. SOHN AG., Wuppertal-Elberfeld  
DEUTSCHE GESELLSCHAFT FÜR ANLAGEBERATUNG MIT BESCHRÄNKTER HAFTUNG,  
Frankfurt (Main)  
DEUTSCHE GESELLSCHAFT FÜR FONDSVERWALTUNG MIT BESCHRÄNKTER HAFTUNG,  
Frankfurt (Main)  
»ALWA« GESELLSCHAFT FÜR VERMÖGENSVERWALTUNG MIT BESCHRÄNKTER HAFTUNG,  
Hamburg  
HESSISCHE IMMOBILIEN-VERWALTUNGS-GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG,  
Frankfurt (Main)  
MATURA VERMÖGENSVERWALTUNG MIT BESCHRÄNKTER HAFTUNG,  
Düsseldorf  
NORDWESTDEUTSCHER WOHNUNGSBAUTRÄGER GESELLSCHAFT MIT BESCHRÄNKTER  
HAFTUNG, Braunschweig  
SÜDDEUTSCHE VERMÖGENSVERWALTUNG GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG,  
Frankfurt (Main)  
ELEKTRO-EXPORT G.M.B.H., Nürnberg  
TRINITAS VERMÖGENSVERWALTUNG GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG,  
Frankfurt (Main)  
HYPOTHEKEN-VERWALTUNGS-GESELLSCHAFT M.B.H., Berlin  
TAUERNALLEE GRUNDSTÜCKSGESELLSCHAFT M.B.H., Berlin

The dormant DEUTSCHE BANK, Berlin, has not been included in this Consolidated Statement, as it has not yet been possible to confirm the Old Bank Account as at January 1, 1953, which, for the dormant Old Banks, counts as the opening DM balance sheet.



The balance sheets of our welfare assistance companies, FRANZ URBIG- UND OSCAR SCHLITTER-STIFTUNG G.M.B.H. and JUBILÄUMSSTIFTUNG DER DEUTSCHEN ÜBERSEEISCHEN BANK G.M.B.H. UNTERSTÜTZUNGSKASSE, have not been included, as they are of no importance in the Combine's asset and earnings position and their assets are earmarked for specific purposes. The final figures of three companies whose sole purpose it is to protect previous names, and which do not conduct any business, have also been excluded from the Consolidated Statement.

The annual accounts of the WESTDEUTSCHE KREDITBANK FÜR BAUFINANZIERUNG AG, Köln (now DEUTSCHE KREDITBANK FÜR BAUFINANZIERUNG AG), have not yet been consolidated, as our 75 per cent participation in this undertaking was acquired only at the end of December 1967.

The Bank holds a participation of more than 50 per cent in each of HAMBURG-AMERIKA LINIE (HAMBURG-AMERIKANISCHE PACKETFAHRT-ACTIEN-GESELLSCHAFT), Hamburg, DEUTSCHE EISENBÄHN CONSULTING G.M.B.H., Frankfurt (Main), and ITZEHOER NETZFABRIK AKTIENGESELLSCHAFT, Itzehoe. The Bank's business relationship with these undertakings, however, is limited to acting as the companies' bankers. A controlling influence is not exercised, and the companies do not, therefore, form part of the Combine of Deutsche Bank AG.

As far as the other *associated companies*, which are included in the Consolidated Statement, are concerned, the following individual reports are given:

The capital of the BERLINER DISCONTO BANK AG, Berlin, of DM 20 million is 100 per cent held by the Bank. The company was established in 1949 by the successor banks of the Deutsche Bank at that time, and conducts all the banking transactions of an all-purpose bank in West Berlin through, at present, 49 offices. The bank regularly participates in the syndicate transactions of the Deutsche Bank Group. Since the spring of 1967 the bank has rented a bank building constructed by the Trinitas Vermögensverwaltung G.m.b.H., for the use of which a suitable rent is paid. A dividend of 12 per cent has been paid for the financial year 1967. The TERRAINGESELLSCHAFT GROSS-BERLIN G.M.B.H., which is also domiciled in Berlin and the shares in which are held by the Berliner Disconto Bank AG and the Trinitas Vermögensverwaltung G.m.b.H., owns and administers real estate in Berlin not utilised by the bank. Its experience in the real estate market of West Berlin is at the disposal of the other Group undertakings.

The DEUTSCHE ÜBERSEEISCHE BANK, Berlin-Hamburg, in whose capital of DM 15 million the Bank, as a result of the offer to the other shareholders in August 1967 to take over their shares, now holds a participation of 95.3 per cent, conducts banking transactions of all kinds and in particular tends business relationships with Spain, Portugal and the countries of Latin-America. The bank maintains a branch in Buenos Aires and, together with

the Deutsche Bank AG, six foreign representative offices in South America. Business transactions with the branches of the Bank and with the other undertakings of the Combine are based on market conditions. The dividend for the financial year 1967 is 6 per cent.

The GEFA GESELLSCHAFT FÜR ABSATZFINANZIERUNG M.B.H., Wuppertal-Elberfeld, as well as its two subsidiaries, EFGE GESELLSCHAFT FÜR EINKAUF-FINANZIERUNG M.B.H., Düsseldorf, and GEFI G.M.B.H., TEILZAHLUNGSBANK, Berlin, are engaged exclusively in the field of hire purchase finance and work in close co-operation with the branches of the Bank. EFGE and GEFI are tied to GEFA by agreements covering the transfer to GEFA of their net results. GEFA's ordinary capital of DM 18 million is owned by the Bank. A dividend of 12 per cent was paid on this capital for the financial year 1967.

