Annual Report for 1991

Deutsche Bank AG

On April 22, 1991

Dr. Karl Klasen

passed away at the age of 81 years.

After studying law, he began his career at Deutsche Bank in 1935. He was President of the Regional Central Bank in Hamburg from 1948 to 1952 and then returned to our bank, where, in 1957, he became member and subsequently one of the two Spokesmen of the Board of Managing Directors. From 1970 to 1977 Karl Klasen was President of Deutsche Bundesbank. After retiring from that office, he was member of our Supervisory Board and Credit Committee and one of our closest advisors.

With his broad-based knowledge and experience, sovereign power of judgement and personal warmth, he did great and lasting service to our bank. He was highly esteemed in the business community and in the banking industry and was a wise counsellor to many.

We mourn the loss of a good friend and will always treasure his memory in gratitude and respect.

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Deutsche Bank Aktiengesellschaft
Taunusanlage 12, D-6000 Frankfurt am Main 1

This Annual Report is also published in German, French, Spanish and Japanese.

The full addresses of our branches and offices in Germany can be obtained from any Deutsche Bank office, subsidiary or associated company. Upon request, we shall be pleased to send you a copy of the Directory of Deutsche Bank Offices. To order it, please use the reply card on the last page of the Annual Report.

This paper is *environment-friendly.*

Cover:
Rosemarie Trockel, Object made of biscuit porcelain, length 52.5 cm, from the "White Carrot" portfolio, 1991

Deutsche Bank at a glance

	Deutsche Bank Group		Deutsche Bank AG	
	1991	1990	1991	1990
	DM m.	DM m.	DM m.	DM m.
Balance sheet total	449,100	400,200	306,000	255,400
Funds from outside sources	405,700	361,200	270,900	225,000
Total credit extended	299,700	273,300	187,100	161,200
Capital and reserves (incl. DM 1,200 m. in participatory capital in 1991)	18,267	15,566	18,192	15,538
Equity ratio	4.1%	3.9%	5.9%	6.1%
Net interest income	10,617	9,084	7,836	6,377
Net commission income	3,846	3,611	2,539	2,353
Staff and other operating expenses	9,670	8,165	6,790	5,496
Partial operating profit	4,793	4,530	3,585	3,234
Operating profit	5,972	5,126	4,270	3,526
Taxes	2,045	1,371	1,416	1,165
Net income for the year	1,410	1,067	1,338	1,236
Net income per share of DM 50	DM 30.10[1]	DM 23.20[1]	DM 29.20	DM 28.00
Allocations to revenue reserves	752	748	650	618
Withdrawals from reserves	45	422	–	–
Total dividend payment	*	*	688	618
Dividend per share of DM 50	*	*	DM 15.00	DM 14.00
Tax credit per share of DM 50 (for shareholders subject to full German tax liability)	*	*	DM 8.44	DM 7.88

[1]) excluding minority interests in profit

	Deutsche Bank Group		Deutsche Bank AG	
	1991	1990	1991	1990
Shareholders	*	*	306,000	305,000
Staff[2])	71,400	69,272	56,482	52,991
Customers (excl. banks)	8.07 m.	7.66 m.	6.66 m.	5.80 m.
Offices	1,944	1,894[2])	1,449	1,334
domestic	1,539	1,514	1,374	1,257
foreign	405	380	75	77

[2]) from 1990 different method of counting

* not applicable

Dear Shareholders,

The 1991 financial year was a gratifying one for Deutsche Bank Group. The balance sheet expanded strongly again. Here, special attention was paid to achieving necessary profit margins and to limiting risks.

Overall, we managed to exceed our targets in 1991. This is all the more notable as we had expected it to be a difficult business year in view of the economic impact of German unification, the aftermath of the Gulf crisis and recessionary trends in the world economy.

We would like our shareholders, who have helped to roughly double our capital and reserves in the past six years, to participate in last year's good earnings performance. We therefore propose an increase of DM 1 in the dividend to DM 15 per DM 50 share.

In addition, we attached special importance to strengthening the Group's capital resources. After extensive provisioning for risks, reflecting the weakened economic situation in the Federal Republic of Germany and the recession in other countries, an appropriate allocation has been made to revenue reserves from net income for the year.

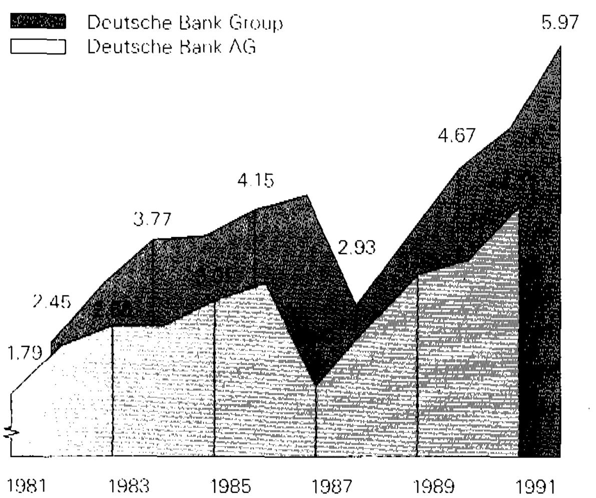
Strong advance in operating profit

In 1991, operating profit at Deutsche Bank AG rose by 21.1% to DM 4,270 m. and in the Group by 16.5% to DM 5,972 m.

Interest business was mainly responsible for the growth in earnings, but commission business and own-account trading also contributed. The increase in net interest income was due largely to strong volume growth with a slight improvement in the overall interest margin. Higher commission income was generated by payments business and foreign commercial business. In own-account trading in securities, the previous year's decline was recouped.

Our activities in the new federal states had an appreciable effect on staff and other operating expenses. But wage and salary increases in the old federal states also constituted substantial burdens.

Development of operating profit 1981-1991
(in DM bn.)



1986 excluding special transaction

Development of balance sheet total 1981-1991
(in DM bn.)

Balance sheet total expands by almost DM 50 bn.

The Group's consolidated balance sheet total rose by 12% to nearly DM 450 bn. in 1991. This growth resulted mainly from lending business. Over the past ten years, Deutsche Bank AG's balance sheet total has roughly trebled to its present level of more than DM 300 bn.

Capital and reserves strengthened further

At the beginning of 1991 we issued participatory certificates with warrants to subscribe for shares of Deutsche Bank AG. Of the new liable capital pursuant to the Banking Act (KWG) which this provided, DM 1,200 m. is participatory capital and DM 240 m. the premium reported as capital reserve.

Additional new equity funds totalling DM 564 m. resulted from the exercise of option and conversion rights and from the issue of staff shares.

We allocated DM 752 m. of the profits earned in the Group to revenue reserves; a further DM 319 m. will be added following approval by the respective General Meeting.

Group capital and reserves, including participatory capital, total DM 18,267 m. as at the end of the year. We achieved ratios of 5.6% for core capital and 10.7% for total capital, thus clearly exceeding the minimum capital ratios of 4% and 8% respectively as required internationally under the Basle capital adequacy regulation.

Provisions for risks increased

We again made thorough allowance for the heightened national and international risks. Applying uniform criteria throughout the Group,

- creditworthiness risks were valued with the usual care and corresponding specific value adjustments and provisions were formed;
- latent risks were covered by appropriate collective adjustments;
- country risks were accounted for by provisioning measures, currently for a total of 60 countries;
- securities holdings were valued according to the strict "lower of cost and market" principle.

Corporate consolidation

In the past financial year we took further steps to streamline and internationalize the Group and to expand our product range.

– at home

Deutsche Bank Berlin AG was merged with Deutsche Bank AG with effect from April 1, 1991. We continued to build up our branch network in the new federal states and further improved our staffing and organizational infrastructure there. 70 buildings already rented by our branches as business premises were purchased from Treuhandanstalt, the privatization agency. We plan to invest around DM 500 m. in restoring and modernizing these properties.

Today, Deutsche Bank AG has 270 branches in the eastern part of Germany, where 11,500 employees look after over 1.2 million customers and more than 2 million accounts.

At the end of 1991 we brought Deutsche Bank Group's research activities together in DB Research GmbH, Frankfurt am Main. This has eliminated work duplication and intensified the exchange of information and cooperation between the individual areas of activity.

Deutsche Bank Group's national and international customer-oriented property investment and project development business has also been reorganized. All related activities have been concentrated with effect from April 1, 1991 at the management holding company, DIA Deutsche Immobilien Anlagegesellschaft mbH, Frankfurt am Main.

Firmen-Lebensversicherungs-Aktiengesellschaft der Deutschen Bank, Wiesbaden, received an operating license from the German Insurance Supervisory Office in May 1991. The company, in which the Gerling Group has a 30% stake, specializes in company pension products.

In connection with the restructuring of our field sales activities we founded Vertriebsgesellschaft mbH der Deutschen Bank für Privatkunden, Frankfurt am Main, in the middle of last year. Its objective is to supplement our branch network with field sales representatives. A comprehensive range of services is offered, covering savings and investment products, building saving, life insurance and loans.

– abroad

In London, Deutsche Bank Capital Markets Ltd., DB U.K. Finance p.l.c., Deutsche Bank Gilts Ltd. and Deutsche Bank London Branch were brought together under uniform management.

We have extended our dealing activities in government bonds to the capital markets in England, France, Italy and Spain, thus rounding them off within the scope of a European bond trading strategy.

In the U.S.A., Deutsche Bank Capital Corporation, New York, Deutsche Credit Corporation, Deerfield, and German American Capital Corporation, Baltimore, were combined in the newly founded Deutsche Bank North America Holding Corp., Dover/Delaware. New York Branch will continue to operate as a legally dependent establishment of Deutsche Bank AG. The concentration of the management functions at the holding company and the pooling of administrative activities will lead to synergy effects.

In July 1991, we increased our holding in Bain & Company Ltd., Sydney, to 51% and thus acquired the controlling interest in this Australian investment bank.

Organization

During the past year our new organizational structure was implemented in Germany, according to plan, at Deutsche Bank AG and the commercial banking subsidiaries. The reorganization into new business and service divisions has already produced initial results in terms of cost transparency and profit responsibility.

The concentration and automation of our basic payments and securities services was another main focus of reorganization. Productivity has been considerably enhanced thanks to the use of new technologies and improved procedures. Today, our processing system conforms to industrial standards.

To increase settlement security and to ensure high availability, we have further upgraded our European computer centre network.

Our telecommunications networks required for this were modernized and extended. They also serve as the basis for our integrated production in Europe and for expanding value-added services in banking, such as electronic banking and customer self-service. The first customers are already successfully using our network.

For the marketing of our value-added services, all regional head branches are now equipped with informatics centres. They are used for demonstrating our electronic banking products, for customer support in this area and for staff training purposes.

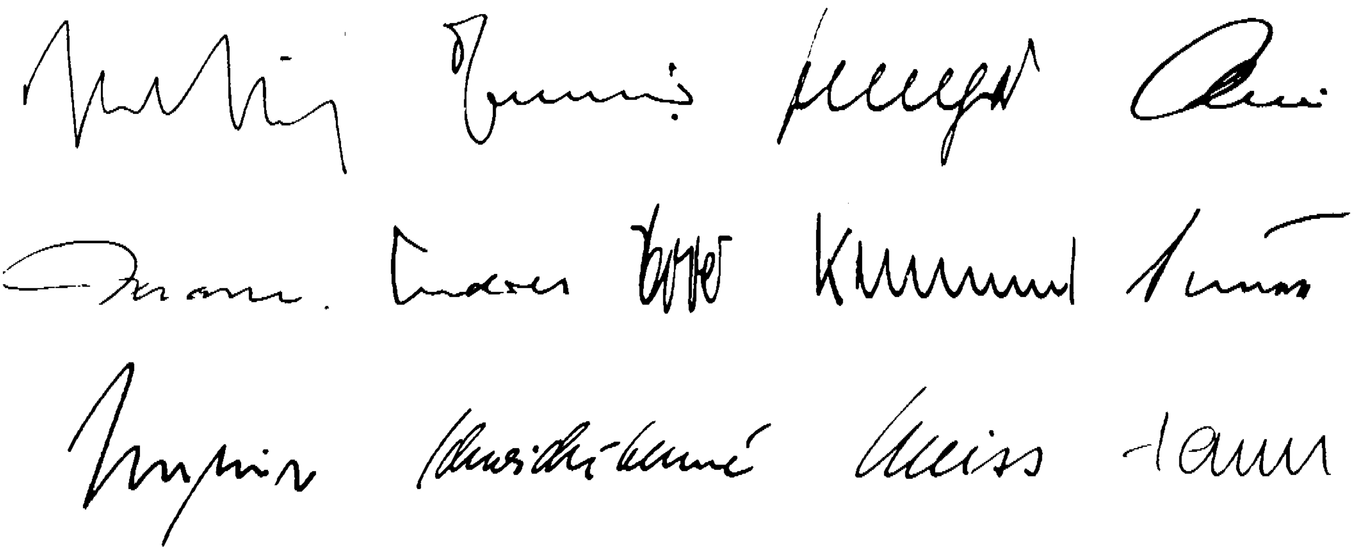
Dividend increased to DM 15

Of the net income for the year of Deutsche Bank AG of DM 1,338 m., we have added DM 650 m. to revenue reserves. We propose to the General Meeting of Deutsche Bank AG that the distributable profit of DM 688 m. be used to pay a dividend raised by DM 1 to DM 15 per share of DM 50 par value.

Frankfurt am Main, March 1992

Deutsche Bank
Aktiengesellschaft

The Board of Managing Directors



Honorary President

Hermann J. Abs
Frankfurt am Main

Supervisory Board

Dr. F. Wilhelm Christians, *Chairman*
Düsseldorf

Hagen Findeisen*, *Deputy Chairman*
Deutsche Bank AG, Hamburg

Jürgen Bartoschek*
Deutsche Bank AG, Frankfurt am Main

Dr. Marcus Bierich
Chairman of the Board of Management
of Robert Bosch GmbH, Stuttgart

Dr. Robert Ehret
Frankfurt am Main

Dr. Friedrich Karl Flick
Düsseldorf

Dr. Wilfried Guth
Frankfurt am Main

Gerd Hirsbrunner*
Deutsche Bank AG, Berlin

Ulrich Kaufmann*
Deutsche Bank AG, Düsseldorf

Dr. Elmar Kindermann*
Deutsche Bank AG, Frankfurt am Main

Dr. Hellmut Kruse
Member of the Supervisory Board of Beiersdorf AG, Hamburg

Dr. Heribald Närger
Chairman of the Supervisory Board of Siemens AG, Munich

Dr. Michael Otto
Chairman of the Board of Management
of Otto-Versand (GmbH & Co.), Hamburg

Josef Pfaff*
Deutsche Bank AG, Cologne

Gerhard Renner*
Member of the National Executive
of Deutsche Angestellten-Gewerkschaft, Hamburg

Lorenz Schwegler*
President of Gewerkschaft
Handel, Banken und Versicherungen, Düsseldorf

Herbert Seebold*
Deutsche Bank AG, Stuttgart

Dipl.-Kfm. Günter Vogelsang
Düsseldorf-Oberkassel

Lothar Wacker*
Deutsche Bank AG, Cologne

Hannelore Winter
Düsseldorf-Oberkassel

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* elected by the staff

Advisory Board

Dr.-Ing. E. h. Werner Dieter
Chairman
Chairman of the Executive Board of Mannesmann AG, Düsseldorf

Dipl.-Volkswirt Dr. h. c. Tyll Necker
Deputy Chairman
President of Hako-Werke GmbH & Co., Bad Oldesloe

Dr. rer. nat. Hans Albers
Chairman of the Supervisory Board of BASF Aktiengesellschaft, Ludwigshafen

Hans H. Angermueller
Attorney, New York

Dr. rer. oec. Karl-Hermann Baumann
Member of the Managing Board of Siemens AG, Munich

Professor Dr.-Ing. E. h. Werner Breitschwerdt
Member of the Supervisory Board of Daimler-Benz AG, Stuttgart

Dr.-Ing. Dr. rer. nat. h. c. Konrad Henkel (until 20. 3. 1991)
Honorary President of the Henkel Group, Düsseldorf

Eberhard von Heusinger (until 31. 12. 1991)
Attorney, Bad Homburg v. d. Höhe

Dr. Eckart van Hooven (from 23. 5. 1991)
Hamburg

Dr.-Ing. Dr.-Ing. E. h. Günther Klätte
Managing Director (retd.) of RWE AG, Essen

Hans Jakob Kruse
Spokesman of the Board of Managing Directors of Hapag-Lloyd AG, Hamburg

Yoh Kurosawa (from 23. 5. 1991)
President, IBJ The Industrial Bank of Japan, Ltd., Tokyo

Dr. h. c. André Leysen
Chairman of the Supervisory Board of the Agfa-Gevaert Group, Mortsel/Belgium

Dr. Klaus Liesen
Chairman of the Board of Management of Ruhrgas AG, Essen

Helmut Loehr
Member of the Board of Management of BAYER AG, Leverkusen

Francis Mer (from 23. 5. 1991)
Président Directeur Général of Usinor Sacilor, Paris

Dr. Klaus Mertin
Frankfurt am Main

Dr. rer. nat. Dietrich Natus
Member of the Supervisory Board of Metallgesellschaft AG, Frankfurt am Main

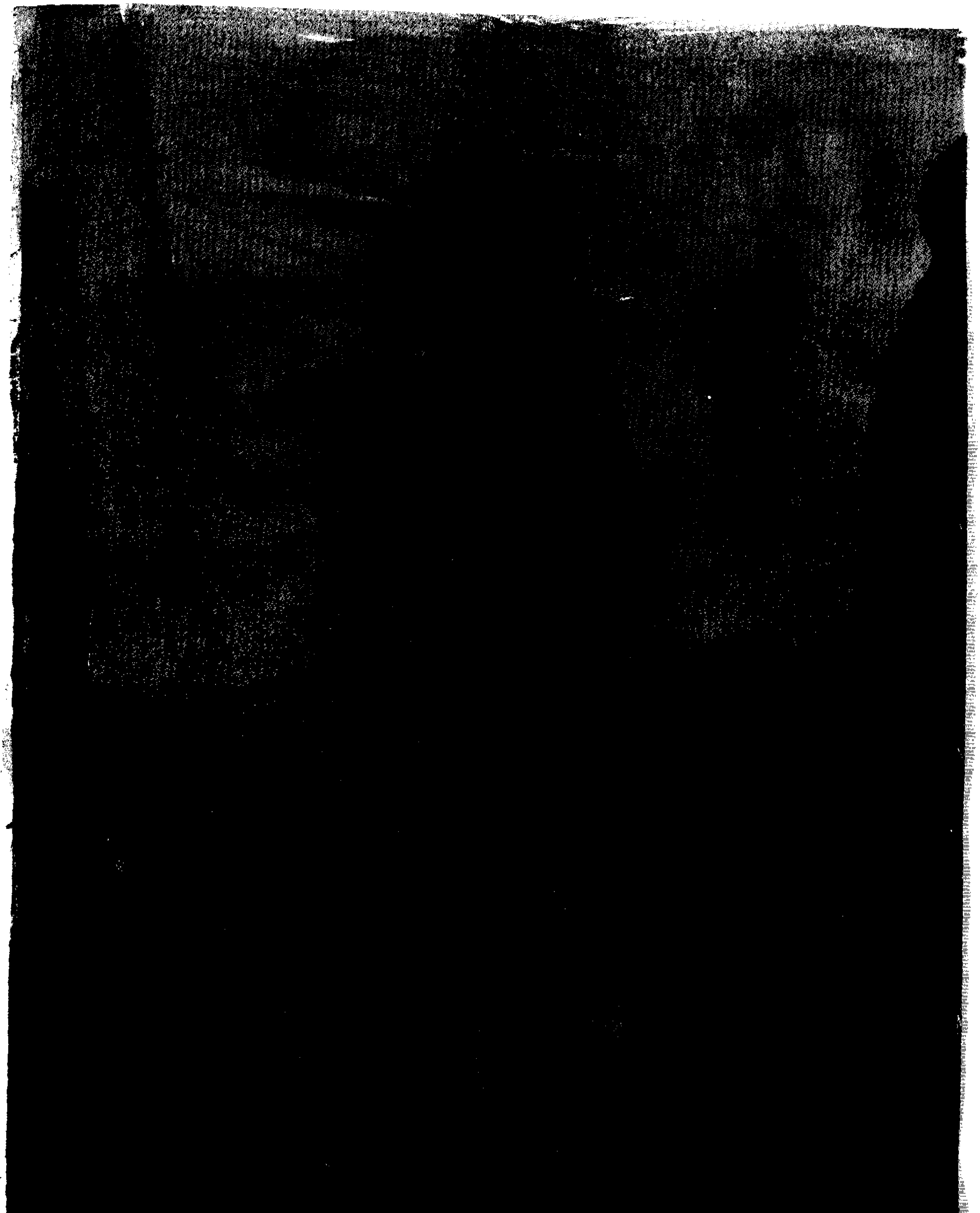
Dr. rer. pol. Dipl.-Kfm. Gerhard Rüschen
Managing Director of Nestlé Deutschland AG, Frankfurt am Main

David A. G. Simon CBE (from 9. 7. 1991)
Deputy Chairman & Chief Operating Officer
The British Petroleum Company p.l.c., London

Dipl.-Ing. Hans Peter Stihl
Chairman and Chief Executive Officer of Andreas Stihl, Waiblingen

Dr. Frank Trömel (from 1. 1. 1992)
Chairman of the Board of Managing Directors of DELTON Aktiengesellschaft für Beteiligungen, Bad Homburg v. d. Höhe

Dr. Mark Wössner
President and Chief Executive Officer of Bertelsmann AG, Gütersloh



Board of Managing Directors

Corporate Group		Business/Service Division *Staff Department*	Branch Regions	Foreign Regions
Spokesman	Hilmar Kopper	*Group Strategy* *Communications*	Cologne	
Private Banking	Eckart van Hooven (until May 23, 1991)		Bremen Hamburg Lübeck	Scandinavia
	Georg Krupp	Retail Banking	Leipzig Saarland	Eastern Europe
	Carl L. von Boehm-Bezing (Deputy until January 28, 1992)	Private Banking	Bielefeld Mainz	Luxembourg, Switzerland
Corporate/ Institutional Banking	Herbert Zapp	Corporate Banking *Legal*	Berlin Düsseldorf	Latin America except Mexico
	Ellen R. Schneider-Lenné	Financial Institutions	Wuppertal	United Kingdom, Ireland
	John A. Craven	Mergers & Acquisitions	Morgan Grenfell Group	Morgan Grenfell Group
	Ronaldo H. Schmitz (from February 1, 1991)	Corporate Finance	Freiburg	Mexico, North America
	Rolf-E. Breuer	Securities Trading and Sales/Asset Management	Stuttgart	Near and Middle East
	Ulrich Cartellieri	FX, Money & Precious Metal Trading Treasury	Essen	Asia/Pacific
Resources & Controlling	Ulrich Cartellieri	*Economics*		
	Horst Burgard	Credit Control	Frankfurt	Belgium, France, Netherlands
	Ulrich Weiss	Personnel *Auditing* *Compliance*	Mannheim	Italy, Portugal, Spain
	Michael Endres	Organization and Operations	Munich	Austria, Greece, Israel, Turkey
	Jürgen Krumnow	Controlling *Taxes*	Bremen* Hamburg* Hannover Lübeck*	Africa, Scandinavia* *from May 23, 1991

Report of the Board of Managing Directors

General Economic Situation

Worldwide economic slowdown

The lasting upturn in the world economy hoped for after the quick end to the Gulf War did not come about. The recessions in the U.S.A. and the U.K. proved extremely stubborn despite several cuts in interest rates, and this had a negative effect on other industrial and developing countries. Lack of fiscal policy scope for stimulating economic activity and unsolved structural problems made it difficult for many countries to overcome the weak growth phase. In eastern Europe the conversion from central planning to a market economy was again accompanied by falling production, lower employment levels and a drop in the standard of living in 1991. Positive developments in the world economy were declining inflation in most industrial countries and a reduction – albeit exaggerated by special influences – in foreign trade imbalances.