The SAARLÄNDISCHE KREDITBANK AG, Saarbrücken, whose share capital of DM 10 million is held by the Bank to the extent of 66.6 per cent, functions as an all-purpose bank limited in area to the Saar. The bank has 15 branches, which maintain close business relationships with our own branches and with the other affiliated companies. The bank building in Saarbrücken, which was erected by the Deutsche Bank AG, has been let to the company at market rates. It is intended to pay a dividend of 10 per cent for the financial year 1967. SAARLÄNDISCHE IMMOBILIEN-GESELLSCHAFT M.B.H., Saarbrücken, as a subsidiary of the Saarländische Kreditbank AG, owns and administers a number of bank buildings used by the Saarländische Kreditbank AG. There is an agreement between the two Group undertakings covering the transfer of net results.

The Bank holds 100 per cent of the capital of BANKHAUS J. WICHELHAUS P. SOHN AG., Wuppertal-Elberfeld, of DM 3 million. The company has developed from the private bank of the same name established in that town in 1790. Functioning as an all-purpose bank, it supplements our branches there. Close business relationships are maintained in all fields. The dividend for the financial year 1967 amounted to 10 per cent.

The DEUTSCHE GESELLSCHAFT FÜR ANLAGEBERATUNG M.B.H. and the DEUTSCHE GESELLSCHAFT FÜR FONDSVERWALTUNG M.B.H. were established in Frankfurt (Main) at the end of 1967. The Bank is the sole partner. The aims of the companies are that they should co-operate closely with the Bank and its branches in an advisory and administrative capacity in the investment of larger individual and institutional funds, respectively invest in securities and administer suitable lump sums in accordance with the principles of investment funds. The results of the companies' activities to date have matched expectations.

The »ALWA« GESELLSCHAFT FÜR VERMÖGENSVERWALTUNG M.B.H., Hamburg, the shares in which are held by the Bank and the Trinitas Vermögensverwaltung G.m.b.H., undertakes administrative and trustee duties in North Germany of a not typically banking nature. The company inter alia has a shareholding in a shipowning partnership.

The HESSISCHE IMMOBILIEN-VERWALTUNGS-GESELLSCHAFT M.B.H., Frankfurt (Main), a company established in 1949, principally administers real estate, which has in the main been let to employees of the Bank, owned by the company itself in South Germany. The shares in the company are held by the Bank and Matura Vermögensverwaltung m.b.H.

The Bank holds a 100 per cent participation in the MATURA VERMÖGENSVERWALTUNG M.B.H., Düsseldorf. As a purely administrative company, it undertakes transactions of a not typically banking nature in the area of our Düsseldorf Central Office.

The participation in the NORDWESTDEUTSCHER WOHNUNGSBAUTRÄGER G.M.B.H., Braunschweig, was acquired by the Bank from Bankhaus Wilh. Ahlmann, Kiel, following the acquisition of a participation in the latter in 1957. The real estate formerly owned has mostly been sold, and it is intended to sell the real estate still held. There is an agreement with the Bank covering the transfer of net results.

The SÜDDEUTSCHE VERMÖGENSVERWALTUNG G.M.B.H., Frankfurt (Main), which is wholly owned by the Bank, is engaged in the administration and exploitation of assets of all kinds, and holds all the shares in ELEKTRO-EXPORT G.M.B.H., Nürnberg, which finances the supply of electrical material, especially to countries abroad.

The TRINITAS VERMÖGENSVERWALTUNG G.M.B.H., Frankfurt (Main), the ordinary capital of which is wholly held by the Bank, undertakes administrative functions in part connected with the liquidation of the Deutsche Bank, Berlin. The company owns real estate in West Berlin, including inter alia the new building at Ernst-Reuter-Platz rented by the Central Office of the Berliner Disconto Bank AG. Transactions in Berlin are dealt with by a branch office there. The company's subsidiaries, HYPOTHEKEN-VERWALTUNGS-GESELLSCHAFT M.B.H., Berlin, and TAUERNALLER GRUNDSTÜCKSGESELLSCHAFT M.B.H., Berlin, also own and administer real estate situated in West Berlin. Trinitas is tied to the Bank by means of an agreement covering the transfer of net results.

The Combine's progress and position in the year under review were fundamentally governed by the development of the Deutsche Bank AG, a comprehensive report on which we have already given. Its balance sheet total accounts for 89.3 per cent of the uncompensated combined balance sheet total of the Group, whereas 10.2 per cent is accounted for by the associated credit institutions and 0.5 per cent by the remaining companies. We would offer the following comments on the Consolidated Statement:

#### *Consolidated Balance Sheet*

After setting off the book value of the participations held against the capital resources of all the companies included, and the mutual claims against the corresponding liabilities, the *Balance Sheet Total* amounts to DM 22.1 billion. This figure is DM 1.7 billion more than that for the Deutsche Bank AG, the greater part of the additional amount being in respect of the four associated commercial banks. Consequently the Combine's balance sheet structure does not noticeably differ, as a result of consolidation, from that of the Deutsche Bank AG.

The total *capital resources* of the Deutsche Bank AG of DM 1,050 million are increased, on a Group basis, by the *Consolidation Reserve* of DM 53.2 million. This amount is based on the difference between the book value of the participations included in the Group and the higher capital resources of the companies concerned. The balance of assets of one Group undertaking was set off against liabilities. *Shareholders outside the Combine* have a claim to a proportion of the

capital, reserves and profits of the Deutsche Ueberseeische Bank and the Saarländische Kreditbank AG amounting to DM 7.9 million.

A comparison of engagements in respect of deposits, borrowed funds (nostro liabilities) and own acceptances in circulation with the cash in hand, credit balances with the Deutsche Bundesbank, credit balances on Postal Cheque Accounts, nostro balances on demand with credit institutions not forming part of the Combine, matured bonds, interest and dividend coupons, cheques on other banks, bills of exchange eligible for rediscount with the Bundesbank, Treasury bills and non-interest-bearing Treasury bonds, medium-term interest-bearing bonds and securities eligible as collateral for Bundesbank advances held on the date on which the balance sheet was compiled, shows an *overall Group liquidity ratio* of 41.6 per cent.