Germany: turnround in 1991

In western Germany, 1991 marked the end of an upswing which had lasted for over 8 years. The western German economy weakened noticeably in the course of the year under the influence of declining exports, tax increases at mid-year and high interest rates.

Following a dramatic slump, production in the new federal states bottomed out in the second half of 1991. Although a strong upturn is taking place in construction and the services sector, eastern German industry is still under considerable adjustment pressure as a result of its inadequate competitiveness.

Substantial transfer payments from western to eastern Germany were necessary in 1991 to boost economic restructuring and cushion the effects of the decline in employment. For Germany as a whole, the budget deficit of the Federal and Länder Governments and local authorities, including the "German Unity" Fund, thus rose to approx. DM 120 bn. (a good 4% of GNP). However, this figure turned out to be lower than initially estimated owing to increased tax revenue and an only gradual outflow of investment funds.

Decline in capital market interest rates

This was one reason for German capital market interest rates declining by almost one percentage point during 1991. The main factors were falling yields abroad and the strengthening of the D-Mark over the year. Although inflation in western Germany rose to over 4% in the second half as a result of higher consumer taxes and an accelerated rise in wage costs, the effects of this on the capital market were kept within bounds by the resolute stability policy of the Bundesbank.

In 1991 the Bundesbank had to take special precautions to counteract the threat of inflationary expectations strengthening. For this reason the Bundesbank raised its key interest rates in three stages from 6% to 8% (discount rate) and from $8\frac{1}{2}$% to $9\frac{3}{4}$% (Lombard rate) and narrowed its money supply target at mid-year. With an increase of a good 5%, this target was only just met.

Internationally opposing trends in monetary policy

While capital market interest rates declined worldwide in 1991, an interest gap between Europe and North America opened up at the short end of the market because the American monetary authorities stepped up their relaxation of monetary policy, while in Europe the restrictive course was intensified; at year-end the DM/$ interest rate difference was $5\frac{1}{2}$ percentage points. The countries in the European Monetary System which orient their currencies to the D-Mark were thus forced to follow the Bundesbank's restrictive monetary course, despite having problems with their own economies.

Volatile D-Mark exchange rate

Hopes of a substantial upturn in the U.S. economy following the end of the Gulf War put the D-Mark under pressure in the first half. From the summer onwards, however, the D-Mark stabilized again when the expected upswing in the U.S.A. failed to materialize. Pressure also stemmed from the Fed relaxing its monetary policy to stimulate the economy and the Bundesbank tightening the monetary reins. Over the year as a whole the fluctuation of the D-Mark against the dollar remained within comparatively narrow limits (-2.6%). In 1991 the D-Mark weakened against the yen by 10.2%. However, this only cancelled out part of the considerable yen devaluation of 1990.

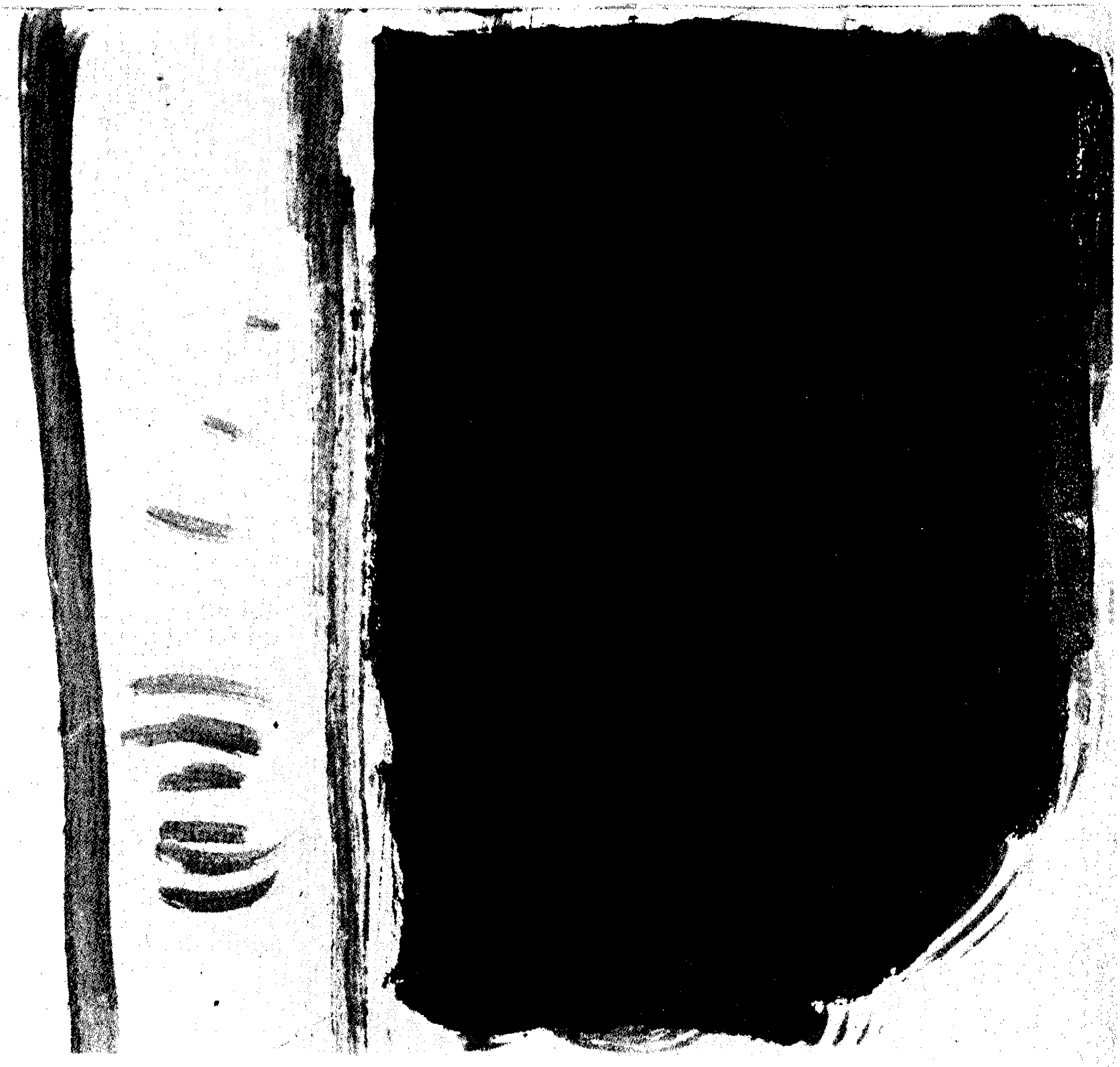
In December the European Council paved the way for Economic and Monetary Union (EMU) by the end of this decade. First steps were taken towards European political union. The conditions for participation in EMU, which were agreed in Maastricht, and the guidelines for the future European Central Bank aim at a stable European currency, which is to be introduced by 1997 at the earliest and 1999 at the latest.

Upturn on international financial markets

New business on international financial markets registered an overall upturn in 1991; companies' consolidation strategies contributed to this. Margins and commissions at financial institutions recovered. The issue of ECU bonds by European governments expanded particularly rapidly; the ECU was the third most popular issuing currency, after the dollar and the yen. By contrast, the volume of newly syndicated eurocredits fell considerably – partly as a result of lower demand for takeover financing; individual cross-border loans for first-class debtors, however, became more important. In general the implementation of internationally more stringent capital adequacy requirements caused the banks to be more selective in their lending.

Overall setting for Germany as a financial centre improves

The overall conditions for Germany as a financial centre were further improved in 1991. Stock exchange turnover tax and the licensing procedure for domestic bond issues were abolished at the beginning of the year. This enabled the launching of commercial paper programmes on the DM market, which were most successful in 1991. In spring the integrated stock trading and information system IBIS was introduced at the Frankfurt Stock Exchange. The German Government announced further measures aimed at internationalizing the German market for 1992.



Management Report of Deutsche Bank AG

I. Our business divisions and the services they offer

In the year under review we restructured the bank into business and service divisions, thereby ensuring better customer service. We offer our products and services through Deutsche Bank AG and also through numerous Group companies. The Management Report therefore covers their activities, too.

1. Retail Banking

Increase in savings and time deposits

Private customers' deposits once again recorded a marked increase. In savings deposits, investments with short maturities and higher interest rates were favoured.

Demand was stronger than in the preceding year for withdrawal plans, which provide regular additional income from capital returns and withdrawals.

Strong demand for loans

The still relatively good overall condition of the economy favoured strong growth in private demand for loans in the 1991 financial year.

Owing to the brisk activity in the construction sector, there was greater demand than in the previous year for private homebuilding loans. Our customers were mainly interested in fixed interest-rate periods of up to five years.

There was also an increase in consumer loans, primarily to finance consumer durables.

Growth was again above average in standardized loans to the self-employed and members of the professions. Particularly in the new federal states we gave the necessary start-up capital to a large number of people establishing new businesses.

Wider range of services

We have extended our range of services for young customers. Since May 1991 "The Young Account" has been the core product in a package for schoolchildren, apprentices and students. Service profile and price are tailored to this target group. "The Young Account" has been very well received.

There was continued success with the sale of Deutsche Bank EUROCARD/EUROCARD GOLD. These credit cards, which Deutsche Bank has been issuing in its own name since January 1, 1991, were being used by almost 300,000 customers at the end of the year.

Attractive self-service products

Personal counselling tailored to customer requirements is the main feature of our retail banking business. However, our customers also expect us to offer them services such as cash withdrawal, account information etc. outside business hours conveniently and at attractive prices.

As a customer-friendly alternative to cash withdrawals at the counter we had, by the end of the financial year, one of the largest ATM networks in Germany, with over 1,100 cash dispensers. We record around 3.8 million withdrawals in the equivalent of about DM 1.2 bn. every month. The number of transactions has therefore almost doubled compared with the previous year.

In 22 selected branches customer terminals have been installed - initially for trial purposes - at which customers can carry out transfers themselves, even outside business hours. The terminals are also designed to provide account information and calculate loans and investments on an individualized basis.

Our branches were equipped with further account statement printers. At the end of 1991 there were 1,860 printers in operation. All Deutsche Bank customers with an ec card or Deutsche Bank customer card (in total over 3 million) can use them to generate account statements. POS terminals (electronic cash) allow them to pay without cheques or cash at over 8,000 retail outlets and filling stations.

Life insurance successful

At the end of its second full financial year, Lebensversicherungs-Aktiengesellschaft der Deutschen Bank, Wiesbaden, had concluded 158,000 policies with a contract volume of over DM 12 bn. In addition there are supplementary disability insurance policies representing total pension benefits with a net present value of around DM 4.1 bn. Policies are sold almost exclusively via the bank's branch network. A consumer magazine commended our endowment policy for being particularly customer friendly, the first time a financial product has received such a distinction.

Brisk building savings business

Building savings business also developed well. As at the end of the year, Deutsche Bank Bauspar-Aktiengesellschaft, Frankfurt am Main, had a portfolio of 381,000 building savings agreements with a total contract value of over DM 11 bn.

2. Private banking

Individual investment advice

This business division is responsible for giving comprehensive advice to our high-net-worth clients. Particular attention is devoted to finding individual solutions in portfolio management. To ensure the broad availability of expert advice, we have established about 300 advisory centres with experienced staff and equipped for computer-aided portfolio management.

The division is also responsible for product development in portfolio management business and, operating in special advisory units, advises corporate customers on all matters relating to portfolio management.

Mixed development of turnover

In view of the strong price fluctuations on the stock markets over the year, our customers largely held back from new investments in the equity markets; sales of German shares in particular were markedly lower than in the previous year.

Sales of investment certificates, however, made substantial gains. Apart from international bond funds, interest centred on the newly devised, fixed-term and money-market-related funds of our subsidiaries DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main, and DB Investment Management S.A., Luxembourg.

In bond business, investment interest was focussed on DM paper, though there was also brisk trading in foreign paper, especially in non-EC currencies.

Overall, turnover with our customers in the domestic Group rose by about 29%. The market value of the more than 2 million safe-custody accounts held by us for customers Group-wide climbed 14% compared with the previous year.

The range of derivatives we offer, which are necessary for risk management in portfolio investment, met with growing interest.

There was a very successful launch for our Rendite-Plus-Paket, a combination of securities investment and endowment life insurance; the underlying concept links a high yield with opportunities for tax optimization and insurance cover.

3. Corporate banking

Market position consolidated

We further expanded our market position in Germany and abroad.

Growth in new lending was concentrated on short and medium-term business. The level of deposits remained high owing to the good liquidity situation of corporate customers.

Foreign commercial business achieved gratifying growth in earnings against the background of cyclically-induced changes in import and export flows.

The business transacted by our domestic mortgage bank subsidiaries centred on loans in the commercial/industrial sector. The proportion of lendings against office and administration buildings has risen sharply.

Roland Berger & Partner GmbH International Management Consultants, Munich, which is under independent management, again recorded marked growth. In eastern Europe the company has offices in Prague and Moscow. Business in western Europe, America and Japan has experienced an above-average increase.

Target groups: small and medium-sized companies ...

Cooperation with small and medium-sized companies was again one of our main activities. Accordingly we have extended our services in key areas of activity. Thus, in the real estate sector, Immobilien Winter GmbH & Co. KG, Heidelberg, and Immobilien-Holding Martin Zimmer GmbH, Cologne, are increasingly active in property agency and marketing business.

In the old federal states greater use was made of our computer-aided advisory system db-expert: rationell; we can use it to assist our customers in analyzing and rationalizing their payments.

In the new federal states we have set up special advisory centres to satisfy the specific need for information. Deutsche Gesellschaft für Mittelstandsberatung mbH, Munich, has two offices in the region.

... large corporations ...

In business with big companies – a highly competitive sector internationally – we intensified existing relationships and established new ones. Above all in the Anglo-Saxon area, Morgan Grenfell Group enabled us to make broader use of business opportunities. With regard to human resources we adjusted to the need for more demanding solutions to complex problems through training and further training measures.

... and local authorities were given increased counselling

We have special financing models available for local authorities and public utilities, inter alia via our affiliate Deutsche Immobilien Leasing GmbH, Düsseldorf. They mainly comprise asset-backed and infrastructure financings. In the new federal states we are also promoting the establishment of industrial parks.

We expanded our range of services concerned with environmental protection. At the international trade fair "ENTSORGA '91" we presented our "Umweltdatenbank", a database geared to solving environmental problems, and also euro-select, a database containing information on support programmes of the EC and the individual EC states.

Equity finance business expanded

Deutsche Beteiligungsgesellschaft mbH, Frankfurt am Main, together with Deutsche Beteiligungs AG Unternehmensbeteiligungsgesellschaft, Königstein/Taunus, increased its portfolio substantially to DM 561 m.

To support privatization in the new federal states we initiated the establishment of DIH Deutsche Industrie-Holding Verwaltungs-GmbH, Bad Homburg v.d.H. The object of this company is to purchase enterprises from the Treuhandanstalt and, through management support, to adjust them to market conditions.

In the U.K., equity financing business is carried out – in close cooperation with Deutsche Beteiligungsgesellschaft mbH – by Morgan Grenfell Development Capital Ltd., London. In 1991, this company carried out a number of important transactions, including one of the biggest management buy-outs in Europe.

Increase in leasing and sales financing

GEFA Gesellschaft für Absatzfinanzierung mbH, Wuppertal, and GEFA-Leasing GmbH, Wuppertal, achieved considerable growth in new business. The main areas were vehicles, machinery and information technology. The volume of factoring business remained high.

ALD AutoLeasing D GmbH, Hamburg, increased its share of commercial business.

Deutsche Immobilien Leasing GmbH, Düsseldorf, succeeded in attracting over DM 1 bn. in new investment in the year under review. For the first time, leasing bids were also made for infrastructure development measures in the public sector.

4. Banks and financial institutions

Our close cooperation with correspondent banks and other financial institutions proved its worth in the year under review, especially in the countries undergoing reform in eastern Europe. At the financial centres in Europe and overseas, particularly in New York, Tokyo and London, we further expanded our advisory capacity.

We were able to offer our correspondents tailor-made solutions to suit their particular requirements, especially in payments business, clearing and securities administration.

In international trade financing, state-supported export activities have shown a sharp increase, particularly in the new federal states. The majority of these loans were issued by AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main. We are in a leading position in forfaiting business.

Debt arbitrage trading is conducted by our Group company Morgan Grenfell & Co. Ltd., London; with turnover of U.S.$ 22 bn., it achieved a top position both in Europe and worldwide.

5. Mergers and acquisitions

Responsibility in Deutsche Bank Group for our worldwide mergers and acquisitions activities, i.e. for advising customers on the purchase or sale of companies or major shareholdings in companies lies with Morgan Grenfell Group.

In the U.K., Morgan Grenfell's traditional home market, we took the lead in the past financial year with regard to public takeover bids. Outside the U.K. Morgan Grenfell has further expanded its presence on the main European markets as well as in the U.S.A. – via its association with Gleacher & Co. Inc., New York – and in Asia.

DB Morgan Grenfell GmbH, Frankfurt am Main, advises customers in Germany on the planning and execution of M & A projects; as the market leader it participated in numerous deals in 1991, also playing an active role in cross-border projects.

6. Corporate Finance

Capital increases, share placements

In the reporting period, 30 domestic capital increases for cash with an aggregate volume of about DM 3.5 bn. were carried out under our lead management. We lead managed the new listings of seven companies with a volume of DM 1.6 bn., including the placement of Deutsche Pfandbrief- und Hypothekenbank AG, the only privatization of federal property. We introduced Sachsenmilch AG to the stock exchange, the first issuer from the new federal states.

Compared with the preceding year the issue volume of new shares on the euromarket has doubled. In total we participated in 59 new placements.

International bonds and note programmes

In the market for international bonds, too, there was an increase in volume. Overall there is a trend towards high-volume liquid bonds. In line with this development, Deutsche Bank Group lead managed 64 currency bonds, including issues of U.S.$ 1 bn. each for the Province of Alberta/Canada and for the Kingdom of Norway. In January 1992 we went into the market for the Kingdom of Norway with a further issue, initially for DM 1 bn., later raised by DM 500 m. We managed an ECU issue for Daimler-Benz North America Corporation, the first time that use has been made of this market segment for a German industrial group.

With a total of 26 D-Mark denominated bonds we maintained our leading position in this sector. With respect to short and medium-term maturities, we handled four medium-term note programmes.

We played a leading role in the DM commercial paper market, which was largely developed and prepared by us. We issued 21 commercial paper programmes with a total volume of DM 14.4 bn. in 1991.

Structured financings

To promote Germany's exporting industry, international leasing deals were concluded in particular with airlines and railway companies in the U.S.A., Europe, the Pacific Basin and – with Hermes cover in eastern Europe.

In project financing our interest was mainly focussed on transactions in the energy and raw materials sector. The concession model was developed for the financing of infrastructure projects.

7. Securities Trading and Sales/Asset Management

Shares and bonds

In securities business with private and institutional customers the bank achieved a substantial increase in turnover of 32%. Our customers clearly favoured fixed income securities. The debate about the introduction of an interest income tax (prepayment subject to final assessment) led to a speculative foray into the euro-DM area, which made for lively turnover. On the other hand, share sales were down markedly in 1991.

Fund and asset management

Asset management is the standard international term for the administration of third-party assets on a trust basis. The assets entrusted to us for management in the Group – including Morgan Grenfell – reached a volume of DM 150.7 bn., which represents a 21% increase.

Substantial assets in the aggregate amount of DM 10 bn. accrued to our investment subsidiaries DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main, Deutsche Vermögensbildungsgesellschaft mbH, Bad Homburg v.d.H., and DB Investment Management S.A., Luxembourg. The aggregate assets of all 63 retail securities funds managed by the "DWS Group" stood at DM 47.2 bn. as at the end of 1991. The real estate fund "grundbesitz-invest" attained a fund volume of DM 4 bn. Our retail funds also enjoyed growing popularity in the new federal states.

The management of institutional assets is the responsibility of Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt am Main, which manages specialized funds for domestic and foreign institutional investors and also employee funds. The company raised its total fund assets by 25% to just under DM 23 bn. In the wake of inner-German developments we have also launched the first special-purpose funds for customers in the new federal states. Deutsche Asset Management GmbH, Frankfurt am Main, specializes in the management of international assets and handles international portfolios with an aggregate volume of DM 9 bn. It rounds off the activities of Morgan Grenfell Asset Management Ltd., London, and its subsidiaries, which manage institutional - and to a lesser extent, private - assets in the amount of DM 46 bn.

In the field of asset management the Group is one of the leading suppliers worldwide.

Risk management with DTB products

In the reporting year the product range of Deutsche Terminbörse (DTB), the German Futures and Options Exchange, was again broadened. The already successful financial derivatives were joined by options on the DAX (German share index) and the Bund future, and also the medium-term Bund future. Deutsche Bank is market maker and general clearer for all products.

8. Foreign Exchange, Money and Precious Metal Trading/Treasury

In foreign exchange and precious metal trading we surpassed the good result of the previous year. International money market dealing also saw further gains in earnings. DM commercial paper trading was very well received among our investors.

Our bank's foreign currency funding was chiefly directed at consolidating our position as an issuer in major investment currencies and at continuing to develop local markets as a source of liquidity for the Group.

Business in swaps and interest rate options reached a volume of DM 244 bn. (previous year: DM 130 bn.). The strong growth in demand stemmed from more complex hedging strategies in view of increased interest rate volatility in Germany and abroad and much higher, mainly swapped, bond volumes of our customers. In accordance with this, the account management group was expanded worldwide.

II. Asset, financial and income situation of Deutsche Bank AG

Balance sheet total

The balance sheet total rose, compared with December 31, 1990, by DM 50.7 bn. or 19.8% to DM 306.0 bn.