On December 31, 1967, the total of *credits* made available by the Deutsche Bank AG Group was as follows:

Discounts .....	DM 4,301.8 million = 30.4 %
Advances .....	DM 7,615.3 million = 53.8 %
Long-Term Lendings .....	DM 2,227.0 million = 15.8 %
	<u>DM 14,144.1 million = 100.0 %</u>

Where lendings were financed with funds borrowed for specific purposes, and corresponding agreements had been made with the lenders, the credits in question were made available to the borrowers on the terms prescribed by these institutions.

Individual value adjustments and special reserves are available to an amount sufficient to cover all recognisable risks in credit transactions. In addition, the prescribed global value adjustment has been made to cover any latent credit risks.

*Holdings of securities* total DM 1,561.9 million and these have been brought to account under strict application of the minimum value principle.

The balance sheet value of unconsolidated *Participations* at the end of the year amounted to DM 138.0 million.

The amount of DM 285.7 million shown for *Real Estate and Buildings* includes DM 8.0 million for *other real estate*.

Total *Deposits* on the date on which the balance sheet was compiled were composed as follows:

Deposits by non-banking customers	
<i>Sight Deposits</i> .....	DM 6,418.1 million = 32.9 %
<i>Term Deposits</i> .....	DM 4,304.5 million = 22.1 %
<i>Savings Deposits</i> .....	DM 6,542.4 million = 33.5 %
	<u>DM 17,265.0 million = 88.5 %</u>
Deposits by credit institutions	
<i>Sight Deposits</i> .....	DM 1,648.7 million = 8.5 %
<i>Term Deposits</i> .....	DM 587.2 million = 3.0 %
Total Deposits .....	<u>DM 19,500.9 million = 100.0 %</u>

Combined *reserves for engagements in respect of pensions* at the end of the year amounted to DM 327.3 million.

*Liabilities* in respect of possible calls on shares in public and private limited companies not fully paid up amounted to DM 27.3 million.

The figures shown in the Group balance sheet for *claims against undertakings forming part of the Group*, as well as those shown for *liabilities vis-à-vis undertakings forming part of the Group*, relate only to those companies which have not been included in the Group accounts.

#### *Consolidated Profit and Loss Account*

The *Profit and Loss Account*, after allowing for compensating entries in respect of payments between members of the Combine, shows receipts in respect of *Interest and Discount* transactions of DM 513.4 million as well as *Commissions, Fees and Other Income* of DM 337.7 million. *Profit carried forward from the Previous Year*, amounting to DM 6.2 million, is mainly composed of shares in profits for the financial year 1966 paid to the Bank by subsidiary companies in 1967.

*Wages and Salaries* amounted to DM 394.9 million, expenditure for *Employee Benefits, Pensions, etc.* to DM 57.8 million, and *Other Operating Expenses* to DM 125.1 million.

*Taxes and Similar Expenses* totalled DM 139.1 million. Additional taxes totalling DM 2.5 million will be payable on the shares in the profits of our subsidiary companies scheduled for payment to the Bank in 1968 and included in the Profit of the Combine.

A total of DM 0.4 million of the year's profits of the Deutsche Ueberseeische Bank and the Saarländische Kreditbank AG stands at the disposal of *shareholders outside the Combine*.

An amount of DM 52.5 million has been transferred to published *reserves*. *Profit of the Combine*, including profits on the part of our subsidiary companies emanating from the year 1966 and paid to the Bank in the year under review, amounts to DM 87.5 million.

FRANKFURT ON MAIN, March 1968

#### THE BOARD OF MANAGING DIRECTORS

<i>Christians</i>	<i>Feith</i>	<i>Gröning</i>	<i>Guth</i>	<i>v. Hauenschild</i>	<i>Janberg</i>
<i>Klasen</i>	<i>Kleffel</i>	<i>Osterwind</i>	<i>Ulrich</i>	<i>Vallenthin</i>	

	DM	DM
Cash in hand		234,331,738.67
Balances with the Deutsche Bundesbank		1,280,859,980.10
Balances with the Central Bank of Argentina		15,081,113.39
Balances on Postal Cheque Accounts		46,136,259.23
Balances with other Credit Institutions ( <i>Nostro Balances</i> )		
a) payable on demand	792,009,621.---	
b) for agreed periods, or at agreed periods of notice, of less than 3 months	102,346,221.04	
c) for agreed periods, or at agreed periods of notice, of 3 months or more	509,795,343.93	1,404,151,185.97
Matured Bonds, Interest and Dividend Coupons		25,274,027.25
Uncleared Cheques on other Banks		184,989,034.18
Bills Discounted		4,042,855,931.51
of which:		
a) Bills rediscountable at the Bundesbank inasmuch as they are not generally declared ineligible for rediscount by the Deutsche Bundesbank	DM 3,212,037,590.33	
b) Own Drawings	DM 4,950,795.53	
Treasury Bills and Non-Interest-Bearing Treasury Bonds		1,703,962,059.86
of which: of the Federal Government and the Laender	DM 1,703,962,059.86	
Medium-Term Interest-Bearing Bonds		195,798,544.45
of which: of the Federal Government and the Laender	DM 138,002,752.78	
Quoted and Unquoted Securities to the extent that their inclusion is not required under other entries		
a) Loans and Interest-Bearing Treasury Bonds of the Federal Government and the Laender	208,505,894.69	
b) Other Interest-Bearing Securities	451,253,655.36	
c) Marketable Dividend-Bearing Securities	886,027,645.44	
d) Other Securities	16,152,197.07	1,561,939,392.56
of which: eligible as collateral for Bundesbank Advances	DM 436,062,213.72	
countable as minimum reserve with the Central Bank of Argentina	DM 4,320,807.26	
Claims on Federal and Laender Authorities under the Currency Reform Laws of 1948		
a) Equalisation Claims	473,440,745.20	
b) Covering Claims	101,940,729.44	575,381,474.64
Consortium Participations		272,554,123.19
Advances		
a) Credit Institutions	711,540,201.27	
b) Others	6,903,758,883.94	7,615,299,085.21
Long-Term Lendings		
a) against Mortgages on Real Estate	2,328,887.86	
b) against Local Authorities' Security	209,838,884.79	
c) Others	2,014,814,574.58	2,226,982,347.23
Loans on a Trust Basis at Third Party Risk		228,257,300.63
of which: claims on savings premiums under the Savings Premium Law	DM 161,493,931.78	
Participations in Subsidiaries and Associated Companies		137,991,330.40
of which: in Credit Institutions	DM 134,127,446.73	
Real Estate and Buildings		
a) Bank Premises	277,603,532.36	
b) Others	8,047,212.32	285,650,744.68
Office Furniture and Equipment		77,636,587.02
Sundry Assets		17,188,778.20
Transitory Items		669,547.87
<b>TOTAL ASSETS</b>		<b>22,132,990,586.24</b>