Following the merger in the previous year with Deutsche Bank-Kreditbank AG, Berlin, we integrated Deutsche Bank Berlin AG, Berlin, into Deutsche Bank AG as at April 1, 1991. At the time of the merger, the balance sheet total at our former subsidiary came to DM 11.9 bn., total credit extended to DM 5.9 bn. and funds from outside sources to DM 10.9 bn. In the new federal states (including West Berlin) we created the Berlin and Leipzig head branch regions.

Over the last two years we recorded aggregate growth in the balance sheet total of DM 91.3 bn. to more than DM 300 bn. for the first time.

Total credit extended

Total credit extended (excluding guarantees and letters of credit) rose by DM 25.9 bn. (+ 16.1%) to DM 187.1 bn.

Loans totalling DM 23.0 bn. were extended to our customers in the Berlin and Leipzig regions.

Total credit extended	End of 1991 DM m.	End of 1991 % share	End of 1990 DM m.	End of 1990 % share	Change DM m.	Change %
Claims on customers						
short and medium-term	88,042	47.1	72,179	44.8	+15,863	= 22.0
long-term (4 years or more)	75,646	40.4	66,692	41.4	+ 8,954	= 13.4
	163,688	87.5	138,871	86.2	+24,817	= 17.9
Discounts	6,973	3.7	7,155	4.4	− 182	= 2.5
Lendings to banks	16,444	8.8	15,176	9.4	+ 1,268	= 8.4
Total credit extended	187,105	100.0	161,202	100.0	+25,903	= 16.1

Claims on customers rose by DM 24.8 bn. to DM 163.7 bn. Of this figure DM 88.0 bn. related to short and medium-term lendings, where the rise of DM 15.9 bn. was again steeper than that in long-term lendings. Discounts came to almost DM 7.0 bn.

Claims on corporate customers reached just under DM 100 bn. The DM 15.7 bn. increase resulted chiefly from the brisk demand for loans on the part of our domestic corporate clients. Claims on foreign corporate customers came to DM 26.7 bn.

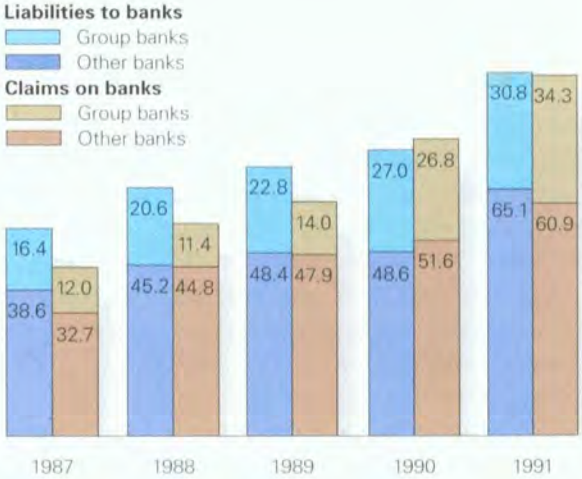
Loans to domestic private customers also rose substantially by DM 8.9 bn. to DM 60.1 bn. Against the background of brisk construction activity, db-building finance loans rose by DM 4.7 bn. We also referred DM 0.6 bn. in building loans to our mortgage banks.

Lendings to banks increased by DM 1.3 bn. to DM 16.4 bn.

Development of interbank business

(in DM bn.)

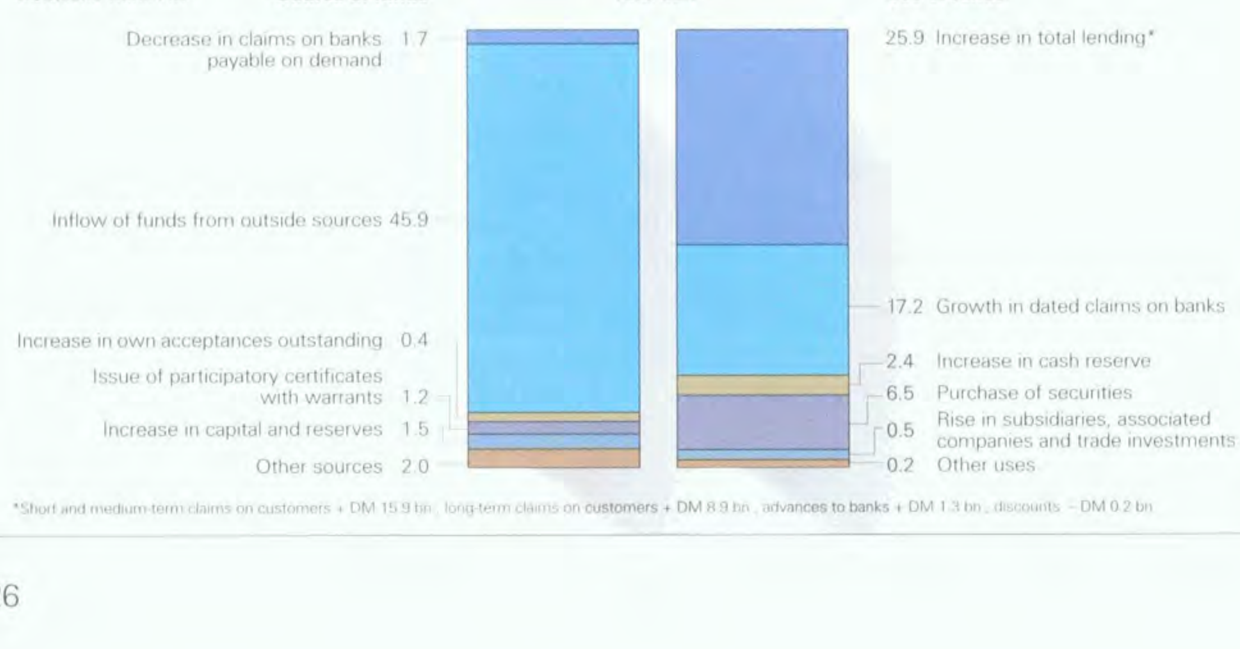
Deutsche Bank AG



Financing balance

(in DM bn.)

Deutsche Bank AG



*Short and medium-term claims on customers + DM 15.9 bn., long-term claims on customers + DM 8.9 bn., advances to banks + DM 1.3 bn., discounts – DM 0.2 bn.

We provided our customers with a considerable volume of tied funds from Federal and Länder Government support programmes.

Interbank business

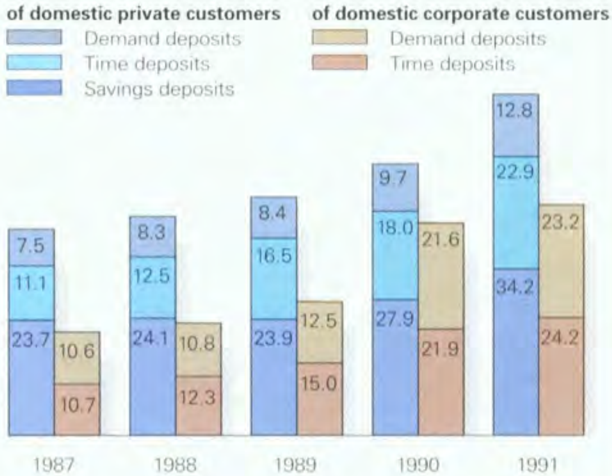
Claims on banks grew by DM 16.8 bn. to DM 95.2 bn. Of this figure DM 34.3 bn. or 36% comprised claims on Group banks, primarily deposits with our foreign subsidiaries.

Banks' deposits expanded by DM 20.3 bn. to DM 95.9 bn. This includes DM 24.2 bn. in long-term deposits of Group banks.

Customers' deposits

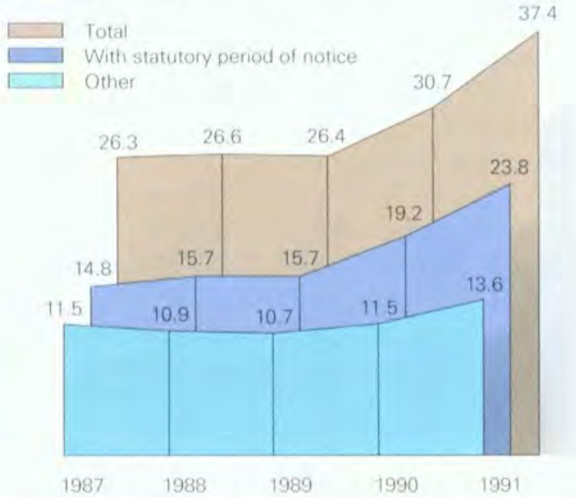
Customers' deposits increased by an aggregate DM 27.2 bn. (+ 19.3%) to DM 168.3 bn. Our customers in the Berlin and Leipzig regions held deposits in the

Development of deposits
(in DM bn.)
Deutsche Bank AG

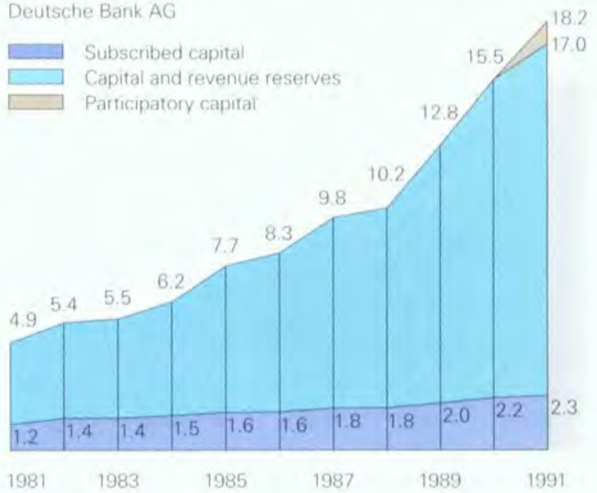


Funds from outside sources	End of 1991 DM m.	% share	End of 1990 DM m.	% share	Change DM m.	%
Liabilities to banks						
payable on demand	18,476	6.8	15,514	6.9	+ 2,962	+ 19.1
time deposits	77,360	28.6	60,043	26.7	+17,317	+ 28.8
customers' drawings on other banks	40		47		– 7	– 14.9
	95,876	35.4	75,604	33.6	+20,272	+ 26.8
Liabilities to customers						
payable on demand	44,727	16.5	38,271	17.0	+ 6,456	+ 16.9
time deposits	86,186	31.8	72,154	32.1	+14,032	+ 19.4
savings deposits	37,411	13.8	30,703	13.6	+ 6,708	+ 21.8
	168,324	62.1	141,128	62.7	+27,196	+ 19.3
Bonds and notes	6,692	2.5	8,283	3.7	– 1,591	– 19.2
Total funds from outside sources	270,892	100.0	225,015	100.0	+45,877	+ 20.4

Development of savings deposits
(in DM bn.)
Deutsche Bank AG



Development of capital and reserves including participatory capital
(in DM bn.)
Deutsche Bank AG



amount of DM 24.2 bn., of which DM 6.2 bn. were savings deposits.

We funded the strong increase in short and medium-term lending business chiefly by taking in time deposits with fixed terms or periods of notice of up to less than 4 years; they climbed by a total of DM 13.0 bn. to DM 69.9 bn. Demand deposits registered growth of DM 6.5 bn.

The rise in savings deposits by DM 6.7 bn. to DM 37.4 bn. was largely thanks to our fixed-interest saving scheme. With a volume of DM 15.2 bn., this high-interest type of saving made up about 40% of total savings deposits at the end of 1991.

The volume of bonds and notes outstanding fell by DM 1.6 bn. to DM 6.7 bn.

Capital and reserves

The premium from the participatory certificates with warrants issued in February 1991, the exercise of option and conversion rights and also the issue of staff shares generated liable capital totalling DM 0.8 bn. We also added DM 650 m. to revenue reserves from net income for the year. In 1991 the bank strengthened its liable capital pursuant to the Banking Act (KWG) by a total of DM 2.7 bn. to DM 18.2 bn.

Securities holdings

Based on our assessment of markets and in the wake of brisk trading, holdings of bonds and notes were raised by DM 4.2 bn. to DM 12.5 bn.

The increase in other securities by DM 1.7 bn. to DM 8.0 bn. was mainly due to the purchase of investment certificates with money market character.

Subsidiaries, associated companies and trade investments

The book value of subsidiaries, associated companies and trade investments climbed DM 0.5 bn. to DM 11.9 bn. The increase was chiefly due to our participation in the capital increases of Banco Comercial Transatlántico, S.A., Barcelona, and Karstadt AG, Essen. In addition we made a capital payment to Karl-Johann, P. von Quistorp Bürohaus KG, Eschborn. Through this company the bank has an indirect participation in Bürohaus Mainzer Landstrasse 16-28 GbR, Eschborn, which owns the site and the office block currently being built there.

From the merger of Deutsche Bank Berlin AG with Deutsche Bank AG there was a tax-exempt merger profit of DM 157 m., which is not included in operating profit but in the extraordinary account.

Organizational measures

We have expanded and improved the quality of our technical infrastructure worldwide. Our office communications system is now being used by 40,000 staff members. In the new federal states we completed the necessary adjustments to our EDP applications.

Further improvements were made to the EDP-based integrated business settlement at our terminal workplaces through the speeding up of data availability and the implementation of decision-supporting systems. For our trading offices in Germany and abroad and our advisory centres we have developed special-purpose systems with which a comprehensive spread of market data and in-house information can be called up and directly processed.

Net interest income

Net interest income grew in 1991 by 22.9% or DM 1,459 m. to DM 7,836 m. The increase was primarily due to further considerable expansion in the average annual balance sheet total by 19.2% = DM 44.6 bn. to DM 277.5 bn. The rise in the overall interest margin since 1989 continued in the reporting period with an improvement of 0.08 percentage points to 2.69%. The resulting incremental income was well above that of the previous two years.

Net commission income on services business

In the reporting year, the bank achieved net income from commissions and other service charges received of DM 2,539 m., an increase of 7.9%. This growth of DM 186 m. was attributable to the greater use made of our basic services in payments and foreign commercial business. In the securities sector the lower revenue from weaker commission and issuing business in shares was almost balanced out by higher commission income from the successful sale of investment certificates.

Staff and other operating expenses

The bank's staff and other operating expenses totalled DM 6,790 m. in 1991. Half of the exceptionally high increase of 23.5% or DM 1,294 m. was the result of additional costs from establishing the Berlin and Leipzig branch regions.

Staff expenses rose by 21.2% = DM 787 m. to DM 4,496 m. Most of the increment was caused by the rise in the average number of staff by 13.4%, which largely resulted from the inclusion of the staff employed in the Berlin and Leipzig regions. Further growth in staff expenses stemmed from the 6%

flat-rate increase in tariff salaries in the old federal states as from November 1, 1990, the gradual adjustment of tariff salaries in the new federal states to western levels and the increased remuneration of non-tariff staff.

General operating expenses climbed DM 474 m. to DM 1,957 m. The expansion of the branch network brought about a substantial rise in expenditure on banking premises and in general operating costs. The organizational measures in the EDP field also caused considerable additional expense.

Depreciation of and adjustments to land and buildings and office furniture and equipment came to DM 416 m. Of this amount DM 337 m. was accounted for by normal depreciation and DM 79 m. by special depreciation pursuant to the Regional Development Act.

Partial operating profit excluding own-account trading

The partial operating profit, excluding own-account trading, which is made up of net interest and commission income less staff and other operating expenses, came to DM 3,585 m. The incremental income from interest business was the main factor in the increase of DM 351 m. or 10.9%.

Profits from own-account trading

Own-account trading in shares and bonds recorded a good profit in the reporting year, making up for the decline in earnings in the previous year. The write-downs of securities in the trading portfolio, which were offset with price gains and thus taken into account in the operating result, were considerably lower as at December 31, 1991 than at the end of 1990. The profit from foreign exchange and precious metal trading was above the high level of the preceding year.

Operating profit

The total operating profit of Deutsche Bank AG - surplus on current business including own-account trading - improved in 1991 by DM 744 m. or 21.1% to DM 4,270 m.

Write-downs of and adjustments to claims and securities, transfers to provisions for possible loan losses

After the full offsetting of securities profits and income from written-back adjustments allowed under § 4 of the Order concerning Banks' Statements of Accounts, write-downs of and adjustments to claims and securities, as well as transfers to provisions for possible loan losses amounted to DM 885 m. (1990: DM 1,600 m.).

The reduction in expenses compared with the previous year is due to the decreased provisioning needed for securities and the considerably higher profits generated there.

All securities holdings are, as usual, valued according to the strict "lower of cost and market" principle.

The total loan loss provision requirement in domestic lending business was higher than in the previous year. However, provisioning for foreign lending business (including country risks) decreased on balance.

Commitments in lending business were valued with the usual care. Appropriate adjustments and provisions were formed for all discernible risks.

Latent risks were taken into account by the formation of collective adjustments.

In addition there is a taxed valuation reserve pursuant to § 26a Banking Act (KWG).

Other income including income from the writing back of provisions for possible loan losses

After the above offsetting, "Other income" amounts to DM 811 m. (1990: DM 1,265 m.). This includes the tax-exempt profit of DM 157 m. from the merger of Deutsche Bank Berlin AG with Deutsche Bank AG.

Remaining expenses

Other expenses, reported at DM 486 m. (1990: DM 439 m.), include depreciation of leasing equipment and allocations to provisions not relating to lending business.

Pre-tax profit

Pre-tax profit for 1991 climbed by DM 353 m. to DM 2,754 m.

Taxes on income and assets rose by DM 271 m. or 24.3% to DM 1,389 m. The reasons for this were the increase in taxable profit and the "solidarity surcharge" for unification.

Other taxes, amounting to DM 27 m., include company tax of DM 6 m.

Proposed appropriation of profits

Of the net income for the year of DM 1,338.3 m. the bank allocated DM 650.0 m. to revenue reserves. It is proposed to the shareholders that a dividend increased by DM 1 to DM 15 per share of DM 50 par value be resolved, i. e. DM 688,268,130 on the share capital of DM 2,294,227,100. The new shares created by the capital increase in 1991 have full dividend entitlement for the 1991 financial year. The dividend payment is up by DM 70.4 m. = 11.4% on the previous year.

Together with imputable corporation tax of DM 8.44 per share, the total income for our domestic shareholders is DM 23.44 per DM 50 share.

Outlook for 1992

We are confident of again achieving reasonable profit contributions from interest and commission business and from own-account trading in 1992. However, lagging growth rates on domestic markets and a tendency towards recession worldwide could affect the development of profits.

Owing to our sound equity capital base, we are in a position to benefit from opportunities opening up in banking business on domestic and international markets.

Here our new organizational structure allows us to operate flexibly and competently. Restricting cost growth in all areas of the bank will be a major priority.

Our Staff

Our business activities again constituted a great challenge for our staff. Their work and commitment helped the bank achieve a good result. We should like to express our thanks and recognition for this.

Main focus of our personnel work

Our personnel management policy centred on the integration and qualification of our staff in eastern Germany. In addition, our human resources work was clearly influenced by the introduction of a new corporate structure, which shifted greater personnel responsibility to the business and service divisions and also opened up attractive development opportunities for our staff.

Group staff of more than 70,000

Total staff at the parent rose by 3,491 to 56,482. The major factor behind this growth was the integration of the former Deutsche Bank Berlin AG and its 2,120 staff members. The remaining 1,371 employees were taken on largely in customer service positions. Out of a total domestic staff of 52,416, the new federal states account for 11,695.

The Group staffing level increased by 2,128 to 71,400. One of the main reasons for this was the consolidation of our Australian subsidiary Bain & Company Ltd., Sydney, (with 500 employees) as well as staff expansion primarily at Deutsche Bank AG and a number of domestic subsidiaries. 14,179 staff members worked abroad, 435 of them delegates from the domestic bank.

Human resources support for business expansion in new federal states

After the 1990 build-up phase we continued to support business expansion in 1991 by delegating nearly 1,200 staff members – roughly 1,000 of them long term. As an incentive we offer these employees interesting development and advancement opportunities and the chance to assume challenging responsibilities early on. They have applied themselves to their new duties, which include training their eastern German colleagues, with great enthusiasm and dedication.

We continued our large-scale training programme to familiarize staff members in the new federal states with our products and staff management principles. To date, over 1,000 seminars have been held for more than 18,000 participants.

This qualification campaign was backed up by effective measures in the old federal states, where we have "Development Groups" to prepare promising young bankers for their four-year assignments as private or corporate account officers at eastern German branches. Our endeavours in the new federal states received special recognition: the business magazine "DM" awarded our Chemnitz Branch the title "Bank of the Year".

Rising number of training places
Deutsche Bank AG (Germany)

Personnel development in the Group

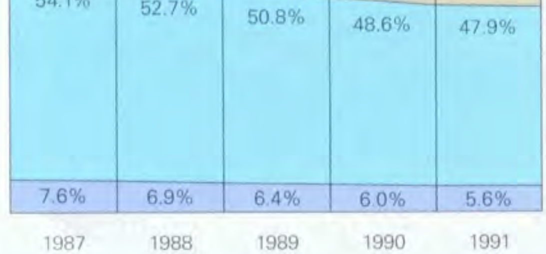
Apprentice training is the key to ensuring sufficient numbers of qualified staff in future. A new record of 5,359 apprentices was set by Deutsche Bank AG (in Germany). The number of apprentices in the new federal states rose to 1,219. In the Group as a whole, 5,735 young people were training to become bankers.

In Germany, 430 university graduates were taken on. Our "Supraregional Development Group", which offers young bankers with above-average development potential an interesting alternative to studying at university, was made up of 264 staff members. Another 180 young people qualified to participate in our "Career and Study Programme", which enables them to combine part-time work at the bank with degree studies. About the same number of employees were able to go abroad under our "International Staff Exchange" programme. Members from all over the Group are eligible to spend a year abroad under this exchange programme to broaden their professional and personal horizons and improve their language abilities.

Further training worthwhile

In the Group we spent DM 280 m. or 5.9% of total wages and salaries on training and further training (at the parent the ratio was 7.7%). This money was well invested as it improved the qualifications and performance of our staff and thus strengthened the bank's competitive position. The growing qualifications of our staff are also reflected in the salary structure: over the last four years the percentage of employees in the upper tariff groups and the non-tariff sector has risen from 38.3% to 46.5%.

Rising level of qualification among our employees
Deutsche Bank AG (western Germany)



Cooperation with employee representatives

The Board of Managing Directors held regular talks with the Group Staff Council and the General Staff Council as well as their committees to discuss current business policy issues along with personnel and social policy matters.

We would like to thank all employee representatives for the good and reliable cooperation.