The assets and the rights of recourse in respect of guarantees and endorsements include:

a) Claims on associated institutions, pursuant to the Law on Joint Stock Companies of 1937	417,146.63
b) Claims on members of the Board of Managing Directors of the Bank, on Managers and on other persons indicated in Article 15 par. 1 Nos. 1, 3-6 and par. 2 of the Banking Law (KWG), as well as on enterprises of which a member of the associated banks' Board of Managing Directors or Supervisory Board is an owner or personally liable partner	130,400,873.---

## CONSOLIDATED BALANCE SHEET as of December 31, 1967

## LIABILITIES

	DM	DM	DM
Deposits			
a) Sight Deposits of			
aa) Credit Institutions	1,648,727,260.11		
bb) Other Depositors	6,418,109,364.49	8,066,836,624.60	
b) Term Deposits of			
aa) Credit Institutions	587,151,429.65		
bb) Other Depositors	4,304,482,029.59	4,891,633,459.24	
of which:			
for agreed periods, or at agreed periods of notice, of 3 months or more	DM 3,611,524,290.69		
c) Savings Deposits			
aa) subject to legal period of notice	3,789,161,851.13		
bb) subject to specially agreed periods of notice	2,753,227,172.42	6,542,389,023.55	19,500,859,107.39
Due to Banks and other Institutions (Nostro Liabilities)			40,106,551.87
of which:			
a) for agreed periods, or at agreed periods of notice, of 3 months or more	DM 23,565,673.36		
b) customers' drawings on credits opened at other institutions	DM 6,866,786.60		
Own Acceptances and Promissory Notes		485,572,839.18	
less Own Holding		470,994,241.38	14,578,597.80
Long-Term Loans taken up			
a) against Mortgages on Real Estate		677,104.—	
b) Others		637,541,182.92	638,218,286.92
Loans on a Trust Basis at Third Party Risk			228,257,300.63
of which: receipts of savings premiums under the Savings Premium Law	DM 161,493,931.78		
Capital			400,000,000.—
Reserves in accordance with Article 10 of the Banking Law (KWG)			
a) Statutory Reserve Fund		50,000,000.—	
b) Voluntary Reserve Fund		500,000,000.—	
c) Voluntary Reserve Fund II		100,000,000.—	650,000,000.—
Consolidation Reserve			53,232,043.43
Compensation for Participations held by Others			7,868,653.96
of which: from profit	DM 375,623.20		
Reserves in accordance with Article 6b of the Income Tax Law			3,825,879.29
Reserve Fund for Pensions			327,272,041.—
Reserves for Special Purposes (including Taxes)			103,401,570.38
Sundry Liabilities			3,504,674.77
ENDOWMENTS AND BENEVOLENT FUNDS			
Assets of the Endowments		1,788,385.86	
less Investments in Securities		1,676,606.50	111,779.36
Transitory Items			
a) resulting from hire purchase finance transactions		16,264,803.15	
b) sundries		57,983,830.77	74,248,633.92
Profit of the Combine			87,505,465.52
TOTAL LIABILITIES			22,132,990,586.24
Own drawings in circulation			894,544.—
of which: discounted and credited to the borrowers in account	DM —.—		
Liabilities arising from Guarantees of various kinds and warranty contracts			2,221,593,206.45
Endorsement Liabilities on Bills of Exchange in circulation			142,790,468.23
The Liabilities include:			
Liabilities towards associated institutions, pursuant to the Law on Joint Stock Companies of 1937 (including liabilities in respect of guarantees and endorsements)			6,575,761.70

## EXPENDITURE

## CONSOLIDATED PROFIT AND LOSS STATEMENT

	DM
Wages and Salaries .....	394,945,829.17
Employee Benefits, Pensions, etc. ....	57,834,444.72
Other Operating Expenses .....	125,126,459.48
Taxes and Similar Expenses .....	139,063,730.17
Transfer to the Reserves .....	52,515,110.19
Profit attributable to Partners outside the Combine .....	375,623.20
Profit of the Combine .....	87,505,465.52
	<hr/>
	DM 857,366,662.45
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FRANKFURT on Main, March 1968

DEUTSCHE BANK AKTIENGESELLSCHAFT

*Christians      Feith      Gröning      Guth      v. Hauenschild      Janberg*

*Klasen      Kleffel      Osterwind      Ulrich      Vallenthin*





SECURITY ISSUING AND OTHER SYNDICATE TRANSACTIONS AS WELL AS  
INTRODUCTIONS ON THE STOCK EXCHANGE *in 1967*

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*Domestic Loans of Public Authorities*