Cooperation with the Committee of Spokesmen for Senior Executives and the Group Committee of Spokesmen

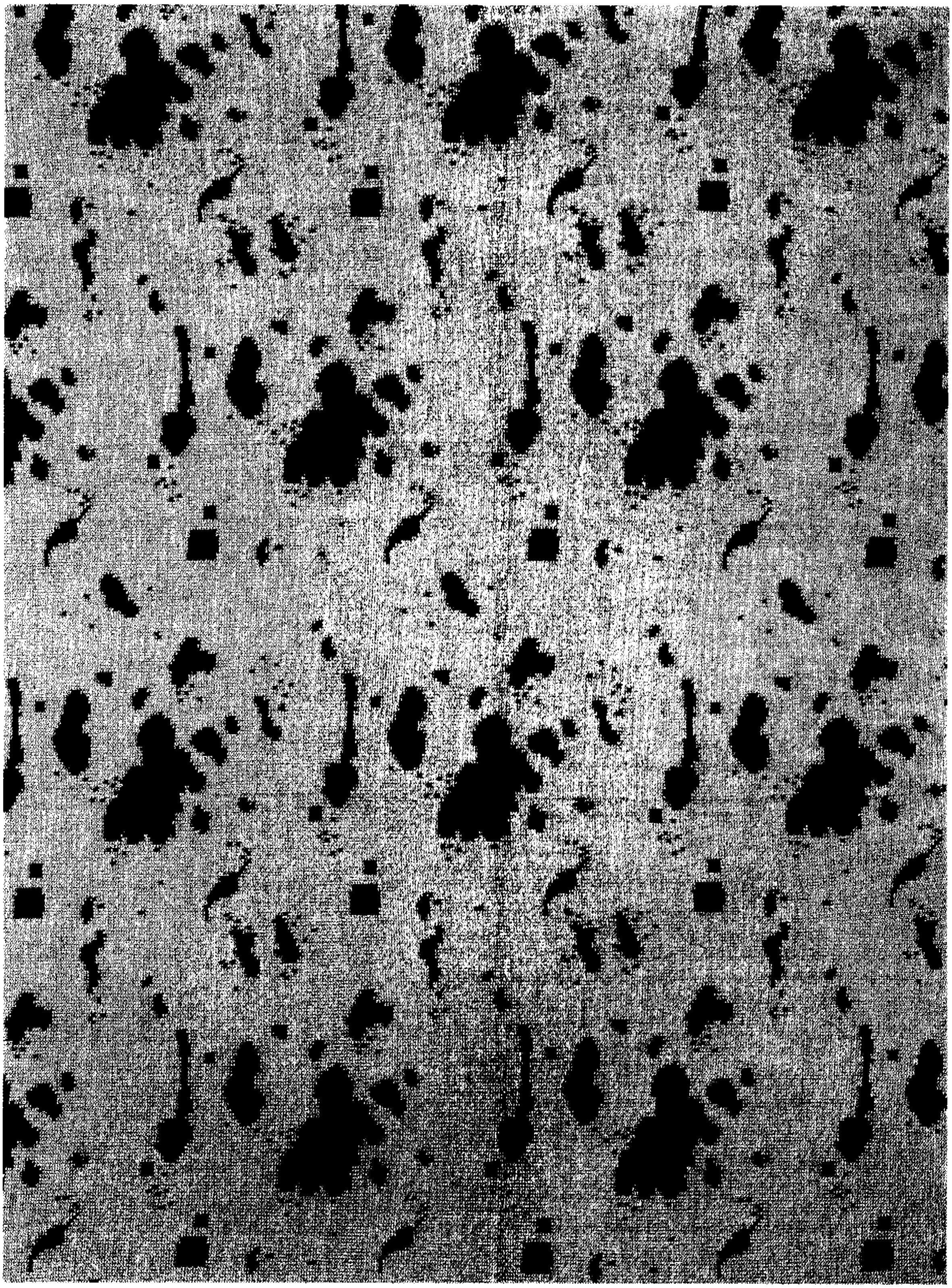
In its talks with these two committees, the Board of Managing Directors looked at issues specifically relating to senior executives. The two main areas of discussion last year were business policy and corporate structure. The exchange of views took place in a frank and objective atmosphere.

We should like to express our thanks to the representatives of the senior executives for their constructive cooperation.

It is with deep regret that we report the death of the following members of our staff:

Michael Arlt, Berlin
Bruno Augsten, Lörrach
Wolf-Dieter Backe, Bad Oeynhausen
Hubertus Graf von Blumenthal, Garmisch-Partenkirchen
Brigitte Boden, Kamenz
Angel Bongiardino, Buenos Aires
Dietmar Brenner, Erfurt/Frankfurt am Main
Theodor Brunstein, Hamburg
Norbert Burchardt, Worbis
Joseph Campanella, New York
Maximilian Daehn, Hamburg
Rolf Derr, Cologne
Fritz Eichhorn, Bensheim
Stefan Eisele, Mannheim
Horst Fischer, Frankfurt am Main
Dr. Klaus Friedl, Amberg
Miguel A. Gallegos, Buenos Aires
Albert Garg, Munich
Horst Gielow, Berlin
Wolf-Lorenz von Gottberg, Frankfurt am Main
Marion Heinze, Leipzig
Karlheinz Hilker, Bremen
Günter Kalski, Alfeld
Klaus Kanthack, Mainz
Helga Kielblock, Neubrandenburg
Edith Kirscht, Potsdam
Robert Koch, Hannover
Katja Krebs, Frankfurt am Main
Michael Kromer, Paris
Johann-Georg Krumm, Frankfurt am Main
Ute Kube, Worbis
Angela Lehmann-Weingärtner, Mönchengladbach
Hans Lenz, Frankfurt am Main
Herbert Lintermann, Cologne
Meike Lüth, Hamburg
Cornelia Mandel, Senftenberg
Volker Manegold, Chemnitz/Düsseldorf
Dieter Mark, Iserlohn
Gerd Menge, Siegen
Dagmar Müller, Frankfurt am Main
Thomas Münch, Berlin
Elvira Neuss, Wiesbaden
Hans-Peter Niessner, Stuttgart
Ernst Odendahl, Hagen
Petra Peters, Hamburg
Hans-Georg Reyher, Stuttgart
Ewan Roberts, London
Ulrich Rodert, Frankfurt am Main
Christian Scholz, Plauen
Joachim Schulz, Remscheid
Renate Schulz, Zittau
Gabriele Schweder, Duisburg
Ernst Seiger, Frankfurt am Main
Marianne Sieber, Mannheim
Brunhilde Siegert, Bautzen
Frank Spanier, Munich
Thorsten Steffen, Hamburg
Oskar Sulger, Konstanz
Manfred Trumpf, Buenos Aires
Karl Wahl, Stuttgart
Bernd Waigl, Berlin
Otto Wall, Stuttgart
Sigrid Weisner, Hamburg
Anna Willeke, Krefeld
Claudia Wirth, Bad Salzungen
Gisela Woitzik, Magdeburg

We mourn the passing away of 330 retired employees of the bank. We shall always honour their memory.



		DM	DM	31. 12. 1990 in DM 1,000
Cash on hand			1,661,476,282	1,431,655
Balance with Deutsche Bundesbank			6,108,067,501	4,024,424
Balances on postal giro accounts			34,368,031	15,844
Cheques, matured bonds, interest and dividend coupons, items received for collection			353,468,427	307,039
Bills of exchange			1,569,441,541	1,829,420
including:				
a) rediscountable at Deutsche Bundesbank	DM 794,800,781			
b) own drawings	DM 73,150,938			
Claims on banks				
a) payable on demand		15,100,431,554		16,802,412
b) with original periods or periods of notice of				
ba) less than three months		31,286,406,022		24,924,283
bb) at least three months, but less than four years		41,652,813,973		29,882,304
bc) four years or more		7,163,286,742		6,778,056
			95,202,938,291	78,387,055
Treasury bills and discountable Treasury notes				
a) of the Federal and Länder Governments		160,593,207		114,660
b) of other issuers		2,375,376,457		1,782,366
			2,535,969,664	1,897,026
Bonds and notes				
a) with a life of up to four years				
aa) of the Federal and Länder Governments	DM 604,341,176			
ab) of banks	DM 3,197,057,505			
ac) of other issuers	DM 344,890,882	4,146,289,563		2,765,940
including: eligible as collateral for Deutsche Bundesbank advances	DM 3,640,683,423			
b) with a life of more than four years				
ba) of the Federal and Länder Governments	DM 2,259,767,618			
bb) of banks	DM 3,741,135,731			
bc) of other issuers	DM 2,369,629,702	8,370,533,051		5,544,231
including: eligible as collateral for Deutsche Bundesbank advances	DM 5,005,966,374		12,516,822,614	8,310,171
Securities not to be shown elsewhere				
a) shares marketable on a stock exchange and investment fund certificates		7,966,841,947		6,185,088
b) other		57,481,755		174,249
including: holdings of more than one tenth of the shares of a joint stock corporation or a mining company, unless shown as Subsidiaries, associated companies and trade investments	DM 909,411,394		8,024,323,702	6,359,337
Claims on customers with original periods or periods of notice of				
a) less than four years		88,041,704,799		72,179,196
b) four years or more		75,646,372,716		66,691,718
			163,688,077,515	138,870,914
including:				
ba) secured by mortgages on real estate	DM 13,313,619,820			
bb) communal loans	DM 1,878,905,390			
due in less than four years	DM 33,356,369,000			
Recovery claims on Federal and Länder authorities under Currency Reform Acts			94,769,896	108,744
Loans on a trust basis at third party risk			322,873,691	349,106
Subsidiaries, associated companies and trade investments			11,879,905,138	11,413,623
including: investments in banks	DM 7,879,171,999			
Land and buildings			144,778,076	163,895
Office furniture and equipment			915,673,964	714,259
Own bonds and notes			61,848,805	80,696
nominal amount	DM 24,224,500 FF 124,540,000			
Other assets			712,082,299	827,278
Deferred items				
a) difference in accordance with § 250 (3) Commercial Code		124,477,575		141,566
b) other deferred items		80,640,148		141,085
			205,117,723	282,651
Total Assets			306,032,003,160	255,373,137

	DM	31. 12. 1990 in DM 1,000
Total Assets and the recourse claims from the contingent liabilities shown below the line on the liabilities side include:		
a) claims on related companies	41,880,478,000	32,890,315
b) claims arising from loans falling under § 15 (1) 1-6 and (2) Banking Act, unless included under a)	827,011,180	753,733

Balance Sheet as at December 31, 1991

Liabilities

	DM	DM	DM	31. 12. 1990 in DM 1,000
Liabilities to banks				
a) payable on demand		18,475,866,915		15,514,477
b) with original periods or periods of notice of				
ba) less than three months	19,023,022,984			
bb) at least three months, but less than four years	21,301,778,243			
bc) four years or more	37,035,102,201	77,359,903,428		60,042,960
including: due in less than four years DM 25,230,611,000				
c) customers' drawings on other banks		40,221,226		47,047
			95,875,991,569	75,604,484
Liabilities to customers				
a) payable on demand		44,726,969,049		38,270,948
b) with original periods or periods of notice of				
ba) less than three months	50,680,839,661			
bb) at least three months, but less than four years	19,251,517,080			
bc) four years or more	16,253,386,331	86,185,743,072		72,153,959
including: due in less than four years DM 12,925,423,000				
c) savings deposits				
ca) subject to statutory period of notice	23,844,359,145			
cb) other	13,566,607,578	37,410,966,723		30,702,636
			168,323,678,844	141,127,543
Bonds and notes with a life of				
a) up to four years		76,881,113		244
b) more than four years		6,614,753,684		8,282,584
including: maturing in less than four years DM 4,568,926,205			6,691,634,797	8,282,828
Own acceptances and promissory notes outstanding			5,479,703,910	5,010,522
Loans on a trust basis at third party risk			322,873,691	349,106
Provisions				
a) for pensions		2,807,847,369		2,417,815
b) other		5,849,305,615		5,159,996
			8,657,152,984	7,577,811
Other liabilities			644,357,807	269,039
Franz Urbig- und Oscar Schlitter-Stiftung				
Endowment assets		7,185,756		7,073
less investments in securities		6,997,559		6,997
			188,197	76
Deferred items			1,136,280,248	972,106
Special items with partial reserve character				
a) in accordance with § 52 (5) Income Tax Act		663,610		—
b) in accordance with § 31 (3) Berlin Promotion Act		18,804,586		—
c) in accordance with the Tax Act regarding Developing Countries		—		122
d) in accordance with § 3 Foreign Investment Act				1,340
e) in accordance with the administrative regulations on the cancellation of general provisions for possible loan losses and loan discountings		—		21,991
			19,468,196	23,453
Participatory capital			1,200,000,000	—
Subscribed capital (bearer shares)			2,294,227,100	2,206,674
Conditional capital DM 534,184,100				
Capital reserve		9,350,445,106		
Allocations in accordance with § 272 (2) Commercial Code		716,551,658	10,066,996,764	9,350,445
Revenue reserves				
a) legal reserve		25,000,000		25,000
b) other revenue reserves	3,956,180,923			
Allocation from Net income for the year	650,000,000	4,606,180,923		3,956,181
			4,631,180,923	3,981,181
Distributable profit			688,268,130	617,869
Total Liabilities			306,032,003,160	255,373,137
Own drawings in circulation			110,314,787	96,617
including: those discounted for borrowers' account DM 95,227,405				
Endorsement liabilities on rediscounted bills of exchange			5,231,812,082	5,178,300
Contingent liabilities from guarantees, including guarantees for bills and cheques, and from indemnity agreements (cf. also the Notes to the Annual Statement of Accounts)			38,271,988,867	32,396,162
Commitments (not to be shown under liabilities) from the sale of assets subject to repurchase agreements			—	—
Total Liabilities, together with contingent liabilities and other commitments shown below the line, include liabilities to related companies of			41,449,508,000	36,567,283

	DM	DM	1990 in DM 1,000
Interest and similar expenses		14,861,610,706	12,545,161
Commissions and similar service charges paid		156,395,607	128,207
Write-downs of and adjustments to claims and securities, transfers to provisions for possible loan losses		885,212,119	1,600,491
Salaries and wages		3,319,013,989	2,787,720
Compulsory social security contributions		478,035,511	399,328
Expenses for pensions and other employee benefits		698,971,938	521,959
General operating expenses		1,956,681,116	1,483,431
Depreciation of and adjustments to land and buildings and office furniture and equipment		415,998,957	303,815
Write downs of and adjustments to subsidiaries, associated companies and trade investments		51,735,669	205,729
Taxes			
a) on income and assets . . . DM 1,414,295,543 less taxes debited to "single-entity companies" . . . DM 25,113,295	1,389,182,248		1,117,915
b) other	27,208,678		47,270
		1,416,390,926	1,165,185
Expenses from assumption of loss		267,346,044	124,999
Allocations to Special items with partial reserve character		12,212,416	25,786
Other expenses		485,874,564	438,431
Net income for the year		1,338,268,130	1,235,669
Total Expenses		26,343,747,692	22,965,911

Net income for the year

Allocations to revenue reserves

a) legal reserve

b) other revenue reserves

Distributable profit

Profit and Loss Account for the period from January 1 to December 31, 1991 — Income

	DM	DM	1990 in DM 1,000
Interest and similar income from lending and money market transactions		20,858,357,370	17,376,356
Current income from			
a) fixed-income securities and Government-inscribed debt	773,076,061		449,092
b) other securities	394,254,912		310,754
c) subsidiaries, associated companies and trade investments	648,639,932		762,702
		1,815,970,905	1,522,548
Commissions and other service charges received		2,695,549,980	2,481,258
Other income, including income from the writing back of provisions for possible loan losses *) incl. special income of DM 851,563,000 from the writing back of reserves at a subsidiary		811,585,085	1,265,394*)
Income from profit-pooling, profit-transfer and partial profit-transfer agreements		23,063,481	23,221
Income from the writing back of provisions, unless it has to be shown under "Other income"		109,123,063	62,461
Income from the writing back of special items with partial reserve character		30,097,808	234,673
Total Income		26,343,747,692	22,965,911

DM	DM	1990 DM
	1,338,268,130	1,235,668,650
		—
650,000,000	650,000,000	617,800,000
	688,268,130	617,868,650

Notes to the Annual Statement of Accounts

Comparative figures for the previous year have not been given for some subdivisions of balance sheet and profit and loss account items for reasons of clarity.

Development of subsidiaries, associated companies and trade investments, fixed and intangible assets

	31. 12. 1990 DM m.	Additions DM m.	Disposals DM m.	Write-downs, depreciation DM m.	31. 12. 1991 DM m.
Subsidiaries, associated companies and trade investments	11,413.6	1,164.1	646.1	51.7	11,879.9
Land and buildings	163.9	62.5	75.5	6.1	144.8
Office furniture and equipment	714.3	612.2	0.9	409.9	915.7
Intangible assets	33.7	30.1	0.9	15.3	47.6

The shareholdings of Deutsche Bank AG pursuant to § 285 No. 11 Commercial Code form part, as a separate list, of the Notes to the Annual Statement of Accounts and are printed on pages 81 to 89 of the Annual Report.

The additions of DM 62.5 m. to land and buildings include DM 6.4 m. in building costs for new construction and conversions for which capitalization is compulsory, DM 14.2 m. for land purchases – thereof DM 6.3 m. for purchases to save mortgage rights – and DM 41.9 m. for takeovers relating to the merger with Deutsche Bank Berlin AG. DM 31.6 m. of the DM 75.5 m. in disposals relates to sales – DM 12.2 m. of which for previous purchases to save mortgage rights – and DM 43.9 m. thereof to the transfer of the bank's domestic real estate to DEBEKO Immobilien GmbH & Co Grundbesitz Berlin OHG, Berlin. Transfer was effected at book values and with all undisclosed reserves maintained in full.

Own shares

In the course of 1991, we and companies related to us bought and resold 7,843,369 Deutsche Bank shares of par value DM 50 each at current market prices pursuant to § 71 (1) 1 Joint Stock Corporation Act to protect the efficiency of the market in our shares. The average purchase price was DM 639.56; the average selling price was DM 640.31. The sales proceeds remained in the operating assets.

The shares of our bank bought and sold during 1991 correspond to 17.09% of our share capital. The largest holding on any one day was 0.16% and the average daily holding 0.04% of our share capital.

At the end of 1991, neither we nor any of our related companies held shares of the bank.

As of 31.12.1991, 144,963 Deutsche Bank shares of par value DM 50 each, representing 0.32% of our share capital, were pledged to the bank and its related companies as security for loans.

Capital and reserves

On 31.12.1991, subscribed capital (bearer shares) came to DM 2,294,227,100. It is divided into:

300,000 shares in the nominal amount of DM	1,000
500,000 shares in the nominal amount of DM	100
38,884,542 shares in the nominal amount of DM	50.

The capital of DM 75,000,000 authorized at the General Meeting on May 14, 1987, excluding shareholders' pre-emptive rights and limited until April 30, 1992, was utilized with the remaining amount of DM 3,500,000 after the Supervisory Board had given its consent. This amount related to the issue of staff shares, which were offered at a preferential price of DM 313 per DM 50 share.

On 31.12.1991 there was aggregate authorized capital of DM 335,000,000. This includes the capital authorized at the General Meeting on May 23, 1991 of an aggregate DM 115,000,000, for which shareholders' pre-emptive rights are excluded.

The convertible bonds included in the balance sheet item "Bonds and notes" decreased by DM 115,009,500 in 1991 owing to the exercise of conversion rights to DM 282,840,000. This reduced the conditional capital available for this purpose by DM 23,001,900 to DM 56,568,000. The remaining convertible bonds can be exchanged up to 15.12.1994 at a conversion price of DM 250 per DM 50 share. They are divided up into 19,976 bonds of par value DM 10,000, 63,083 bonds of par value DM 1,000 and 79,988 bonds of par value DM 250.

The $3^3/_4$% and $6^1/_4$% bonds with warrants of 1983, issued by our subsidiary Deutsche Bank Luxembourg S.A., Luxembourg, in the amount of DM 240,000,000 and U.S.$ 100,000,000 respectively matured on May 19, 1991. The subscription period for the attached warrants, entitling the bearer to subscribe for 3 or 7 Deutsche Bank shares at a subscription price of DM 321.33 per DM 50 share, ended on June 18, 1991. In 1991, 1,168,547 Deutsche Bank shares = DM 58,427,350 (nominal) were acquired pursuant to subscription rights. Subsequent to this, there was remaining conditional capital on 31.12.1991 of DM 40,200.

The bonds with stock warrants listed below, which are still in circulation, were issued in previous years through our subsidiary Deutsche Bank Finance N.V., Curaçao; the attached warrants entitle the bearer to subscribe to Deutsche Bank shares. For this purpose, there was conditional capital at the end of 1991 in the amount of DM 135,200,000.

The following bonds with warrants were in circulation on 31.12.1991:

$6^1/_4$% bonds with warrants of 1986, issued by Deutsche Bank Finance N.V., Curaçao, in the amount of DM 710,000,000; 2 warrants are attached to each DM 5,000 bond, entitling the bearer to subscribe for 1 and 6 Deutsche Bank shares at a subscription price of DM 793 per DM 50 share. The subscription period ends on 28.2.1996.

5% and $4^1/_4$% bonds with warrants of 1987, issued by Deutsche Bank Finance N.V., Curaçao, in the amount of DM 750,000,000 and SF 200,000,000 respectively; warrants are attached to each DM 5,000 bond and each SF 5,000 bond, entitling the bearer to subscribe for 9 Deutsche Bank shares at a subscription price of DM 680 per DM 50 share. The subscription period ends on 15.12.1992.

The bonds with warrants issued by Deutsche Bank Finance N.V., Curaçao, have been taken over by Deutsche Finance (Netherlands) B.V., Amsterdam, under a borrower substitution agreement.

In line with the authorization given at the General Meeting on May 10, 1989, we issued, in February 1991, bearer participatory certificates with warrants in a total amount of DM 1,200,000,000, which meet the requirements of § 10 (5) Banking Act (KWG). The participatory certificates were offered to shareholders for purchase in the ratio of 1 for 42 at a price of 120% per participatory certificate of DM 1,000 par value. The resulting premium of DM 240,000,000 was allocated to the capital reserve pursuant to § 272 (2) No. 2 Commercial Code.

The participatory certificate entitles the bearer to an annual dividend payment of 9% of par value which is prior-ranking over the shareholders' profit share. The participatory certificates bear a dividend as of March 6, 1991; the dividends paid on the participatory certificates are limited to the extent that no balance sheet loss may result from them. The participatory certificates are junior-ranking to liabilities towards all other creditors of Deutsche Bank AG which are not also junior-ranking, and have a share in the balance sheet loss in accordance with the conditions for participatory certificates. The life of the participatory certificates is limited to the end of the 2002 financial year; redemption will be effected on June 30, 2003 at par value, subject to the stipulations on loss participation.

Two bearer warrants are attached to each participatory certificate of DM 1,000 par value, each of which entitles the bearer to purchase one bearer share of par value DM 50 of Deutsche Bank AG. Three warrants are attached to each participatory certificate of DM 10,000 par value, entitling the bearer to purchase 1, 4 and 15 – i. e. a total of 20 – bearer shares each of par value DM 50 of Deutsche Bank AG.

The subscription price per share of par value DM 50 is DM 550. The subscription period ends on June 30, 1995.

The conditional capital for this purpose was reduced in 1991 by DM 2,624,100 to DM 117,375,900 through the exercise of option rights.

In addition, there is conditional capital of DM 225,000,000 pursuant to the resolution of the General Meeting of May 23, 1991 and in connection with an authorization, valid until April 30, 1996, to issue participatory certificates with warrants in a total amount of up to DM 1,500,000,000.