6 ½% Loans of the Bundesrepublik Deutschland 1967	6 ½% Loan of the Land Nordrhein-Westfalen 1967
7% and 6 ½% Loans of the Deutsche Bundesbahn 1967	7% and 6 ½% Loans of the Land Rheinland-Pfalz 1967
7% Loan of the Deutsche Bundespost 1967	7% Loan of the Saarland 1967
6 ½% Loan of the Land Baden-Württemberg 1967	6 ½% Loan of the Land Schleswig-Holstein 1967
6 ½% Loan of the Freistaat Bayern 1967	6 ½% Loan of the Landeshauptstadt Düsseldorf 1967
6 ½% Loan of the Land Berlin 1967	7% Loan of the Landeshauptstadt München 1967
6 ½% Loan of the Freie Hansestadt Bremen 1967	6 ½% Annuity Bonds of the Deutsche Siedlungs- und Landesrentenbank – Series 67 –
6 ½% Loan of the Freie und Hansestadt Hamburg 1967	6 ½% Loan of the Kreditanstalt für Wiederaufbau 1967
7% Loan of the Land Hessen 1967	6 ½% Bonds of the Landwirtschaftliche Rentenbank (agricultural mortgage bonds) Series 25
6 ½% Loan of the Land Niedersachsen 1967	

*Other Domestic Loans, Mortgage and Municipal Bonds*

BP Benzin und Petroleum Aktiengesellschaft	Rhein-Main-Rohrleitungstransportgesellschaft m.b.H.
Braunschweig-Hannoversche Hypothekenbank	Schiffshypothekenbank zu Lübeck Aktiengesellschaft
Deutsche Centralbodenkredit-Aktiengesellschaft	Siemens Aktiengesellschaft
Deutsche Hypothekenbank	August Thyssen-Hütte Aktiengesellschaft
Industriekreditbank Aktiengesellschaft	Vereinigte Elektrizitätswerke Westfalen Aktiengesellschaft
Kommunales Elektrizitätswerk Mark Aktiengesellschaft	
Adam Opel Aktiengesellschaft	

### *Convertible and Optional Bond Issues*

Deutsche Lufthansa Aktiengesellschaft	Farbwerke Hoechst Aktiengesellschaft
Deutsche Texaco Ltd.	vormals Meister Lucius & Brüning
	Isar-Amperwerke Aktiengesellschaft
Famous Schools Overseas Corporation	Owens-Illinois Overseas Capital Corporation
General Foods Overseas Development Corporation	Twentieth Century-Fox International Corporation
Gillette International Capital Corporation	Union Carbide International Capital Corporation
National Can Overseas Corporation	

### *Foreign Bond Issues*

Republic of Argentina	National Lead Overseas Capital Corporation
Australia	Österreichische Elektrizitätswirtschafts-
BASF Holding Luxemburg S.A.	Aktiengesellschaft (Verbundgesellschaft)
Du Pont Europa Holdings S.A.	und Österreichische Donaukraftwerke
EUROFIMA Europäische Gesellschaft für die	Aktiengesellschaft
Finanzierung von Eisenbahnmaterial	City of Oslo
Allis-Chalmers International Finance Corporation	Electric & Musical Industries Limited
Amax Holdings, Inc.	Electricité de France
Amoco International Finance Corporation	Electricity Supply Commission (E.SCOM)
ARBED Acières Réunies de Burbach-Fich-Dudclange S.A.	ENI Ente Nazionale Idrocarburi
Atlantic Richfield International Finance Corporation	Eriksbergs Mekaniska Verkstads Aktiebolag
Republic of Austria	European Coal and Steel Community
Autopistas, Concesionaria Española, S.A.	European Investment Bank
Kingdom of Belgium	Republic of Finland
Brenner Autobahn A.G.	The Grängesberg Company
Caisse Nationale des Télécommunications	Trafikaktiebolaget Grängesberg-Oxelösund
Celanese International Finance Company	Highveld Steel and Vanadium Corporation Limited
Chevron Overseas Finance Company	Icelandic Aluminium Company Limited
Société Anonyme André Citroën	Imperial Chemical Industries Limited
Comision Federal de Electricidad (CFE)	Industrial Development Bank of Israel Limited
Companhia União Fabril (CUF)	International Standard Electric Corporation
City of Copenhagen	Kraftlaget Opplandskraft
Copenhagen Telephone Company, Incorporated	Marathon International Finance Company
De Beers Consolidated Mines, Limited	Mexico
Kingdom of Denmark	Mortgage Bank of Finland Oy
	The Mortgage Bank of the Kingdom of Denmark
	Nabisco International Finance Company

Nacional Financiera, S.A.  
 Government of New Zealand  
 Norsk Hydro  
 Northern Paper Mills Company  
 The Norwegian State and Municipal Power  
 Consortium  
 Österreichische Elektrizitätswirtschafts-  
 Aktiengesellschaft (Verbundgesellschaft) und  
 Tauernkraftwerke Aktiengesellschaft  
 Olivetti International S. A.  
 Philips International Finance S. A.  
 Republic of Portugal  
 The Procter & Gamble International  
 Company

Queensland Alumina Holdings N. V.  
 Régie Nationale des Usines RENAULT  
 N. V. Rotterdam-Rijn Pijpleiding Maatschappij  
 Roussel-Uclaf  
 SACOR Sociedade Anónima Concessionária  
 da Refinação de Petróleos em Portugal,  
 S.A.R.L.  
 Shell International Finance N. V.  
 Société des Automobiles SIMCA  
 SNCF Société Nationale des Chemins de Fer  
 Français  
 Transalpine Finance Holdings S. A.  
 Union Oil International Finance Corporation  
 U. S. Rubber Uniroyal Holdings S. A.