On 31.12.91, total conditional capital amounted to DM 534,184,100.

As of 31.12.1991, capital and reserves were made up as follows:

Subscribed capital	DM 2,294,227,100
Capital reserve	DM 10,066,996,764
Revenue reserves	
a) legal reserve	DM 25,000,000
b) other revenue reserves	DM 4,606,180,923
Total capital and reserves	DM 16,992,404,787

Including the participatory capital of DM 1,200,000,000, liable capital pursuant to the Banking Act (KWG) amounted to a total of DM 18,192,404,787.

Liabilities not shown in the balance sheet

For those banks and for associated companies reported in the list contained in this Annual Report of "Shareholdings of Deutsche Bank AG pursuant to § 285 No. 11 Commercial Code" as being covered by the declaration of backing, we ensure, except in the case of political risk, that they are able to meet their liabilities.

Liabilities for possible calls on not fully paid-up shares in public and private limited companies and on other shares amounted to DM 136 m. at the end of 1991. There were joint liabilities pursuant to § 24 GmbH Act totalling DM 48 m. Where we have other joint liabilities, the standing of the co-shareholders is beyond doubt in all cases.

There is an obligation arising out of our holding in Liquiditäts-Konsortialbank GmbH, Frankfurt am Main, to pay further capital of up to DM 62 m. and a proportional contingent liability to fulfil the capital obligations of other shareholders who are also members of the Bundesverband deutscher Banken e. V., Cologne. The obligations relating to other shares and an existing warranty came to DM 3.2 m. on 31.12.1991.

Pursuant to § 5 (10) of the Statute of the Deposit Insurance Fund, we have undertaken to indemnify the Bundesverband deutscher Banken e. V., Cologne, for any losses incurred through measures in favour of banks in which we have a majority stake.

As part of the open market business offered by Deutsche Bundesbank, securities in the nominal amount of DM 3,875 m. were deposited on 31.12.1991.

At the end of 1991, assets of DM 97 m. were tied up in connection with loans raised.

Legal stipulations required the provision of security amounting to DM 626 m. for the business activities of our foreign branches.

Securities in the nominal value of DM 300 m. serve as collateral for securities lending operations and for deals on the German Futures and Options Exchange.

Emoluments of Board of Managing Directors, Supervisory Board, Advisory Board and Advisory Councils

The total emoluments of the Board of Managing Directors in 1991 amounted to DM 19,297,919.16. Former members of the Board of Managing Directors of Deutsche Bank AG or their surviving dependants received DM 8,425,482.50. In addition to a fixed payment of DM 294,120, the Supervisory Board received dividend-related emoluments amounting to DM 1,482,000. The Advisory Board was paid DM 510,150, and members of the Regional Advisory Councils received DM 3,815,970.

Provisions for pension commitments to former members of the Board of Managing Directors or their surviving dependants total DM 69,009,029.

The members of the Supervisory Board and the Board of Managing Directors of Deutsche Bank AG are listed on pages 12 and 15 respectively.

Average number of staff during the year

The average number of staff employed during the financial year was 50,602 (previous year: 43,687), of whom 27,730 were women. There were 4,028 members of staff working abroad.

Frankfurt am Main, March 10, 1992

The Board of Managing Directors

Auditor's certificate

The accounting and the annual financial statements, which we have audited in accordance with professional standards, comply with the German legal provisions and the Articles of Association. With due regard to the generally accepted accounting principles the annual financial statements give a true and fair view of the company's assets, liabilities, financial position and profit or loss. The Management Report is consistent with the annual financial statements.

Frankfurt am Main, March 19, 1992

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Fandré
Wirtschaftsprüfer

Dr. Fliess
Wirtschaftsprüfer

1

Report of the Supervisory Board

At the Supervisory Board meetings last year and in individual conversations, we obtained detailed information on the bank's situation and on fundamental questions of business policy and discussed them with the Board of Managing Directors. Besides the development of the balance sheet and the profit and loss account, the matters discussed included the Group's lending business and related risks at home and abroad, securities business and the stock market situation, the bank's capital procurement, the development of business in the new federal states as well as international business conducted by bank branches and subsidiaries. In addition, the Supervisory Board kept itself informed on events in portfolio investment business and closely examined the measures taken.

The cyclical and monetary situation was the subject of extensive report and discussion. We looked at major business transactions individually and dealt with the matters which, pursuant to legal requirements or the Articles of Association, must be submitted to us for approval. Furthermore, both general and specific questions of personnel policy were discussed by the Supervisory Board.

At its meetings, the Credit Committee of the Supervisory Board examined, together with the Board of Managing Directors, loans that had to be submitted by law and under the Articles of Association as well as all larger-sized loans and those entailing greater risks and - where required - gave its approval.

KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, the auditor of the annual accounts elected by the General Meeting, has inspected the accounting, the annual financial statements and the Management Report and given them its unqualified certificate. We agree with the outcome of this inspection.

Furthermore, we have examined the Annual Statement of Accounts as at December 31, 1991, the Management Report and the proposed appropriation of profits. We had no objections.

The Consolidated Statement of Accounts, the Report of the Group and the Report of the Auditor of the Consolidated Statement of Accounts have been submitted to us.

The Annual Statement of Accounts drawn up by the Board of Managing Directors has been approved by us today and has thus been established. We agree with the proposed appropriation of profits.

At our meeting of January 28, 1992, Mr. Carl L. von Boehm-Bezing, formerly Deputy Member of the Board of Managing Directors, was appointed full Member.

Frankfurt am Main, March 31, 1992

The Supervisory Board

Chairman

Deutsche Bank – Your Partner Worldwide

The services of Deutsche Bank Group are provi

Commercial banks

German

Deutsche Bank AG
Frankfurt am Main
Capital and reserves DM 16,992.4 m.*)

Deutsche Bank Lübeck AG vormals Handelsbank
Lübeck
Capital and reserves DM 136.9 m. Holding 92.5%

Deutsche Bank Saar AG
Saarbrücken
Capital and reserves DM 109.0 m. Holding 69.2%

International

Banca d'America e d'Italia S.p.A.
Milan
Capital and reserves Lit 1,002.2 bn. Holding 99.7%

Banco Comercial Transatlántico, S.A.
Barcelona
Capital and reserves Pta 34.5 bn. Holding 97.7%

Banco de Montevideo
Montevideo
Capital and reserves U.N$ 45.4 bn. Holding 99.4%

H. Albert de Bary & Co. N.V.
Amsterdam
Capital and reserves Guil 195.5 m. Holding 100%

Deutsche Bank (Asia Pacific) Ltd.
Singapore
Capital and reserves S$ 61.9 m. Holding 100%

Deutsche Bank Australia Ltd.
Melbourne
Capital and reserves A$ 134.6 m. Holding 100%

Deutsche Bank (Austria) AG
Vienna
Capital and reserves AS 355.8 m. Holding 100%

Deutsche Bank (Canada)
Toronto
Capital and reserves Can.$ 88.3 m. Holding 100%

Deutsche Bank Luxembourg S.A.
Luxembourg
Capital and reserves LF 16.7 bn. Holding 100%

DB (Belgium) Finance S.A./N.V.
Brussels
Capital and reserves BF 2.6 bn. Holding 100%

DB U.K. Finance p.l.c.
London
Capital and reserves £ 27.0 m. Holding 100%

Mortgage banks

German

Deutsche Centralbodenkredit-AG
Berlin – Cologne
Capital and reserves DM 878.2 m. Holding 93.3%

Frankfurter Hypothekenbank AG
Frankfurt am Main
Capital and reserves DM 913.6 m. Holding 94.1%

Lübecker Hypothekenbank AG
Lübeck
Capital and reserves DM 294.7 m. Holding 100%

Schiffshypothekenbank zu Lübeck AG
Hamburg
Capital and reserves DM 114.5 m. Holding 100%

International

Europäische Hypothekenbank S.A.
Luxembourg
Capital and reserves DM 40.2 m. Holding 100%

Investment banking, capital ma and capital investment compan

German

Deutsche Asset Management GmbH
Frankfurt am Main
Capital and reserves DM 26.6 m. Holding 1

Deutsche Gesellschaft für Fondsverwaltung mbH
Frankfurt am Main
Capital and reserves DM 40.4 m. Holding 1

DWS Deutsche Gesellschaft für Wertpapiersparen mbH
Frankfurt am Main
Capital and reserves DM 196.2 m. Holding

Deutsche Grundbesitz-Anlagegesellschaft mbH
Frankfurt am Main
Capital and reserves DM 3.5 m. Holding

Deutsche Grundbesitz-Investmentgesellschaft mbH
Frankfurt am Main
Capital and reserves DM 25.7 m. Holding

Deutsche Vermögensbildungsgesellschaft mbH
Bad Homburg v.d.H.
Capital and reserves DM 5.9 m. Holding 1

Grunelius KG Privatbankiers
Frankfurt am Main
Capital and reserves DM 31.7 m. Holding 8

International

Bain & Company Ltd.
Sydney
Capital and reserves A$ 55.3 m. Holding

Deutsche Bank Capital Corporation
New York
Capital and reserves U.S.$ 103.6 m. Holding 1

Deutsche Bank Capital Markets (Asia)
Hong Kong
Capital and reserves Yen 8.7 bn. Holding 5

Deutsche Bank Capital Markets Ltd.
London
Capital and reserves £ 88.7 m. Holding 1

Deutsche Bank Government Securities,
New York
Capital and reserves U.S.$ 82.8 m. Holding 1

Deutsche Bank de Investimento, S.A.
Lisbon
Capital and reserves Esc 5.0 bn. Holding 1

Deutsche Bank (Suisse) S.A.
Geneva
Capital and reserves SF 119.9 m. Holding 1

DB Investment Management S.A.
Luxembourg
Capital and reserves DM 126.7 m. Holding 1

McLean McCarthy Inc.
Toronto
Capital and reserves Can.$ 17.4 m. Holding 1

Morgan Grenfell Group plc
London
Capital and reserves £ 389.6 m. Holding 1

*) also DM 1,200 m. in participatory capital

ular by the following companies

Instalment financing and leasing companies

rman

) AutoLeasing D GmbH
nburg
ital and reserves DM 85.6 m. Holding 51%

nCo Datenanlagen GmbH & Co. KG
in
ital and reserves DM 9.6 m. Holding 52%

Export-Leasing GmbH
nkfurt am Main
ital and reserves DM 0.05 m. Holding 100%

utsche Immobilien Leasing GmbH
seldorf
ital and reserves DM 36.3 m. Holding 50%

SEE Gesellschaft für kaufs-Finanzierung mbH
seldorf
ital and reserves DM 18.0 m. Holding 100%

FA Gesellschaft für satzfinanzierung mbH
opertal
ital and reserves DM 268.0 m. Holding 100%

FA-Leasing GmbH
opertal
ital and reserves DM 70.0 m. Holding 100%

ernational

Factoring S.p.A.
in
ital and reserves Lit 7.7 bn. Holding 100%

Leasing S.p.A.
in
ital and reserves Lit 10.7 bn. Holding 100%

utsche Bank Crédit, S.A.
drid
ital and reserves Pta 1.9 bn. Holding 100%

utsche Credit Corporation
erfield/U.S.A.
ital and reserves U.S.$ 62.1 m. Holding 100%

sing Bancotrans, S.A.
celona
ital and reserves Pta 1.0 bn. Holding 100%

. DB Leasing Indonesia
arta
ital and reserves Rp 11.9 bn. Holding 75%

Specialized institutions

German

Deutsche Bank Bauspar-AG
Frankfurt am Main
Capital and reserves DM 32.3 m. Holding 98%

Deutsche Beteiligungsgesellschaft mbH
Frankfurt am Main
Capital and reserves DM 2.7 m. Holding 92.5%

DPE Deutsche Projektentwicklungs-Gesellschaft für Grundvermögen mbH
Frankfurt am Main
Capital and reserves DM 1.2 m. Holding 50%

Firmen-Lebensversicherungs-AG der Deutschen Bank
Wiesbaden
Capital and reserves DM 21.6 m. Holding 70%

Lebensversicherungs-AG der Deutschen Bank
Wiesbaden
Capital and reserves DM 69.4 m. Holding 100%

International

Deutsche Bank Vida, Compañia de Seguros y Reaseguros, S.A.
Madrid
Capital and reserves Pta 750.7 m. Holding 100%

International financing companies

International

Deutsche Bank Finance N.V.
Curaçao
Capital and reserves U.S.$ 5.7 m. Holding 100%

Deutsche Bank Financial Inc.
Dover/U.S.A.
Capital and reserves U.S.$ 1.2 m. Holding 100%

Deutsche Finance (Netherlands) B.V.
Amsterdam
Capital and reserves Guil 15.0 m. Holding 100%

Consultancy companies

German

Roland Berger & Partner Holding GmbH
Munich
Capital and reserves DM 34.4 m. Holding 75.1%

DB Morgan Grenfell GmbH
Frankfurt am Main
Capital and reserves DM 0.6 m. Holding 100%

DB Research GmbH Gesellschaft für Wirtschafts- und Finanzanalyse
Frankfurt am Main
Capital and reserves DM 5.3 m. Holding 100%

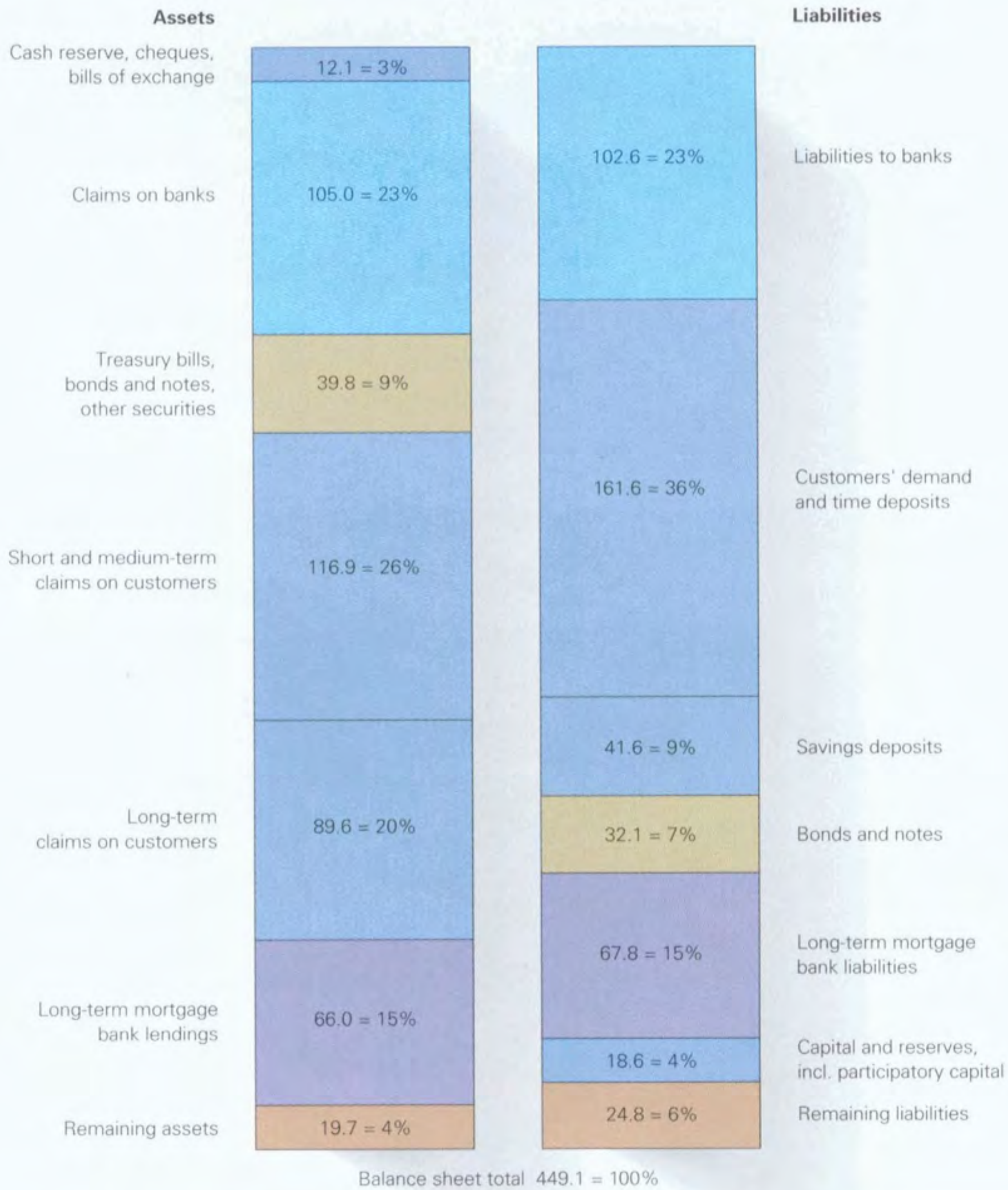
Deutsche Gesellschaft für Mittelstandsberatung mbH
Munich
Capital and reserves DM 3.9 m. Holding 100%

DIA Deutsche Immobilien Anlage-gesellschaft mbH
Frankfurt am Main
Capital and reserves DM 2.7 m. Holding 100%

Immobiliengesellschaft der Deutschen Bank mbH
Frankfurt am Main
Capital and reserves DM 6.6 m. Holding 100%

Vertriebsgesellschaft mbH der Deutschen Bank für Privatkunden
Frankfurt am Main
Capital and reserves DM 0.5 m. Holding 100%

Balance sheet structure, end of 1991
(in DM bn.)



Consolidated companies

The Consolidated Statement of Accounts of Deutsche Bank AG, by giving comprehensive insight into the Group's assets and income position, fulfils the demands which a world statement of accounts should satisfy. The companies included with Deutsche Bank AG in the Consolidated Statement of Accounts are detailed in Sections A.1. and B.1. of the list of shareholdings of Deutsche Bank AG pursuant to § 285 No. 11 Commercial Code, with companies consolidated for the first time being separately marked. Deutsche Bank Berlin AG was merged with Deutsche Bank AG as at April 1, 1991.

Commercial banks

The development of business at *Deutsche Bank Lübeck AG vormals Handelsbank, Lübeck,* was characterized by an improvement in the income situation. Owing to higher net interest and commission income with cost increases of 4.6%, operating profit rose by 28.1% to DM 57.0 m.

Supported by the positive cyclical environment and the good capital investment climate in the Lübeck region, balance sheet total expanded by 9.0% to DM 3.5 bn. This reflects above all the strong growth in total credit extended by 11.8% to DM 2.3 bn. In contrast to the previous year, there was stronger utilization of long-term loans. Funds from outside sources came to DM 3.2 bn. (+ 9.0%).

Of net income for the year in the sum of DM 13.9 m., DM 6.9 m. was added to revenue reserves; by resolution of the General Meeting a further DM 0.1 m. is to be transferred to reserves. Furthermore, it is proposed to the General Meeting that a dividend of 30%, raised from 25%, be distributed.

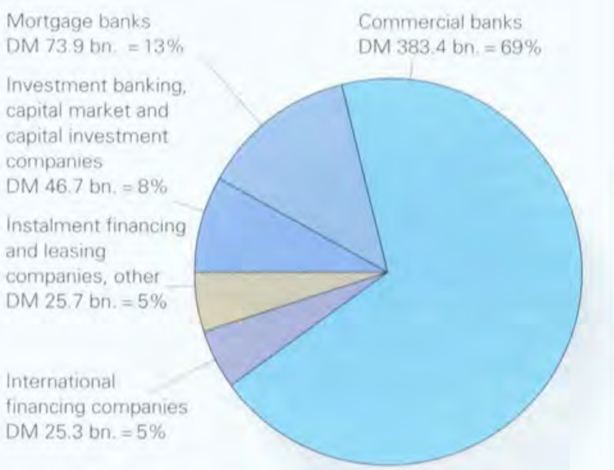
The capital increase in February 1992 added DM 32.2 m. to capital and reserves, which now total DM 162.2 m.

Deutsche Bank Saar AG, Saarbrücken, reported another satisfactory result. Balance sheet total expanded 5.4% to DM 2.2 bn. In lending business with customers the emphasis was on long-term loans. Total credit extended increased 3.7% to DM 1.3 bn., funds from outside sources rose 5.9% to DM 2.0 bn.

The main factor behind the improvement in operating profit by 17.8% to DM 37.0 m. was a rise in net interest and commission income. Of net income for the year in the sum of DM 12.0 m., DM 5.0 m. was added to revenue reserves. Capital and reserves are now reported at DM 102.0 m. It is proposed to the General Meeting that a dividend of 20%, raised from 16%, be distributed.

Breakdown of aggregate balance sheet total end of 1991

Deutsche Bank Group



Total DM 555.0 bn.

Banca d'America e d'Italia S.p.A. (BAI), Milan, expanded its balance sheet total by 19.2% to Lit 12,622 bn. (DM 16.7 bn.). The increase is attributable primarily to purchases of securities and to stronger interbank business. Loans to customers, at Lit 5,591 bn. (DM 7.4 bn.), roughly equalled the previous year's level; customers' deposits rose by 10% to Lit 6,034 bn. (DM 8.0 bn.). In the credit card sector (BankAmericard), turnover rose by 18.8% compared with the previous year.

The entire net income for the year of Lit 61.4 bn. (DM 81.1 m.) is to be added to reserves as in the previous years. Including the reserve arising from the real estate revaluation, which took effect in 1991 and which is prescribed by law for partial amounts, the bank has capital and reserves of Lit 1,002 bn. (DM 1.3 bn.).

The balance sheet total of *BAI Leasing S.p.A., Milan,* increased by Lit 13 bn. to Lit 664 bn. (DM 876 m.). The volume and number of new leasing contracts did not match the previous year's figures owing to generally lower growth rates in the Italian leasing market.

Net income for the year of Lit 16 m. (DM 21,000) is to be added to reserves. Capital and reserves amount to Lit 10.7 bn. (DM 14.1 m.).

BAI Factoring S.p.A., Milan, closed the financial year with a balance sheet total up 78% to Lit 625 bn. (DM 825 m.). The claims resulting from factoring business registered an increase of 54% to Lit 485 bn. (DM 640 m.).

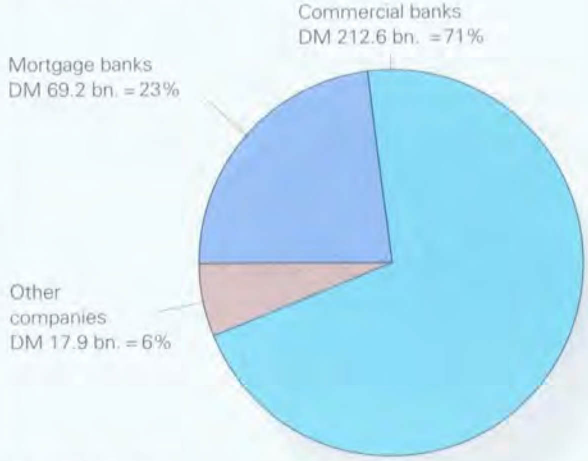
Net income for the year of Lit 1.6 bn. (DM 2.1 m.) is to be distributed together with profit brought forward in the sum of Lit 0.9 bn. Capital and reserves are reported at Lit 7.7 bn. (DM 10.2 m.).

DB Finanziaria S.p.A., Milan, rounds off the range of products and services offered by Banca d'America e d'Italia S.p.A. Its balance sheet total amounted to Lit 125 bn. (DM 165 m.) at the end of 1991. Owing to new operating conditions on the Italian stock market, the holding in DB Com S.p.A. was sold in the 1991 financial year. Net income for the year of Lit 1,776 m. (DM 2.3 m.) will be carried forward to new account after a transfer to legal reserves (Lit 89 m.). The company has capital and reserves of Lit 16.9 bn. (DM 22.2 m.).

The balance sheet volume of *Banco Comercial Transatlántico, S.A., Barcelona,* increased by 20.5% to Pta 488.2 bn. (DM 7.7 bn.). This strong growth in volume stemmed in particular from total credit extended, which reached Pta 305.3 bn. (DM 4.8 bn.). Despite difficult market conditions at times, the bank

Total lending, by Group companies, end of 1991

Deutsche Bank Group



Total DM 299.7 bn.

recorded growth rates which were above average for the industry. The new subsidiary Deutsche Bank Vida received a license to commence life insurance business.

Owing to incremental income from interest business and own-account trading, operating profit increased by 29.8%. The bank generated net income for the year of Pta 1,625 m. (DM 25.5 m.), of which Pta 910 m. is to be added to reserves. Pta 712 m. is planned for distribution. After the addition to reserves, the bank's capital and reserves amount to Pta 33.8 bn. (DM 530.2 m.).

Leasing Bancotrans, S.A., Barcelona, a 100% subsidiary of Banco Comercial Transatlántico, S.A., again expanded its business activities. Leasing assets rose by 15.3% to Pta 21.5 bn. (DM 337 m.).

As in the previous years, the net income for the year of Pta 262 m. (DM 4.1 m.) is to be used to strengthen capital and reserves. They will then increase to Pta 1,038 m. (DM 16.3 m.).

Deutsche Bank Crédit, S.A., Madrid, commenced its business activities at the beginning of 1991 as a 100% subsidiary of Banco Comercial Transatlántico, S.A., with the emphasis largely on car financings and the extension of property loans.

Total credit extended came to Pta 8.3 bn. (DM 130.2 m.). The bank has capital and reserves of Pta 2 bn. (DM 31.4 m.).

Banco de Montevideo, Montevideo, expanded its balance sheet total, almost 90% of which is denominated in U.S. dollars, by U.N$ 274.8 bn. to U.N$ 638.9 bn. (DM 390.0 m.). Customers' deposits increased to U.N$ 538.5 bn. (DM 328.5 m.). Growing activities in cross-border lending led to a rise in claims on companies and private individuals to U.N$ 294.3 bn. (DM 179.5 m.). Loans were also extended to the Uruguayan state in the amount of U.N$ 168.9 bn. (DM 103.0 m.).

The operating profit of U.N$ 13.2 bn. (DM 8.0 m.) was largely used to strengthen equity resources. The bank has capital and reserves of U.N$ 45.4 bn. (DM 27.7 m.).

H. Albert de Bary & Co. N.V., Amsterdam, reports a balance sheet total of Guil 4.9 bn. (DM 4.3 bn.). In view of the modest demand in the traditional field of commodity trade financings, the lending volume remained virtually unchanged compared with 31. 12. 1990 at Guil 1.9 bn. (DM 1.7 bn.).

Operating profit was just below the pre-year level. Of net income for the year of Guil 8.3 m. (DM 7.4 m.), Guil 1.5 m. is to be added to reserves, bringing capital and reserves to Guil 182.2 m. (DM 161.7 m.). Including profit brought forward, a dividend of Guil 13.3 m. (DM 11.8 m.) is to be paid.

Deutsche Bank (Asia Pacific) Ltd., Singapore, rounds off as a merchant bank the business of the Deutsche Bank AG branches in the Asian region. The balance sheet volume rose by 21% compared with the previous year to S$ 485 m. (DM 454 m.). The bank generated net income for the year of S$ 276,000 (DM 258,000). Capital and reserves are reported at S$ 61.9 m. (DM 58.0 m.).

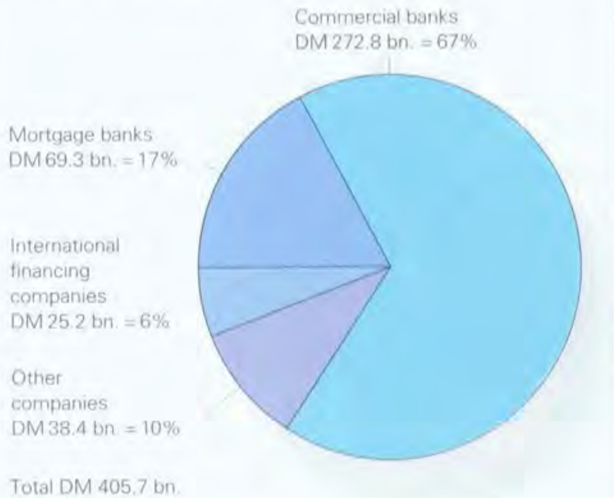
The combined balance sheet total of *Deutsche Bank Australia Ltd., Melbourne,* with its 100% subsidiaries Deutsche Capital Markets Australia Ltd., Sydney, and Deutsche Capital Management Australia Ltd., Melbourne, increased in the financial year by 32.4% to A$ 2.3 bn. (DM 2.6 bn.). The expansion is due both to lending business and to interbank business.

Net income for the year of A$ 0.8 m. will be added to capital and reserves, which will then amount to A$ 135 m. (DM 156 m.).

Deutsche Bank (Austria) AG, Vienna, largely completed the development of its technical infrastructure. The growth in balance sheet total by AS 1.0 bn. to AS 4.3 bn. (DM 611 m.) stems largely from loans to corporate clients.

A total of AS 27.2 m. (DM 3.9 m.) was added to reserves. The remaining net income for the year will be used for the partial offsetting of the loss caused by foundation and development costs in the start-up phase. Capital and reserves amount to AS 393.9 m. (DM 56.0 m.) after the addition to reserves.

Funds from outside sources, by Group companies, end of 1991
Deutsche Bank Group



The financial year of *Deutsche Bank (Canada), Toronto,* which ended on October 31, 1991, was characterized by difficult market conditions owing to the cyclical downswing in Canada. Balance sheet total decreased by Can.$ 0.3 bn. to Can.$ 1.2 bn. (DM 1.6 bn.), owing in particular to the reduction of interbank business. Loans extended to customers fell 7% to Can.$ 830 m. (DM 1.1 bn.).

Owing to the lower volume, net interest income remained below the pre-year level, as a result of which operating profit weakened by 12%. The bank took account of loan loss risks by forming provisions with the usual care.

There was a loss for the financial year of Can.$ 6.3 m. (DM 8.3 m.). The bank has capital and reserves of Can.$ 88.3 m. (DM 115.7 m.).

Deutsche Bank Luxembourg S.A., Luxembourg, lowered its balance sheet total by 4.1% to LF 701 bn. (DM 34.0 bn.) by reducing deposits with banks. In traditional eurocredit business, the volume remained unchanged on the previous year. Good developments were recorded in lending business with customers who used the more favourable euro-interest rates for their funding purposes. Monies taken up from banks in the euromarket are the principal source of refinancing. They stem chiefly from banks belonging to Deutsche Bank Group. Business with private customers and asset management developed very satisfactorily. The number of customer relationships and the volume under management increased again considerably. The bank was particularly active in own-account trading. Foreign exchange arbitrage business commenced last year, and in the securities sector the market-maker function for certain European fixed-income currency issues was further developed.

The bank reported its best ever operating profit at LF 6.3 bn. (DM 306 m.). It exceeded the previous year's figure by 7.8%. The bank stepped up its provisioning measures in international lending business owing to the risk situation, which has become even more acute for individual countries. The entire net income for the year of LF 2.0 bn. (DM 96 m.) is to be added to reserves by resolution of the Ordinary General Meeting. After that, the bank will report capital and reserves of LF 16.7 bn. (DM 811 m.).

The balance sheet total of *DB (Belgium) Finance S.A./N.V., Brussels,* which operates in international lending business, grew to BF 30.9 bn. (DM 1.5 bn.). Loans to customers totalled BF 27.9 bn. (DM 1.4 bn.).

The net income for the year, which improved owing to the positive development of business by BF 106 m. to BF 143.8 m. (DM 7.0 m.), will be added to reserves as in the previous year. This will raise capital and reserves to BF 2.6 bn. (DM 126 m.).

The balance sheet total of *DB U.K. Finance p.l.c., London,* rose by 46% to £ 1,079 m. (DM 3.1 bn.) owing to the increase in lending volume. Net income for the year amounted to £ 2.9 m. It will be allocated in full to reserves. This will give the company capital and reserves of £ 27.0 m. (DM 77 m.).

Mortgage banks

Deutsche Centralbodenkredit-AG, Berlin-Cologne, extended new mortgage loans for DM 2.3 bn. This is the highest volume of new commitments since the bank was founded. Most of the new lending related to commercial and industrial properties. In communal business, too, new commitments saw a strong rise to DM 2.1 bn. (previous year: DM 1.7 bn.). Of the total loan portfolio, DM 15.9 bn. related to mortgage loans and DM 12.9 bn. to communal loans. To refinance the new business, funds in the sum of DM 4.3 bn. were taken up. The balance sheet total increased to DM 30.4 bn.

The bank improved its operating profit by 5.7% to DM 174.7 m. Of the net income for the year of DM 65.2 m., DM 32.0 m. was added to revenue reserves. It is proposed to the General Meeting that a further DM 8.0 m. be allocated to revenue reserves and that a dividend of 30%, raised from 28%, be distributed. Capital and reserves will then total DM 853.0 m.

Frankfurter Hypothekenbank AG, Frankfurt am Main, exceeded the pre-year result in its overall new lending business by 3.3%. New mortgage commitments rose to DM 1.5 bn. owing to the growth in residential construction business. In the communal loan sector, commitments rose slightly to DM 2.0 bn. The entire loan portfolio amounted to DM 28.7 bn. Gross sales of bonds including loans taken up came to DM 3.2 bn., compared with DM 4.2 bn. in the previous year. Balance sheet total is shown at DM 31.1 bn.

Operating profit increased by 4.2% to DM 211.2 m. Of the net income for the year of DM 76.9 m., DM 38.0 m. was added to revenue reserves. Over and above this, a further DM 12.0 m. is to be used for the further strengthening of reserves subject to a General Meeting resolution to this effect. After this, the bank will have capital and reserves of DM 886.8 m. Distribution of a dividend increased from 28% to 30% is planned for the financial year.

Lübecker Hypothekenbank AG, Lübeck, increased its overall new lending business by 22.4% compared with the previous year. New mortgage business, at DM 1.0 bn., was substantially above the pre-year figure. There was a particularly strong increase in homebuilding loans. Newly contracted communal loans, at DM 0.6 bn., exceeded the pre-year figure by 27%. The total loan portfolio of DM 9.3 bn. consisted of mortgage loans for DM 6.7 bn. and communal loans of DM 2.6 bn. The bank sold bonds and *Schuldscheine* for a total amount of DM 1.3 bn. Balance sheet volume grew 5.5% to DM 10.1 bn.

Operating profit of DM 63.8 m. was generated in the financial year. It was 25.0% higher than the previous year's result. Of net income for the year of DM 27.7 m., DM 13.0 m. was transferred to revenue reserves. It is proposed to the General Meeting that revenue reserves be increased by a further DM 7.0 m. Capital and reserves will then amount to DM 287.0 m. A dividend of 30%, raised from 28%, is to be paid from distributable profit.

Schiffshypothekenbank zu Lübeck AG, Hamburg, expanded its balance sheet volume by 32% to DM 1.4 bn. against the background of a generally positive development in the world shipping market – despite difficulties in some sub-markets. The funding of new lendings was effected largely by means of long-term loans taken up from banks.

Of the net income for the year plus profit brought forward from the previous year, totalling together DM 19.5 m., DM 9.0 m. will be added to revenue reserves. Furthermore, a dividend increased from 12% to 15% is to be paid. Capital and reserves amount to DM 104.0 m. after the addition to reserves.

Europäische Hypothekenbank S.A., Luxembourg, grants loans secured against property and communal loans within the EC and the OECD. It obtains funding chiefly through the issue of bonds and notes secured by claims under loans to the public sector in the EC or OECD states. In the financial year the bank extended loans for DM 282 m. with gross sales of covered bonds and notes of DM 309 m. Balance sheet total increased by DM 489 m. to DM 1,018 m.

Development of building finance
(in DM bn.)
Deutsche Bank Group

Net income for the year of DM 402,000 is reported for 1991. After offsetting of the loss incurred in the start-up phase and carried forward in the sum of DM 199,000, DM 150,000 will be added to reserves.

Investment banking, capital market and capital investment companies

Deutsche Asset Management GmbH, Frankfurt am Main, which manages assets for private and institutional investors in Germany and abroad, obtained new mandates in the reporting year. At the end of 1991 it managed an investment volume of DM 8.4 bn. (previous year DM 7.6 bn.).

Of net income for the year plus profit carried forward, totalling together DM 11.6 m., DM 10.0 m. is to be used for distribution. It is proposed to the Shareholders' Meeting that DM 1.5 m. be added to revenue reserves.

Deutsche Gesellschaft für Fondsverwaltung mbH (DEGEF), Frankfurt am Main, which manages special-purpose funds for German and foreign institutional investors, raised fund assets as at 31.12.1991 from DM 18.2 bn. to DM 22.9 bn. In view of inner-German developments, the first special-purpose funds have meanwhile been launched for investors from the new federal states. The number of special-purpose funds under management increased by 10 to 248.

The Shareholders' Meeting resolved at the beginning of 1992 to pay out the entire distributable profit of DM 10.4 m.

DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main, recorded a substantial net inflow of funds in the sum of DM 3.6 bn. from new sales of certificates. Thanks to the higher new sales volume and the good overall investment results, the total assets of the 29 securities retail funds expanded by DM 4.1 bn. to DM 32.0 bn. Certificate holders received payments totalling DM 2.6 bn. after DM 2.5 bn. in the previous year. Of net income for the year, DM 2.0 m. was added to revenue reserves, which brought total capital and reserves to DM 150.0 m. An unchanged dividend of DM 27.0 m. was distributed for the 1990/91 financial year.

Deutsche Grundbesitz-Anlagegesellschaft mbH, Frankfurt am Main, managed ten closed-end German property funds with fund assets totalling DM 1,018 m. in the financial year ended on September 30, 1991. In addition, there were agency agreements for five funds with foreign property assets. Net income for the year amounted to DM 96,000. Taking into account DM 200,000 in withdrawals from tied reserves, capital and reserves amount to DM 3.5 m.

Deutsche Grundbesitz-Investmentgesellschaft mbH, Frankfurt am Main, whose financial year also ended on September 30, 1991, manages the open-end property funds "grundbesitz-invest" and "HAUS-INVEST" with total assets of DM 5.3 bn. The company is also active in the new federal states. As a result of higher commissions earned, net income for the year rose to DM 2.7 m. (previous year: DM 1.8 m.). The company's capital and reserves were increased to DM 23.6 m.

Grunelius KG Privatbankiers, Frankfurt am Main, provides a comprehensive range of portfolio investment services for high-net-worth individuals. The volume of funds under management expanded strongly in the 1991 financial year. The result for the year is in line with the planning for the start-up phase.

The interest in *Bain & Company Ltd., Sydney,* which is held via Deutsche Bank Australia Ltd., was increased to 51 %. This was a further step forward in the expansion of our international investment banking activities. Bain Group, which is one of the leading investment banks in Australia and offers a widely diversified range of services, further strengthened its market position. However, owing to the general economic situation, market conditions in Australia were difficult in the past financial year. This had an impact on the company's earnings.

The consolidated balance sheet total of Bain & Company Ltd. came to A$ 222.4 m. (DM 256.2 m.). The net income for the year of A$ 2.4 m. (DM 2.8 m.) is to be added to reserves. Total capital and reserves, including subordinated debt, are reported at A$ 55.3 m. (DM 63.7 m.).

Deutsche Bank Capital Corporation (DBCC), New York, achieved satisfactory results in all lines of business. In securities business, interest among large-scale U.S. investors was centred, especially in the second half of the year, on fixed-income securities denominated in European currencies. Demand among German investors for U.S. equities and bonds picked up appreciably in the course of 1991 as well. Portfolio investment business continued to expand successfully. International private investors and institutional clients each accounted for half of the funds under management at DBCC. In swap business, increased marketing efforts and the enlargement of the product range led to marked growth in business volume and income.

Net income for the year was U.S.$ 623,000 (DM 944,000). DBCC's capital and reserves were reported at U.S.$ 103.6 m. (DM 157.1 m.).

DBCC's business activities are supplemented by its wholly-owned subsidiaries *Deutsche Portfolio Corporation, New York,* and *Deutsche Bank Government Securities, Inc. (DBGSI), New York.* DBGSI deals in and places U.S. Government bonds (Treasuries). The company's business activities have expanded considerably since it was licensed as a primary dealer by the Federal Reserve Bank in 1990. Since the end of 1991, DBGSI has been an officially-recognized dealing partner in the Federal Reserve Open Market Committee and is therefore firmly established in the U.S. Treasuries market.

The two subsidiaries' net income for the year totalled U.S.$ 9.5 m. (DM 14.4 m.). Their capital and reserves amount to U.S.$ 142.4 m.

Deutsche Portfolio Corporation's business was transferred to DBCC at the beginning of 1992.

Deutsche Bank Capital Markets Ltd. (DBCM), London, further expanded its investment banking activities. The volume of new issues floated under the lead management of DBCM reached U.S.$ 10.1 bn. (DM 15.3 bn.) after U.S.$ 5.3 bn. the year before. The biggest single transactions were two issues worth U.S.$ 1 bn. each for the Province of Alberta/Canada and the Kingdom of Norway. A good result was achieved again in swap business. Through the expansion of its repo business, DBCM gained new customers.

The financial year closed with net income for the year of £ 11.8 m. (DM 33.5 m.), £ 4.8 m. (DM 13.6 m.) of which will be transferred to reserves. The company's capital and reserves will then amount to £ 81.7 m. (DM 232.3 m.).

Deutsche Bank de Investimento, S.A., Lisbon, successfully ended its first full financial year. Both the number of customers and the volume of business rose substantially. During the year under review, the bank was involved in 28 new bond issues, in 17 of them as lead manager or co-manager. The bank participated in all eight new issues on the euro-Escudo market. It was also active as market maker in government securities and in the secondary market.

At the end of 1991, balance sheet total amounted to Esc 47.9 bn. (DM 542 m.). Of net income for the year, which increased to Esc 742.5 m. (DM 8.4 m.), Esc 74.2 m. is being allocated to legal reserves and a further Esc 600.2 m. is to be allocated to revenue reserves. Capital and reserves will then amount to Esc 4,924 m. (DM 55.7 m.).

Deutsche Bank (Suisse) S.A., Geneva, with its branches in Zurich and Lugano, considerably expanded its investment advisory and asset management business in 1991. The balance sheet total rose by 39.3% to SF 1.4 bn. (DM 1.6 bn.). As a member of the banking syndicate, the bank participated in 113 issues with a total placement volume of SF 14.6 bn. (DM 16.4 bn.). A further six issues were floated under its lead management.

Net income for the year is reported at SF 5.7 m. (DM 6.4 m.) for 1991 and is to be allocated to reserves. Capital and reserves will then amount to SF 119.9 m. (DM 134.2 m.).

DB Investment Management S.A., Luxembourg, a subsidiary of DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main, and Deutsche Bank Luxembourg S.A., Luxembourg, managed a total of 14 investment funds with assets of DM 14.4 bn. at the end of 1991 (end of 1990: DM 7.9 bn.). ECU RESERVE, GULDEN RESERVE, SF RESERVE, RENDITE GARANT, KONZEPT '94 and SCHILLING GARANT were new investment funds launched last year.

The RENDITE GARANT fund alone has reached a volume of over DM 4 bn. "Rendite 2000", the first bond fund with a limited life, was introduced at the beginning of 1992.

The company achieved a profit of DM 35 m., of which DM 6 m. is being distributed to shareholders and DM 26 m. added to reserves. Capital and reserves will then amount to DM 120.4 m.

The Canadian securities broker *McLean McCarthy Inc., Toronto,* continued building up its business with institutional investors and opened a branch in Montreal. The capital increase at the beginning of 1991 enabled it to expand its corporate finance activities. The company's earnings situation improved appreciably compared with the year before but, overall, was still tight.

In the financial year ended on October 31, 1991, balance sheet total rose to Can.$ 129.9 m. (DM 170.2 m.). The profit and loss account closed with a loss of Can.$ 1.0 m. (DM 1.3 m.). Including subordinated debt, capital and reserves amount to Can.$ 17.4 m. (DM 22.7 m.).

The British merchant bank *Morgan Grenfell Group plc, London,* maintained its leading market position. The company achieved notable successes in mergers and acquisitions business despite stagnating markets worldwide and ever tougher competition. In the past year, the bank was involved in 14 public takeover bids in the U.K. with a combined volume of £ 4.5 bn. (DM 12.7 bn.). The positive trend in asset management business continued. This was reflected both by the number of new mandates obtained and in the volume of funds under management, which expanded by £ 2.7 bn. to £ 16.1 bn. (DM 45.8 bn.). Debt arbitrage trading again made a substantial contribution to overall profit.

The consolidated balance sheet total of Morgan Grenfell Group plc increased by 13% to £ 7.8 bn. (DM 22.2 bn.). Of net income for the year in the amount of £ 23.6 m. (DM 67.1 m.), £ 11.7 m. is being allocated to reserves and £ 11.0 m. is to be used for dividend payments. Total capital and reserves will then amount to £ 367.9 m. (DM 1,045.9 m.).

Instalment financing and leasing companies

ALD AutoLeasing D GmbH, Hamburg, extended its volume of new business by 13% to DM 1.3 bn. Its leasing stock increased to around 128,600 vehicles with a purchase value of DM 2.7 bn. Business with commercial and industrial clients expanded further. The continued positive development is based primarily on the quality of the marketing strategy for car dealers and on the professional, independent advice provided to customers.

Balance sheet total rose by 28.4% to DM 2.1 bn. In the past financial year, ALD achieved an operating profit of DM 37.3 m. Of net income for the year of DM 11.3 m., DM 1.1 m. was allocated to reserves. As in the year before, it is planned to distribute DM 4.8 m. as a dividend. After resolution by the Shareholders' Meeting, a further DM 5.0 m. is to be allocated to revenue reserves. The company's capital and reserves will then amount to DM 85.6 m.

DB Export-Leasing GmbH, Frankfurt am Main, registered strong growth in new business to DM 1,123 m. Hermes cover was obtained for transactions with eastern Europe.