### *Domestic Shares*

Aktiengesellschaft Kühnle, Kopp & Kausch  
 Aschaffenburger Zellstoffwerke Aktien-  
 gesellschaft  
 Badische Anilin- & Soda-Fabrik  
 Aktiengesellschaft  
 Bayerische Brauerei-Schuck-Jacnisch  
 Aktiengesellschaft  
 Beck & Henkel Maschinenbau-  
 Aktiengesellschaft  
 Bergbau-Aktiengesellschaft Lothringen  
 Bergmann-Elektricitäts-Werke  
 Aktiengesellschaft  
 Brau-Aktiengesellschaft Nürnberg  
 Braun Aktiengesellschaft  
 Chemische Fabrik von Heyden  
 Aktiengesellschaft  
 John Deere-Lanz Verwaltungs-Aktien-  
 gesellschaft  
 DEMAG Aktiengesellschaft  
 Deutsche Dampfschiffahrts-Gesellschaft  
 „Hansa“  
 Deutsche Lufthansa Aktiengesellschaft  
 Deutsche Tafelglas Aktiengesellschaft DETAG  
 Deutsche Ueberseeische Bank  
 Dingerwerke Aktiengesellschaft  
 Dortmunder Stiffts-Brauerei Carl Funke  
 Aktiengesellschaft

Dortmunder Union-Brauerei Aktiengesellschaft  
 Eichbaum-Werger-Brauereien  
 Aktiengesellschaft  
 Elektrizitäts-Lieferungs-Gesellschaft  
 Essener Verkehrs-Aktiengesellschaft  
 Farbenfabriken Bayer Aktiengesellschaft  
 Farbwerke Hoechst Aktiengesellschaft  
 vormals Meister Lucius & Brüning  
 Frankfurter Maschinenbau-Aktiengesellschaft  
 vorm. Pokorny & Wittekind  
 Frankona Rück- und Mitversicherungs-  
 Aktien-Gesellschaft  
 Arn. Georg Aktiengesellschaft  
 Gladbacher Wollindustrie Aktiengesellschaft,  
 vorm. L. Josten  
 Göcke & Sohn Aktiengesellschaft  
 Großkraftwerk Franken Aktiengesellschaft  
 Gutehoffnungshütte Aktienverein  
 Hannoversche Papierfabriken Alfeld-Gronau  
 vormals Gebr. Woge  
 Isar-Amperwerke Aktiengesellschaft  
 Kabel- und Metallwerke Gutehoffnungshütte  
 Aktiengesellschaft  
 Kampnagel Aktiengesellschaft  
 (vormals Nagel & Kaemp)  
 Klein, Schanzlin & Becker Aktiengesellschaft  
 Kraftübertragungswerke Rheinfelden

W. Krefft Aktiengesellschaft  
 Langbein-Pfanhauser Werke  
 Aktiengesellschaft  
 Lindener Aktien-Brauerei  
 Mälzerei Wrede Aktiengesellschaft  
 Mansfeld Aktiengesellschaft für Bergbau  
 und Hüttenbetrieb  
 Maschinenfabrik Buckau R. Wolf  
 Aktiengesellschaft  
 Maschinenfabrik Fahr Aktiengesellschaft  
 Minimax Aktiengesellschaft  
 Josef Möbius Bau-Aktiengesellschaft  
 Oranienburger Chemische Fabrik  
 Aktiengesellschaft  
 Phrix-Werke Aktiengesellschaft  
 Reichhold Chemie Aktiengesellschaft  
 Rheinisch-Westfälisches Elektrizitätswerk  
 Aktiengesellschaft  
 Rheinmetall Berlin Aktiengesellschaft  
 RHIENAG Rheinische Energie  
 Aktiengesellschaft  
 A. Riebeck'sche Montanwerke  
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Gebrüder Roeder Aktiengesellschaft  
 Gebr. Röders Aktiengesellschaft  
 Salamander Aktiengesellschaft  
 Schering Aktiengesellschaft  
 Schmalbach-Lubeca-Werke  
 Aktiengesellschaft  
 Schnellpressenfabrik Koenig & Bauer  
 Aktiengesellschaft  
 Schultheiss-Brauerei Aktiengesellschaft  
 Siemens Aktiengesellschaft  
 Thüringer Gasgesellschaft  
 Überlandwerk Oberfranken  
 Aktiengesellschaft  
 Überlandwerk Unterfranken  
 Aktiengesellschaft  
 Unionglas Aktiengesellschaft  
 Vereinigte Draht- und Kabelwerke  
 Aktiengesellschaft  
 Wicküler-Küpper-Brauerei  
 Aktiengesellschaft  
 Württembergische Hypothekenbank  
 Württembergisches Portland-Cement-Werk  
 zu Lauffen am Neckar

#### *Foreign Shares*

Alcan Aluminium Limited  
 Banque de Paris et des Pays-Bas  
 Decree & Company  
 l'INSIDER Società Finanziaria Siderurgica  
 per Azioni

L'Oréal  
 ROLINCO N. V.  
 Solvay & Cie S. A.  
 Telefonaktiebolaget LM Ericsson  
 UGINE KUHLMANN S. A.

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Aktiengesellschaft, Weisenbachfabrik im Murgtal/Baden  
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Versicherungsgesellschaft, Mannheim  
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Düsseldorf · Frankfurt (Main)

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Branches at the following places :