Balance sheet total expanded by DM 0.8 bn. to DM 1.8 bn. There is a profit transfer agreement between DB Export-Leasing GmbH and Deutsche Bank AG.

Deutsche Gesellschaft für Immobilien-Leasing mbH, Cologne, achieved net income for the year of DM 2.1 m. from the management of its property portfolio.

At *GEFA Gesellschaft für Absatzfinanzierung mbH, Wuppertal,* new lendings rose by 29% to DM 2.4 bn. Bolstered by the good business situation in the old federal states, demand was centred on financings for commercial vehicles and machinery. Business in the new federal states was considerably expanded, too. In factoring business, the previous year's high volume was maintained.

As a result of incremental income from volume growth and the slightly higher interest margin, operating profit was up 9%. Including the new capital paid into reserves by Deutsche Bank AG at the beginning of 1992, GEFA's capital and reserves amount to DM 268 m. Under the profit transfer agreement, DM 20.1 m. was transferred to Deutsche Bank AG.

GEFA-Leasing GmbH, Wuppertal, increased the new contract volume in leasing business by 25% to DM 1,307 m. Growth was registered in all sectors but focussed on information technology hardware and on vehicles and machinery. The volume of leasing assets rose by 20% to DM 2.3 bn.

Operating profit again reached a satisfactory level. DM 12.0 m. was transferred to GEFA Gesellschaft für Absatzfinanzierung mbH under the existing profit transfer agreement.

At *EFGEE Gesellschaft für Einkaufs-Finanzierung mbH, Düsseldorf,* the lending volume rose by 7% to DM 315 m. Operating profit was up 2.4%. There is a profit transfer agreement with GEFA Gesellschaft für Absatzfinanzierung mbH.

Deutsche Credit Corporation, Deerfield/U.S.A., expanded its balance sheet volume by 10.8% to U.S.$ 1.2 bn. (DM 1.8 bn.) despite the economic slowdown in the U.S.A.

To support European exports, the company continued to focus its new business efforts on providing innovative financing alternatives for the U.S. market. In this connection, it established the subsidiary DC Helicopter Finance, Inc., in 1991.

Operating profit was doubled compared with the previous year to U.S.$ 14.7 m. (DM 22.3 m.). The net income for the year in the amount of U.S.$ 6.6 m. (DM 10.0 m.) is being used to strengthen the company's equity resources. Capital and reserves are reported at U.S.$ 62.1 m. (DM 94.1 m.).

Specialized institutions

Deutsche Bank Bauspar-AG, Frankfurt am Main, further expanded its market position. It now ranks as the sixth largest private-sector building and loan association in Germany. In the 1991 financial year, 84,900 building savings agreements with a total contract value of DM 2.9 bn. were concluded. At the end of 1991 there were 381,000 agreements with a total contract value of DM 11.1 bn. An aggregate DM 52.2 m. in building savings loans was disbursed. Through Vertriebsgesellschaft mbH der Deutschen Bank für Privatkunden, which was founded in 1991, building savings agreements are now also being marketed by field sales representatives.

After balancing the remaining loss brought forward of DM 0.6 m., DM 2.2 m. was allocated to revenue reserves from net income for the year of DM 2.9 m. Capital and reserves now amount to DM 32.2 m.

Lebensversicherungs-AG der Deutschen Bank, Wiesbaden, benefitted from the opportunities on the expanding German market. 72,000 new endowment and term life insurance policies were written with a volume, including supplementary risk insurance, of DM 5.8 bn. The policy portfolio rose by roughly 70% to 158,000 policies with a total contract volume of DM 12.2 bn. There were also supplementary disability insurance policies representing pension benefits with a net present value of DM 4.1 bn.

At DM 337.5 m., total premium income was more than double the previous year's figure.

The company's share capital was increased by a nominal DM 40 m., DM 10 m. of which was paid up, to DM 50 m. to adjust it to the expanded volume of insurance business. DM 30 m. was allocated to the organization fund.

The financial year closed with a smaller loss than in the previous year of DM 9 m., which was offset by a withdrawal from the organization fund established to cover start-up losses. The balance sheet was thus squared. The company's paid-up capital and reserves, including the DM 29.3 m. remaining in the organization fund, amount to DM 69.4 m.

Firmen-Lebensversicherungs-AG der Deutschen Bank, Wiesbaden, of which Deutsche Bank holds 70% and Gerling Group 30%, specializes in company pension products. Insurance policies with a total contract volume of DM 40 m. have been written since business began in June 1991, the emphasis being on direct insurance and employer's pension liability insurance.

In the start-up phase, the company's development has been marked in particular by investment in building up the product range and marketing capacities. For the financial year there was a loss of DM 9.6 m., which was offset in full by a withdrawal from the organization fund created for this purpose. The balance sheet was thus squared. Including the sum of DM 10.6 m. remaining in the organization fund, the company's capital and reserves amount to DM 21.6 m.

International financing companies

In the past financial year, *Deutsche Bank Finance N.V., Curaçao,* floated twelve new euro-bond issues in various currencies for the equivalent of more than DM 2.6 bn. The proceeds from these issues were passed on as refinancing funds to Group companies. At the end of 1991, the balance sheet total amounted to U.S.$ 6.3 bn. (DM 9.6 bn.).

Deutsche Finance (Netherlands) B.V., Amsterdam, is also engaged in raising long-term funding. The company floated three new DM bond issues for a total of DM 1.8 bn., which increased the balance sheet total to Guil 15.5 bn. (DM 13.8 bn.).

By issuing commercial paper and medium-term notes on the U.S. market, *Deutsche Bank Financial Inc., Dover/U.S.A.,* raises funds which are then passed on to Group companies in the U.S.A. At the end of 1991, the total volume taken up came to U.S.$ 1.4 bn. (DM 2.1 bn.).

Other companies

Deutsche Gesellschaft für Mittelstandsberatung mbH, Munich, further expanded its market position as a consulting company for small and medium-sized businesses. In 1991, over 600 projects were completed, generating income of DM 23.4 m. (previous year: DM 17.5 m.).

DEBEKO Immobilien GmbH & Co Grundbesitz OHG, Eschborn, which was established in 1990, administers Deutsche Bank AG's German real estate holdings. The number of staff was expanded to cope with the increased demands, especially in the new federal states. Following the acquisition of a total of 74 properties in the new federal states, the company now owns and administers over 360 properties.

In the course of the reorganization of the Group's real estate holdings, the properties in Berlin were transferred to the newly established *DEBEKO Immobilien GmbH & Co Grundbesitz Berlin OHG, Berlin.*

KCB-Beteiligungs-Aktiengesellschaft, Duisburg, and its subsidiary *Klöckner Industriebeteiligungsgesellschaft mbH, Duisburg,* serve mainly as holding companies for the financial stake held in Klöckner-Humboldt-Deutz AG.

Karl-Johann, P. von Quistorp Bürohaus KG, Eschborn, which is included in the consolidated statement of accounts for the first time, holds interests in Bürohaus Mainzer Landstr. 16-28 GbR, Eschborn.

Non-consolidated companies

The aggregate balance sheet total of the following domestic Group companies and those detailed in sections A.2. and B.2. of the list of shareholdings of Deutsche Bank AG pursuant to § 285 No. 11 Commercial Code, amounted, in the last financial year for which statements of accounts were submitted, to DM 1,709.8 m., which corresponds to 3.1 ‰ of the aggregate consolidated balance sheet total. Owing to their minor importance for the assets and income situation of the Group, these companies were not included in the Consolidated Statement of Accounts pursuant to § 329 (2) Joint Stock Corporation Act (old version):

Wilh. Ahlmann GmbH, Kiel
Airport Club für International Executives GmbH, Frankfurt am Main
ALD AutoLeasing und Dienstleistungs GmbH, Berlin
ALD AutoRent GmbH, Hamburg
Alfa Beteiligungsgesellschaft mbH, Frankfurt am Main
"Alwa" Gesellschaft für Vermögensverwaltung mbH, Hamburg
BACUL Vermietungsgesellschaft mbH, Düsseldorf
BAMUS Vermietungsgesellschaft mbH, Düsseldorf
BARIS Vermietungsgesellschaft mbH, Düsseldorf
BELUS Vermietungsgesellschaft mbH, Düsseldorf
Berfa Beteiligungsgesellschaft mbH, Frankfurt am Main
Beteiligungsgesellschaft für Flugzeugleasing mbH, Frankfurt am Main
BONUS Vermietungsgesellschaft mbH, Düsseldorf
Burstah Verwaltungsgesellschaft mbH, Hamburg
Businesspark Niederrhein Begrünungsgesellschaft mbH, Frankfurt am Main
CALOR Vermietungsgesellschaft mbH, Düsseldorf
CAMPANIA Vermietungsgesellschaft mbH, Düsseldorf
CF Club und Freizeit GmbH, Frankfurt am Main
ComCo Verwaltungsgesellschaft mbH, Berlin
DB Consult GmbH, Bad Homburg v. d. H.
DB Mergers & Acquisitions GmbH, Frankfurt am Main
DEUBA Verwaltungsgesellschaft mbH & Co OHG, Cologne
Deutsche Grundbesitz-Anlagegesellschaft Ferdinand Sandgänger & Co. Anlagefonds Göppingen-KG, Cologne
Deutsche Grundbesitz-Anlagegesellschaft Ferdinand Sandgänger & Co. Anlagefonds Hamburg-Billstedt-KG, Cologne
Deutsche Grundstücks-Fonds II v. Quistorp KG, Bad Homburg v.d.H.
DIA Grundbesitz-Entwicklungs GmbH, Frankfurt am Main
DIL Grundstücksgesellschaft für Verwaltungs- und Lagergebäude mbH, Düsseldorf
DIPLOMA Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf
DISCA Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf
"Domshof" Beteiligungs-Gesellschaft mbH, Bremen
ESG-EDV-Service-Gesellschaft für Hypothekenbanken mbH, Frankfurt am Main
MS "Essen" Schiffahrts-Gesellschaft mbH, Bremen
Frankfurter Gesellschaft für Vermögensanlagen mbH, Frankfurt am Main
GADES Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf
GAT-Golf am Tegernsee GmbH, Munich
GAT-Golf am Tegernsee GmbH & Co. Grundstücksverwaltungs KG, Waakirchen am Tegernsee
GEFI Gesellschaft für Mobilien-Leasing und Finanzierungsvermittlung mbH, Berlin
Gifa Beteiligungsgesellschaft mbH, Frankfurt am Main
GIP Gesellschaft für Immobilienentwicklung Potsdam mbH, Potsdam
Golf-Club Margarethenhof am Tegernsee GmbH & Co. KG, Munich
Golf-Club Margarethenhof am Tegernsee Verwaltungs GmbH, Munich
Golf und Land Club Gut Kaden GmbH, Frankfurt am Main
Grundstücksgesellschaft Grafenberger Allee mbH, Düsseldorf
Grundstücksgesellschaft Otto-Hahn-Strasse mbH, Düsseldorf
Grundstücks KG Wieland u. Co. Wilhelmgalerie, Potsdam
Grundstücksvermietungsgesellschaft Wilhelmstrasse mbH, Cologne
Grundstücksverwaltungsgesellschaft Objekt Geislingen mbH, Frankfurt am Main
Haba Beteiligungsgesellschaft mbH, Frankfurt am Main
Hochhaus und Hotel Riesenfürstenhof Aufbaugesellschaft mbH, Frankfurt am Main
Hypotheken-Verwaltungs-Gesellschaft mbH, Berlin
Immobilien-Gesellschaft in Lübeck GmbH, Lübeck
Interleasing Dello Hamburg GmbH, Hamburg
IZI Bielefeld Informations-Zentrum Immobilien GmbH, Bielefeld
IZI Dortmund Informations-Zentrum Immobilien GmbH, Dortmund
Kalfa Beteiligungsgesellschaft mbH, Frankfurt am Main
Kapital-Beteiligungs- und Verwaltungsgesellschaft Norden mbH, Lübeck
Köfa Beteiligungsgesellschaft mbH, Frankfurt am Main
Heinz Langer Versicherungsdienst GmbH, Stuttgart
LUPIA Beteiligungsgesellschaft mbH, Düsseldorf
Mago Beteiligungsgesellschaft mbH, Frankfurt am Main
"modernes Frankfurt" private Gesellschaft für Stadtentwicklung mbH, Frankfurt am Main
Nofa Beteiligungsgesellschaft mbH, Frankfurt am Main
Pafa Beteiligungsgesellschaft mbH, Frankfurt am Main
PBG Pension-Beratungs-Gesellschaft mbH, Wiesbaden
Peina Grundstücksverwaltungsgesellschaft mbH, Düsseldorf
Riefa Beteiligungsgesellschaft mbH, Frankfurt am Main
Saarländische Immobilien-Gesellschaft mbH, Saarbrücken
SB Bauträger GmbH, Frankfurt am Main
SB Bauträger GmbH & Co. Urbis Hochhaus-KG, Frankfurt am Main
SB Bauträger GmbH & Co. Urbis Verwaltungs-KG, Frankfurt am Main
Schiffsbetriebsgesellschaft Brunswik mbH, Kiel
Schisa Grundstücksverwaltungsgesellschaft mbH, Düsseldorf
Sefa Beteiligungsgesellschaft mbH, Frankfurt am Main
Selekta Grundstücksverwaltungsgesellschaft mbH, Düsseldorf
Sifa Beteiligungsgesellschaft mbH, Frankfurt am Main
Stafa Beteiligungsgesellschaft mbH, Frankfurt am Main
Tauernallee Grundstücksgesellschaft mbH, Berlin
Terraingesellschaft Gross-Berlin GmbH, Berlin
Transgermania Verwaltungsgesellschaft mbH, Hamburg
Franz Urbig- und Oscar Schlitter-Stiftung GmbH, Frankfurt am Main
VG-Verwaltungsgesellschaft für US-Immobilienanlagen mbH, Frankfurt am Main
Westend Grundstücksgesellschaft mbH, Lübeck
WfG Deutsche Gesellschaft für Wagniskapital mbH, Frankfurt am Main
WIBA Immobilien- und Industrievermittlungs-GmbH, Heidelberg

Wohnbau-Beteiligungsgesellschaft mbH, Lübeck
Wohnungsbaugesellschaft Lubeca GmbH, Lübeck
Martin Zimmer Immobilien GmbH, Cologne
Martin Zimmer Vermietungs- und Immobilienmanagement GmbH, Cologne
Martin Zimmer Vertriebs GmbH, Cologne

Foreign Group companies with an overall balance sheet total – according to the last available Statement of Accounts – of DM 464.3 m. (0.8 ‰ of the aggregate consolidated balance sheet total) were similarly not consolidated owing to minor importance.

The following domestic companies and the companies listed in sections A.3. and B.3. of the list of shareholdings of Deutsche Bank AG pursuant to § 285 No. 11 Commercial Code are not under the uniform direction of Deutsche Bank AG and are therefore not eligible for consolidation:

Bahn-Grund Projektentwicklungsgesellschaft München mbH, Munich
Bavaria Filmverleih- und Produktions-GmbH, Munich
Related companies of Roland Berger & Partner Holding GmbH, Munich
Futura Beteiligungs-GmbH, Bielefeld
Related companies of Intertractor Aktiengesellschaft, Gevelsberg
Leasinggesellschaft für Energieinvestitionen mbH, Wuppertal
Leasinggesellschaft für Kraftwerkanlagen mbH, Wuppertal
rational einbauküchen GmbH, Melle/Riemsloh and related companies

No business transactions capable of materially affecting the situation of Deutsche Bank AG were registered at these companies. Business relations with these companies do not go beyond the normal services provided by the Group.

Principles of consolidation

The Consolidated Balance Sheet and Profit and Loss Account are based on the special sheet published for banks in the legal form of "Aktiengesellschaft" (joint stock corporation). This sheet is supplemented by the typical items in mortgage bank business deriving from the special sheets for mortgage banks and ship mortgage banks. The items relating to mortgage bank business also include the figures of Europäische Hypothekenbank S.A., Luxembourg, insofar as the reporting criteria are fulfilled.

The assets and liabilities of the life insurance companies and the expenses and income typical of life insurance business are reported in summary items after internal offsetting within the Group.

The Consolidated Statement of Accounts was drawn up in accordance with the provisions of the Joint Stock Corporation Act of 1965 in the version in effect before the Balance Sheet Directives Act of 19. 12. 1985, while the individual statements of accounts of domestic Group companies were drawn up in accordance with the provisions of the Commercial Code in the version as amended by the Balance Sheet Directives Act and those of foreign Group companies in accordance with the provisions in force in the respective country of domicile.

The figures shown in the individual balance sheets were taken over unchanged into the Consolidated Balance Sheet unless, in individual cases, adjustments to German accounting provisions were required. Interim statements as at 31. 12. 1991 were drawn up pursuant to § 331 (3) Joint Stock Corporation Act (old version) for 22 companies with a different financial year. Their structure, insofar as the companies concerned are domestic enterprises, complies with the provisions of the Commercial Code. The statements of the foreign companies were converted at the exchange rates valid on balance sheet date (Frankfurt mid-rates).

The book values of the holdings in consolidated companies were offset against the respective proportions of the subsidiaries' capital, capital reserves and revenue reserves. The balance is shown as a separate item in the balance sheet and classified as part of capital and reserves.

Claims and liabilities between consolidated members of the Group were offset. Insofar as consolidated companies' balance sheets contain provisions which represent adjustments for the Group, these amounts were converted and the corresponding assets adjusted accordingly. In the Consolidated Profit and Loss Account, the income shown in the individual statements of accounts, insofar as it represents compensation for mutual services of the consolidated companies - almost exclusively interest and commissions - has been offset against the respective expenses. Inter-company profits were eliminated. The profit accruing to Deutsche Bank AG from the merger of Deutsche Bank Berlin AG, Berlin, was allocated to profit carried forward.

Amounts received by the parent company during the year under review from holdings in consolidated members of the Group and representing distributions from the profits of the preceding year were included under profit carried forward; the tax credits received were not taken into account in these distributed profits or in the Group's tax expenses.

Notes to the Consolidated Balance Sheet

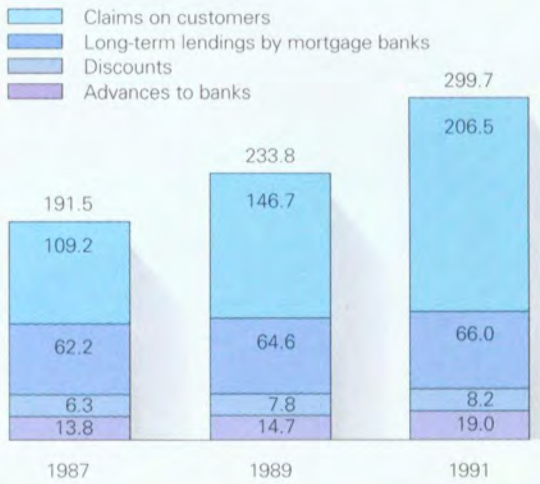
Balance sheet total

The Group balance sheet total for 1991 rose by DM 48.9 bn. to DM 449.1 bn. This increase of 12.2% was largely the result of strong growth at the parent company.

Total credit extended

Total credit extended (excl. guarantees and letters of credit) rose 9.7% vis-à-vis 31. 12. 1990 to DM 299.7 bn. This increment stemmed mainly from brisk domestic lending business. Total claims on customers grew by DM 24.9 bn. to DM 206.5 bn. At DM 116.9 bn., short and medium-term loans to customers surpassed the previous year's level (+14.3%). Long-term claims on customers expanded by 12.9% to DM 89.6 bn. At 43.4%, the share of long-term claims in total claims on customers remained at roughly the previous year's level.

Development of total credit extended
(in DM bn.)
Deutsche Bank Group



Total lendings to corporate customers were up by DM 15.5 bn. to DM 149.3 bn.; claims on private customers grew by DM 7.9 bn. to DM 94.1 bn.

Total credit extended	End of 1991		End of 1990		Change	
	DM m.	% share	DM m.	% share	DM m.	%
Claims on customers						
short and medium-term	116,939	39.0	102,282	37.4	+ 14,657	= 14.3
long-term	89,615	29.9	79,391	29.1	+ 10,224	= 12.9
	206,554	68.9	181,673	66.5	+ 24,881	= 13.7
Long-term mortgage bank lendings	65,957	22.0	65,126	23.8	+ 831	= 1.3
Discounts	8,197	2.7	7,621	2.8	+ 576	= 7.6
Lendings to banks						
short and medium-term	10,618	3.6	9,626	3.5	+ 992	= 10.3
long-term (4 years or more)	8,397	2.8	9,278	3.4	– 881	= 9.5
	19,015	6.4	18,904	6.9	+ 111	= 0.6
Total credit extended	299,723	100.0	273,324	100.0	+ 26,399	= 9.7

At DM 70.7 bn., the volume of building loans extended by our mortgage bank subsidiaries and commercial banks exceeded the previous year's level by DM 3.0 bn.

At all companies included in the Group, commitments in lending business were, as always, valued with the utmost care. Provision was made for all discernible risks - both for individual borrowers and for country risks - by the formation of adjustments and provisions in accordance with uniform standards applied throughout the Group. Collective adjustments were formed to take account of latent risks.

Claims on banks

Total claims on banks rose by DM 11.4 bn. to DM 104.9 bn. This expansion is attributable chiefly to secured money transactions - so-called "repos" - with foreign banks.

Securities

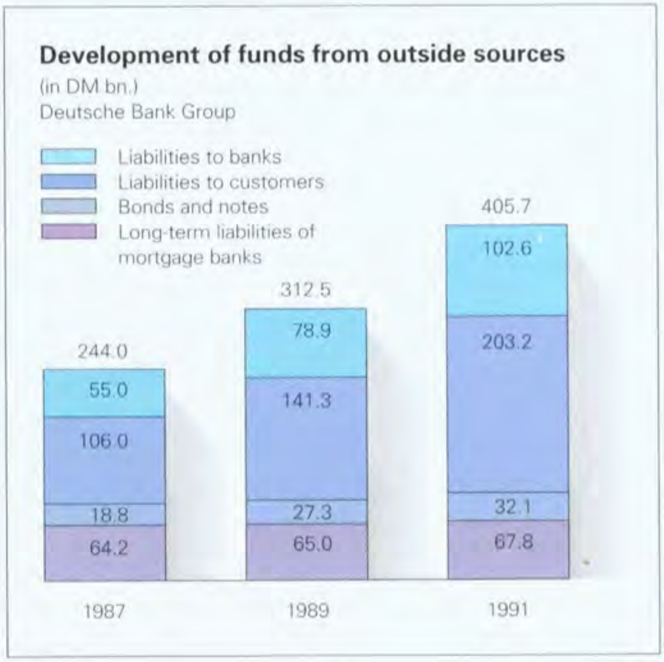
The Group's securities holdings were raised mainly owing to increased trading activities. They were valued uniformly in accordance with the strict "lower of cost and market" principle.

Funds from outside sources

In the year under review, Group funds from outside sources grew by DM 44.6 bn. or 12.3% to DM 405.7 bn.