Aachen with 3 Sub-Branches	Betzdorf (Sieg)	Dillenburg	Frankfurt (Main)-Höchst
Aalen (Württ)	Beuel	Dinslaken (Niederrhein) with 1 Sub-Branch	Frechen
Achim (Bz Bremen)	Biberach (Riss)	Dormagen (Niederrhein)	Freiburg (Breisgau) with 5 Sub-Branches
Ahaus	Biedenkopf	Dorsten	Friedrichshafen
Ahlen (Westf)	Bielefeld	Dortmund with 13 Sub-Branches	Fürstfeldbruck
Ahrensburg (Holst)	with 3 Sub-Branches	Dülken	Fürth (Bay)
Alfeld (Leine)	Bietigheim (Württ)	Düren	Fulda
Alsdorf (Kr Aachen)	Bingen (Rhein)	Düsseldorf with 23 Sub-Branches	Gaggenau (Murgtal)
Alsfeld (Oberhess)	Bocholt	Düsseldorf-Benrath	Garmisch-Partenkirchen
Altena (Westf)	Bochum with 4 Sub-Branches	Duisburg with 8 Sub-Branches	Garstedt (Bz Hamburg)
Altenkirchen (Westcrw)	Bockum-Hövel	Duisburg-Hamborn with 1 Sub-Branch	Geesthacht
Alzey	Böblingen (Württ)	Duisburg-Ruhrort with 2 Sub-Branches	Geislingen (Steige)
Andernach	Bonn with 2 Sub-Branches	Duisdorf	Geldern
Aschaffenburg	Borghorst (Westf)	Ebingen (Württ)	Gelsenkirchen with 4 Sub-Branches
Attendorn	Bottrup	Einbeck	Georgsmarienhütte (Kr Osnabrück)
Augsburg with 4 Sub-Branches	Brackwede (Westf)	Eisernfeld (Sieg)	Germering
Aurich	Brambauer (Westf)	Ellwangen (Jagst)	Gernsbach (Murgtal)
Backnang	Bramsche	Elmshorn	Gescke (Westf)
Bad Driburg (Westf)	Brand (Kr Aachen)	Elten-Beck	Gevelsberg
Bad Dürkheim	Braunschweig with 8 Sub-Branches and 1 Paying-Office	Eltville	Giengen (Brenz)
Baden-Baden	Bremen with 15 Sub-Branches and 1 Exchange-Office	Emden	Giessen
Bad Godesberg	Bremerhaven with 2 Sub-Branches and 1 Paying-Office	Emmendingen	Gifhorn
Bad Harzburg	Bretten (Baden)	Emmerich	Gladbeck (Westf)
Bad Hersfeld	Brilon	Emsdetten	Goch
Bad Homburg v d Höhe	Bruchsal	Engelskirchen	Göppingen
Bad Iburg	Brühl (Bz Köln)	Ennepetal(Westf)-Milspe with 1 Sub-Branch	Göttingen with 1 Sub-Branch
Bad Münstereifel	Brunsbüttelkoog	Ennigerloh	Goslar with 1 Sub-Branch
Bad Neuenahr	Büderich (b Düsseldorf)	Erkrath	Grenzach (Baden)
Bad Oeynhausen	Buchholz i d Nordheide	Erlangen	Greven (Westf)
Bad Oldesloe	Burgsteinfurt	Eschwege	Grevenbroich (Niederrhein)
Bad Pyrmont	Buxtehude	Eschweiler	Griesheim/über Darmstadt
Bad Sachsa (Südharz)	Castrop-Rauxel with 1 Sub-Branch	Essen with 16 Sub-Branches	Gronau (Westf)
Bad Salzungen	Celle	Lisslingen (Neckar)	Gross-Gerau
Bad Wildungen	Cloppenburg	Ettlingen (Baden)	Gütersloh with 1 Sub-Branch
Bamberg	Coburg	Fuskirchen	Gummersbach
Barsinghausen	Cuxhaven	Eutin	Gustavsburg (Hess)
Baunatal	Darmstadt with 4 Sub-Branches	Fallersleben	Haan (Rheinl)
Bayreuth	Datteln (Westf)	Fellbach (Württ)	Hagen with 3 Sub-Branches
Beckum (Bz Münster, Westf)	Deidesheim	Flensburg with 3 Sub-Branches	Halle (Westf)
Bendorf	Delmenhorst	Frankenthal (Pfalz)	Hamburg with 41 Sub-Branches and 1 Paying-Office
Bensberg	Detmold	Frankfurt (Main) with 23 Sub-Branches	
Bensheim			
Bergisch Gladbach			
Bergneustadt			
Berleburg			
Bernkastel-Kues			



Hamburg-Altona	Kaarst	Leverkusen	Neuwied
Hamburg-Harburg	Kaiserslautern	with 1 Sub-Branch	Neviges
Hameln	Kamp-Lintfort	Limburg	Niederbieber-Segendorf/ über Neuwied
Hamm (Westf)	Karlsruhe	Limburgerhof	Niederlahnstein
with 1 Sub-Branch	with 3 Sub-Branches	Lingen	Norden
Hanau	Kassel	Lippstadt	Nordhorn
Hannover	with 5 Sub-Branches	Lobberich	Norf/über Neuss
with 12 Sub-Branches	Kehl	Löhne (Westf)	Nürnberg
Harsewinkel/ über Gütersloh	Kempen (Niederrhein)	Lörrach	with 8 Sub-Branches
Hattingen (Ruhr)	Kempten (Allgäu)	Lohne (Oldb)	Nürtingen
Hausen / über	with 1 Sub-Branch	Ludwigsburg	Oberhausen (Rheinl)
Offenbach (Main)	Kettwig	Ludwigshafen (Rhein)	with 6 Sub-Branches
Heepen / über Bielefeld	Kevelaer	with 4 Sub-Branches	Oberkirch (Baden)
Heessen (Westf)	Kiel*	Lübeck	Oberursel (Taunus)
Heidelberg	with 7 Sub-Branches	with 5 Sub-Branches	Oerlinghausen
with 1 Sub-Branch	Kierspe (Westf)	Lüdenscheid	Oesede (Bz Osnabrück)
Heidenheim (Brenz)	Kirchheim (Tock)	Lüneburg	Offenbach (Main)
Heilbronn (Neckar)	Kleve	Lünen	with 1 Sub-Branch
Heiligenhaus	with 1 Sub-Branch	Maikammer	Offenburg (Baden)
(Bz Düsseldorf)	Koblenz	Mainz	Oldenburg (Oldb)
Helmstedt	with 1 Sub-Branch	with 3 Sub-Branches	with 2 Sub-Branches
Hemer	Köln	Mannheim	Olpe
Hennef (Sieg)	with 14 Sub-Branches	with 15 Sub-Branches	Opladen
Herborn (Dillkr)	Köln-Mülheim	Marburg (Lahn)	Osnabrück
Herdecke (Ruhr)	Königsbrunn/ über Augsburg	Marl	with 4 Sub-Branches
Herford	Königstein (Taunus)	(Kr Recklinghausen)	Osterholz-Scharmbeck
Herne	Konstanz	Mayen	Osterode (Harz)
Herten (Westf)	with 1 Sub-Branch	Mcckenheim (Bz Köln)	Paderborn
Herzberg (Harz)	Konz/über Trier	Meinerzhagen (Westf)	Papenburg
Herzogenrath	Korbach	Memmingen	Peine
Heusenstamm / über	Kornwestheim (Württ)	Menden (Sauerl)	Pforzheim
Offenbach (Main)	Korschenbroich (Bz Düsseldorf)	Meppen	with 1 Sub-Branch
Hilden	Krefeld	Merkstein	Pfullingen (Württ)
Hildesheim	with 5 Sub-Branches	Mettmann	Pinneberg
Hiltrup	Krefeld-Uerdingen	Metzingen (Württ)	Pirmasens
Hockenheim (Baden)	Krcuztal (Kr Siegen)	Minden (Westf)	Plettenberg
Höhr-Grenzhausen	Kronberg (Taunus)	Misburg	Plochingen
Höxter	Laasphe	Mönchengladbach	Porz-Wahn
Hohenlimburg	Laatzen	with 2 Sub-Branches	Rastatt
Hohenlockstedt/ über Itzehoe	Lage (Lippe)	Moers	Ratingen
Holzminen	Lahr (Schwarzw)	with 1 Sub-Branch	Raunheim
Homburg (Niederrhein)	Landau (Pfalz)	Monheim (Rheinl)	Ravensburg
with 1 Sub-Branch	Landshut	Mosbach (Baden)	Recklinghausen
Hückelhoven-Rathcim	Landstuhl	Mühlacker (Württ)	Regensburg
(Kr Erkelenz)	Langenfeld (Rheinl)	Mühlheim (Main)	with 2 Sub-Branches
Hückeswagen	Langenhagen (Han)	Mülheim (Ruhr)	Reinbek (Bz Hamburg)
Hüls (b Krefeld)	Lauenburg	München	with 1 Paying-Office
Hüttental	Lauterbach (Hess)	with 25 Sub-Branches	Remagen
with 1 Sub-Branch	Leer (Ostfriesl)	Münster (Westf)	Remscheid
Husum	Leichlingen (Rheinl)	with 4 Sub-Branches	with 2 Sub-Branches
Idar-Oberstein	Lemgo	Neckarsulm	Remscheid-Lennep
with 1 Paying-Office	Lengerich (Westf)	Neheim-Hüsten	Rendsburg
Ingelheim (Rhein)	Leonberg (Württ)	with 1 Sub-Branch	Reutlingen
Ingolstadt (Donau)	Letmathe (Sauerl)	Neu Isenburg	Rheinberg (Rheinl)
Iserlohn		Neumünster	Rheine (Westf)
Itzehoe	* under the name of:	Neunkirchen (Kr Siegen)	with 1 Sub-Branch
Jever	Wilh. Ahlmann	Neuss	Rheinfelden (Baden)
Jülich	Filiale Kiel der	with 2 Sub-Branches	Rheinhausen
	Deutsche Bank	Neustadt (b Coburg)	Rheinkamp-Meerbeck
	Aktiengesellschaft	Neustadt (Weinstr)	

Rheydt with 2 Sub-Branches	Solingen with 1 Sub-Branch	Viersen with 1 Sub-Branch	Wickrath (Niers)
Rinteln (Weser)	Solingen-Ohligs	Villingen (Schwarzw)	Wiesbaden with 4 Sub-Branches
Rodenkirchen (Bz Köln)	Solingen-Wald	Vohburg	Wiesloch
Rüsselsheim (Hess)	Soltau	Vorsfelde	Wilhelmshaven with 1 Sub-Branch
with 1 Sub-Branch	Spenge	Vreden (Westf)	Willich (Bz Düsseldorf)
Säckingen	Speyer	Waldbröl	Wipperfürth
Salzgitter-Bad	Sprockhövel (Westf)	Waldkirch	Wissen (Sieg)
Salzgitter-	Stade	Waldshut	Witten
Gebhardshagen	Stadtlohn	Walsum (Niederrhein)	with 1 Sub-Branch
Salzgitter-Lebenstedt	Starnberg	Waltrop	Wittlich
with 1 Sub-Branch	Stolberg (Rheinl)	(Kr Recklinghausen)	Wolfenbüttel
Salzgitter-Thiede	Straubing	Wangen (Allgäu)	Wolfsburg with 2 Sub-Branches
Salzgitter-Watenstedt	Stuttgart	Wanne-Eickel with 1 Sub-Branch	Worms
St. Tönis	with 9 Sub-Branches	Warendorf	Wülfrath
Schmallenberg (Sauerl)	Stuttgart-Bad Cannstatt	Wasseraalingen (Württ)	Würselen (Kr Aachen)
Schopfheim	Sundern (Sauerl)	Wattenscheid	Würzburg with 1 Sub-Branch
Schorndorf (Württ)	Traben-Trarbach	Wedel (Holst)	Wuppertal-Elberfeld with 6 Sub-Branches and 1 Paying-Office
Schüttorf	Triberg (Schwarzw)	Weener (Fms)	Wuppertal-Barmen with 4 Sub-Branches
Schwäbisch Gmünd	Trier	Weil (Rhein)	Wuppertal-Cronenberg
Schwelm	Troisdorf	Weingarten (Württ)	Wuppertal-Ronsdorf
Schwenningen	Tübingen with 1 Sub-Branch	Weinheim (Bergstr)	Wyler (Kr Kleve)
(Neckar)	Übach-Palenberg	Weissensturm	Zell (Mosel)
Schwerte (Ruhr)	Ulm (Donau) with 2 Sub-Branches	Werdohl	Zirndorf
Schwetzingen	Unna	Werl (Westf)	Zweibrücken
Sennestadt/über Bielefeld	Vechta	Wermelskirchen	
Siegburg	Velbert (Rheinl)	Wesel	
Siegen with 1 Sub-Branch	Verden (Aller)	Wesseling (Bz Köln)	
Singen (Hohentwiel)	Viernheim (Hess)	Wetzlar	
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