Customers' deposits accounted for DM 22.4 bn. of this increment and passed the DM 200 bn. mark for the first time at the end of 1991. Particularly strong growth was recorded in time deposits with maturities of up to less than four years (+ DM 11.0 bn.). Demand deposits increased by DM 7.9 bn. to DM 59.6 bn.

Funds from outside sources	End of 1991 DM m.	End of 1991 % share	End of 1990 DM m.	End of 1990 % share	Change DM m.	Change %
Liabilities to banks						
payable on demand	28,693	7.1	24,327	6.8	+ 4,366	≙ 17.9
time deposits	73,875	18.2	58,612	16.2	+15,263	≙ 26.0
customers' drawings on other banks	39		47		− 8	≙ 17.1
	102,607	25.3	82,986	23.0	+19,621	≙ 23.6
Liabilities to customers						
payable on demand	59,579	14.7	51,709	14.3	+ 7,870	≙ 15.2
time deposits	101,977	25.1	91,435	25.3	+10,542	≙ 11.5
savings deposits	41,647	10.3	37,615	10.4	+ 4,032	≙ 10.7
	203,203	50.1	180,759	50.0	+22,444	≙ 12.4
Bonds and notes	32,132	7.9	31,280	8.7	+ 852	≙ 2.7
Long-term mortgage bank liabilities	67,795	16.7	66,126	18.3	+ 1,669	≙ 2.5
Total funds from outside sources	405,737	100.0	361,151	100.0	+44,586	≙ 12.3



Savings deposits grew by DM 4.0 bn. to DM 41.6 bn. Over half of this increase (DM 2.5 bn.) stemmed from savings deposits subject to the legal period of notice.

Liabilities to banks amounted to DM 102.6 bn. at the end of 1991. Their growth of DM 19.6 bn. was for the most part the result of higher deposits by foreign banks.

Miscellaneous liabilities

Liabilities for possible calls on not fully paid-up shares in public and private limited companies, insofar as they are not shown on the liabilities side, came to DM 237 m. Joint liabilities pursuant to § 24 GmbH Act amounted to DM 48 m. Where we have other joint liabilities, the standing of the co-shareholders is beyond doubt in all cases.

In connection with the holding in Liquiditäts-Konsortialbank GmbH, Frankfurt am Main, there are Group obligations to pay further capital of up to DM 64 m. and a proportional contingent liability to fulfil the capital obligations of other shareholders who are also members of the Bundesverband deutscher Banken e. V., Cologne. The obligations to pay further capital on other holdings and an existing surety arrangement came to DM 3.2 m. as at 31.12.1991. Funds in the amount of DM 13,445 m., taken up for specific projects, which are included under liabilities to customers and banks, and were provided, for the most part, by Kreditanstalt für Wiederaufbau, Frankfurt am Main, were passed on to the borrowers at the conditions stipulated by the lenders. At the end of 1991, assets and security items provided to us in the sum of DM 4,026 m. were tied up in connection with loans raised. Legal stipulations required the provision of security for the business activities of foreign branches of Deutsche Bank AG in the amount of DM 626 m. Securities with a nominal value of DM 300 m. serve as collateral for securities lending operations and for deals on the German Futures and Options Exchange.

DB Investment Management S.A., Luxembourg, gave performance guarantees for specified periods for some of the investment funds it manages.

In connection with the sale of Klöckner & Co AG, Duisburg, there are contingent liabilities totalling DM 170 m.

Furthermore, we refer to the declaration of backing which appears in the Notes to the Annual Statement of Accounts of Deutsche Bank AG for certain banks and associated companies.

Claims on and liabilities to related enterprises do not refer to consolidated companies.

Consolidated Profit and Loss Account

Net interest income

Net interest income including the surplus on leasing business (balance of income from leasing business, normal depreciation of leasing equipment and other expenses for leasing business) rose by 16.9% to DM 10,617 m.

This growth was due above all to the strong expansion of 11.8% in average balance sheet volume. The increase of 0.12 percentage points in the interest margin to 2.41% also contributed to the rise in net interest income.

Net commission income on services business

Net income from commissions and other service charges received in services business (incl. net income from life insurance business) expanded by 6.5% to DM 3.8 bn. A significant part of the increase came from higher commission income in domestic and foreign payments business.

Staff and other operating expenses

Staff and other operating expenses grew to DM 9,670 m. This 18.4% climb reflected the cost of branches in the new federal states - fully included for the first time in 1991 - and newly consolidated subsidiaries.

Staff expenses came to DM 6,291 m. (+ 15.8%), and general operating expenses to DM 2,847 m. (+ 25.0%). Staff and other operating expenses include normal depreciation on land and buildings and on office furniture and equipment of DM 532 m. (+ 17.1%).

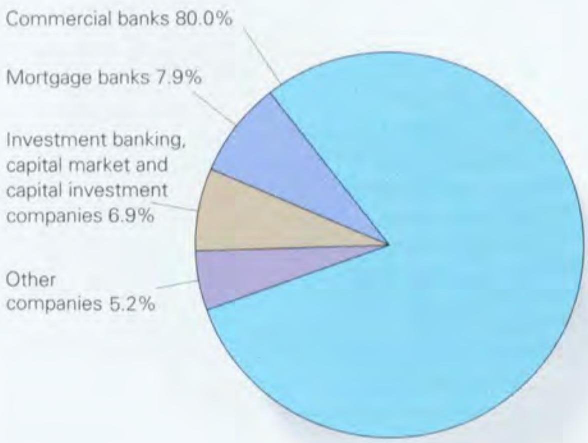
Partial operating profit

The partial operating profit excluding own-account trading increased by 5.8% to DM 4,793 m.

Profits on own-account trading

Securities were primarily responsible for the higher income from own-account trading. Improved trading profits were decisive here. The need for write-downs on the trading portfolio was much lower than in the preceding year.

Breakdown of aggregate operating profit 1991
Deutsche Bank Group



Operating profit

Group operating profit - net income from current business including own-account trading - rose by DM 846 m. or 16.5% to DM 5,972 m.

Write-downs of and adjustments to claims and securities, transfers to provisions for possible loan losses

After the full offsetting of securities profits and income from written-back adjustments allowed pursuant to § 4 of the Order concerning Banks' Statements of Accounts, write-downs of and adjustments to claims and securities and transfers to provisions for possible loan losses amounted to DM 1,226 m. compared with DM 2,351 m. in the previous year.

Expenses in 1991 were influenced by increased provisioning for possible losses in domestic lending business. The decrease in expenses compared with the previous year was largely the result of the higher scope for offsetting owing to increased securities profits.

Other income, including income from the writing back of provisions for possible loan losses

After the above offsetting, "Other income" is reported at DM 868 m. (1990: DM 978 m.).

Taxes

Taxes on income and assets came to DM 1,980 m. compared with DM 1,288 m. in 1990. The increase stemmed from higher taxable profits and the greater tax burden on domestic Group companies resulting from the "solidarity surcharge" for unification.

Net income for the year, appropriation of profits

Net income for 1991 expanded by 32.1% to DM 1,410.3 m.

Including profit brought forward in the amount of DM 57.1 m. and after withdrawals from tied reserves and revenue reserves totalling DM 44.6 m., the addition to reserves of DM 752.0 m. and deduction of minority interests in profit in the amount of DM 27.0 m., consolidated profit came to DM 733.0 m. (1990: DM 786.3 m.).

According to the profit appropriation proposals, DM 700.0 m. (previous year: DM 628.6 m.) is to be distributed to the shareholders of Deutsche Bank AG and to minority shareholders in subsidiaries. On the basis of resolutions by the General Meetings of subsidiaries, DM 318.8 m. is to be added to revenue reserves.

Group capital and reserves

The offsetting of the book values of subsidiaries, associated companies and trade investments with the proportionate shares of subsidiaries' capital and reserves resulted in a net assets-side balance arising from consolidation in the amount of DM 294.1 m. at the end of 1991. This balance is obtained by netting assets-side differences – essentially goodwill acquired and undisclosed reserves – and liabilities-side differences, i.e. for the most part subsidiaries' retained earnings. The slight decrease in the balance arising from capital consolidation vis-à-vis the preceding year of DM 16.5 m. is largely the result of proportionate allocations to reserves at subsidiaries.

Minority interests of DM 393.4 m. include interests in profits of DM 25.0 m.; DM 368.4 m. of this item therefore has equity character.

Total Group capital and reserves were strengthened in 1991 by DM 1,500.7 m. to DM 17,066.7 m. They are made up as follows:

	End of 1991 DM m.	End of 1990 DM m.
Subscribed capital	2,294.2	2,206.7
Capital reserve	10,067.0	9,350.4
Revenue reserves	4,631.2	3,981.2
Capital and reserves of Deutsche Bank AG	16,992.4	15,538.3
Minority interests	368.4	338.3
	17,360.8	15,876.6
Assets-side balance arising from capital consolidation	294.1	310.6
Total Group capital and reserves	17,066.7	15,566.0

After the additions to reserves on the basis of resolutions taken by subsidiaries' General Meetings, Group capital and reserves will be DM 17.4 bn. Besides this, there is participatory capital in the amount of DM 1,200 m., which also counts as liable capital pursuant to the Banking Act (KWG).

Frankfurt am Main, March 1992

The Board of Managing Directors

				31. 12. 1990
		in DM 1,000	in DM 1,000	in DM 1,000
Cash on hand			1,848,312	1,727,221
Balance with Deutsche Bundesbank			6,378,739	4,785,575
Balances on postal giro accounts			38,742	27,817
Cheques, matured bonds, interest and dividend coupons, items received for collection			482,742	488,507
Bills of exchange			3,293,480	2,942,992
including:				
a) rediscountable at Deutsche Bundesbank ... DM thou.	726,499			
b) own drawings ... DM thou.	102,149			
Claims on banks				
a) payable on demand		21,837,863		20,352,245
b) with original periods or periods of notice of				
ba) less than three months		33,128,268		26,538,011
bb) at least three months, but less than four years		41,548,906		37,207,888
bc) four years or more		8,432,762		9,432,180
including:			104,947,799	93,530,324
used as cover by mortgage banks ... DM thou.	977,826			
Treasury bills and discountable Treasury notes				
a) of the Federal and Länder Governments		160,593		348,869
b) of other issuers		3,995,131		3,638,054
			4,155,724	3,986,923
Bonds and notes				
a) with a life of up to four years				
aa) of the Federal and Länder Governments ... DM thou.	693,563			
ab) of banks ... DM thou.	3,434,173			
ac) of other issuers ... DM thou.	2,245,277	6,373,013		4,597,487
including:				
eligible as collateral for Deutsche Bundesbank advances ... DM thou.	3,693,140			
used as cover by mortgage banks ... DM thou.	59,970			
b) with a life of more than four years				
ba) of the Federal and Länder Governments ... DM thou.	3,471,642			
bb) of banks ... DM thou.	5,511,434			
bc) of other issuers ... DM thou.	10,317,037	19,300,113		16,051,473
including:			25,673,126	20,648,960
eligible as collateral for Deutsche Bundesbank advances ... DM thou.	6,329,957			
used as cover by mortgage banks ... DM thou.	385,159			
Securities not to be shown elsewhere				
a) shares marketable on a stock exchange and investment fund certificates		9,699,880		6,856,495
b) other		305,930		325,154
including: holdings of more than one tenth of the shares of a joint stock corporation or a mining company, unless shown as Subsidiaries, associated companies and trade investments ... DM thou.	958,258		10,005,810	7,181,649
Carried forward			156,824,474	135,319,968

Consolidated Balance Sheet as of December 31, 1991

Liabilities

	in DM 1,000	in DM 1,000	in DM 1,000	31. 12. 1990 in DM 1,000
Liabilities to banks				
a) payable on demand		28,693,278		24,327,117
b) with original periods or periods of notice of				
ba) less than three months	27,788,481			
bb) at least three months, but less than four years	31,644,854			
bc) four years or more	14,441,901	73,875,236		58,611,233
including: due in less than four years ... DM thou. 9,548,206				
c) customers' drawings on other banks		39,000		47,047
			102,607,514	82,985,397
Liabilities to customers				
a) payable on demand		59,578,486		51,708,839
b) with original periods or periods of notice of				
ba) less than three months	60,547,015			
bb) at least three months, but less than four years	29,621,585			
bc) four years or more	11,808,705	101,977,305		91,435,054
including: due in less than four years ... DM thou. 9,305,202				
c) savings deposits				
ca) subject to legal period of notice	24,715,960			
cb) other	15,210,913	39,926,873		36,491,661
d) building savings deposits		1,719,884		1,123,789
			203,202,548	180,759,343
Bonds and notes with a life of				
a) up to four years		526,081		528,041
b) more than four years		31,606,485		30,751,619
including: maturing in less than four years ... DM thou. 21,632,987			32,132,566	31,279,660
Bonds issued by mortgage banks				
a) mortgage bonds		28,775,035		28,214,686
including: registered bonds ... DM thou. 12,746,521				
b) ship mortgage bonds		35,000		45,125
including: registered bonds ... DM thou. 35,000				
c) communal bonds		28,072,795		29,243,531
including: registered bonds ... DM thou. 11,400,830				
d) other bonds in accordance with § 5 (1) 4c Mortgage Bank Act		4,072,425		2,593,911
including: registered bonds ... DM thou. 10,000				
e) bonds drawn and called for redemption		259,962		215,241
including: maturing or to be taken back in less than four years ... DM thou. 33,139,260			61,215,217	60,312,494
further:				
registered mortgage bonds given to lender as security for loans taken up ... DM thou. 1,087,900				
registered ship mortgage bonds ... DM thou. 1,766				
and registered communal bonds ... DM thou. 855,625				
Bonds to be delivered			915,724	498,727
Carried forward			400,073,569	355,835,621

		in DM 1,000	in DM 1,000	31. 12. 1990 in DM 1,000
Brought forward			156,824,474	135,319,968
Claims on customers with original periods or periods of notice of				
a) less than four years		116,938,883		102,282,104
including: used as cover by mortgage banks	DM thou. 1,796,452			
on building savers relating to closing fees	DM thou. 2,881			
b) four years or more		89,614,741		79,391,393
including:			206,553,624	181,673,497
ba) secured by mortgages on real estate	DM thou. 13,967,736			
bb) communal loans	DM thou. 1,996,303			
bc) building loans of the building and loan association	DM thou. 52,246			
due in less than four years	DM thou. 41,540,839			
Mortgage bank lendings with original periods of four years or more				
a) mortgages		33,486,131		32,492,279
used as cover	DM thou. 29,141,885			
b) ship mortgages		1,057,145		739,074
used as cover	DM thou. 511,638			
c) communal loans		30,250,248		30,746,736
used as cover	DM thou. 29,662,307			
d) other		67,967		35,111
including: to banks	DM thou. 4,769,378		64,861,491	64,013,200
Accrued interest on long-term mortgage bank lendings				
a) pro rata interest		1,031,286		1,042,922
b) interest due after October 31, 1991 and on January 2, 1992		63,847		70,253
c) interest arrears		105		76
			1,095,238	1,113,251
Recovery claims on Federal and Länder authorities under Currency Reform Acts			105,010	133,373
including: used as cover by mortgage banks	DM thou. 8,180			
Loans on a trust basis at third party risk			1,164,392	2,123,794
Subsidiaries, associated companies and trade investments			4,415,402	3,624,982
including: investments in banks	DM thou. 249,186			
Land and buildings			2,051,580	1,708,549
including: taken over in mortgage bank business	DM thou. 4,621			
Office furniture and equipment			1,244,612	1,023,691
Leasing items				
a) land and buildings		344,797		295,826
b) movables		6,397,492		4,809,273
			6,742,289	5,105,099
Bonds and notes issued by consolidated companies			1,690,684	1,738,719
nominal amount	DM thou. 1,675,086			
Other assets			1,130,244	1,466,180
Assets of the life insurance companies			444,469	146,890
Deferred items				
a) difference in accordance with § 250 (3) Commercial Code		143,097		152,729
b) from the mortgage banks' issue and loan business		157,129		164,915
c) other		161,336		340,737
			461,562	658,381
Balance arising from capital consolidation			294,069	310,631
Total Assets			449,079,140	400,160,205

Total Assets and the recourse claims from the contingent liabilities shown below the line on the liabilities side include:		
a) claims on related companies	824,344	697,546
b) claims arising from loans falling under § 15 (1) 1-6 and (2) Banking Act, unless included under a)	1,081,901	953,095

as at December 31, 1991 — Liabilities

	in DM 1,000	in DM 1,000	in DM 1,000	31. 12. 1990 in DM 1,000
Brought forward			400,073,569	355,835,621
Loans taken up by mortgage banks, with original periods or periods of notice of four years or more				
a) from banks		627,469		539,748
b) other		2,597,563		2,531,441
including:			3,225,032	3,071,189
with partial liability ... DM thou. 18				
due in less than four years ... DM thou. 1,025,852				
Accrued interest on bonds issued and loans taken up by mortgage banks				
a) pro rata interest		2,234,674		2,044,303
b) interest due (including interest due on January 2, 1992)		203,975		199,538
			2,438,649	2,243,841
Own acceptances and promissory notes outstanding			8,139,724	8,116,797
Loans on a trust basis at third party risk			1,164,392	2,123,794
Provisions				
a) for pensions		3,257,691		2,832,397
b) other		6,499,125		5,956,782
			9,756,816	8,789,179
Provisions in insurance business			350,608	104,575
Other liabilities of the life insurance companies			31,877	15,886
Other liabilities			1,284,039	571,713
Franz Urbig- und Oscar Schlitter-Stiftung				
Endowment assets		7,186		7,073
less investments in securities		6,998		6,997
			188	76
Deferred items				
a) from the mortgage banks' issue and loan business		403,532		359,028
b) other		2,850,980		2,197,341
			3,254,512	2,556,369
Special items with partial reserve character				
a) in accordance with the Tax Act regarding Developing Countries		—		122
b) in accordance with § 52 (5) Income Tax Act		1,087		1,775
c) in accordance with § 31 (3) Berlin Promotion Act		18,805		12,864
d) in accordance with § 6 Regional Development Act		16,754		—
e) in accordance with § 3 Foreign Investment Act		—		1,340
f) in accordance with the administrative regulations on the cancellation of general provisions for possible loan losses and loan discountings		—		22,372
g) under foreign law		4,283		2,664
			40,929	41,137
Participatory capital			1,200,000	—
Subscribed capital (bearer shares)			2,294,227	2,206,674
Conditional capital DM thou. 534,184				
Capital reserve			10,066,997	9,350,445
Revenue reserves				
a) legal reserve		25,000		25,000
b) other revenue reserves		4,606,181		3,956,181
			4,631,181	3,981,181
Minority interests			393,440	365,403
including: from profit ... DM thou. 25,034				
Consolidated profit			732,960	786,325
Total Liabilities			449,079,140	400,160,205
Own drawings in circulation			110,825	97,237
including: those discounted for borrowers' account ... DM thou. 95,737				
Endorsement liabilities on rediscounted bills of exchange			4,620,289	4,437,594
Contingent liabilities from guarantees, including guarantees for bills and cheques, and from indemnity agreements			36,755,444	32,930,932
Total Liabilities, together with contingent liabilities and other commitments shown below the line, include liabilities to related companies of			367,343	382,507

Consolidated Profit and Loss Account

	in DM 1,000	in DM 1,000	1990 in DM 1,000
Interest and similar expenses		20,383,657	18,856,437
Mortgage banks' interest expenses from			
a) mortgage bonds	1,965,386		1,878,898
b) ship mortgage bonds	3,087		6,133
c) communal bonds	2,075,543		1,996,047
d) other bonds in accordance with § 5 (1) 4c Mortgage Bank Act	274,876		138,274
e) loans taken up	231,896		209,843
		4,550,788	4,229,195
Commissions and similar service charges paid		327,275	259,448
Non-recurrent expenses in the mortgage banks' issue and loan business		74,702	85,481
Expenses for life insurance business		261,687	108,526
Write-downs of and adjustments to claims and securities, transfers to provisions for possible loan losses		1,226,144	2,350,823
Salaries and wages		4,724,498	4,123,086
Compulsory social security contributions		692,337	611,140
Expenses for pensions and other employee benefits		874,129	698,598
General operating expenses		2,846,865	2,277,866
Depreciation of and adjustments to land and buildings and office furniture and equipment		757,580	628,645
Write-downs of and adjustments to subsidiaries, associated companies and trade investments		81,810	172,052
Depreciation of leasing equipment		1,897,609	1,543,514
Other expenses for leasing business		104,600	105,433
Taxes			
a) on income and assets	1,979,682		1,288,063
b) other	65,732		82,813
		2,045,414	1,370,876
Expenses from assumption of loss		887	2,327
Allocations to Special items with partial reserve character		48,562	43,018
Other expenses		590,403	587,117
Net income for the year		1,410,310	1,067,465
Total Expenses		42,899,257	39,121,047

Net income for the year

Profit brought forward from the previous year

Withdrawals from capital reserves

Organization funds of the life insurance companies

Withdrawals from other revenue reserves at consolidated companies

Allocation to capital reserve at a consolidated company

Allocations to revenue reserves

a) Deutsche Bank Aktiengesellschaft

b) consolidated companies

Profit attributable to minority interests

Consolidated profit

Frankfurt am Main, March 17, 1992

Deutsche Bank Aktiengesellschaft

The Board of Managing Directors

von Boehm-Bezing Breuer Burgard Cartellieri

Craven Endres Kopper Krumnow

Krupp Schmitz Schneider-Lenné Weiss Zapp

for the period from January 1 to December 31, 1991 — Income

	in DM 1,000	in DM 1,000	1990 in DM 1,000
Interest and similar income from lending and money market transactions		26,967,683	24,689,795
Current income from			
a) fixed-income securities and Government-inscribed debt	2,003,355		1,500,377
b) other securities	495,699		342,026
c) subsidiaries, associated companies and trade investments	434,810		428,100
		2,933,864	2,270,503
Mortgage banks' interest income from			
a) mortgages	2,508,741		2,355,977
b) ship mortgages	80,404		59,982
c) communal loans	2,444,583		2,308,759
		5,033,728	4,724,718
Commissions and other service charges received		4,099,410	3,838,235
Non-recurrent income from the mortgage banks' issue and loan business		108,554	108,257
Income from life insurance business		335,580	140,603
Other income, including income from the writing back of provisions for possible loan losses		867,706	978,384
Income from leasing business		2,318,686	1,997,268
Income from profit-pooling, profit-transfer and partial profit-transfer agreements		4,405	5,174
Income from the writing back of provisions, unless it has to be shown under "Other income"		180,877	113,790
Income from the writing back of special items with partial reserve character		48,764	254,320
Total Income		42,899,257	39,121,047

in DM 1,000	in DM 1,000	1990 in DM 1,000
	1,410,310	1,067,465
	57,073	88,680
	1,467,383	1,156,145
	18,872	41,695
	25,724	380,413
	—	981
650,000		617,800
101,960		130,470
	751,960	748,270
	760,019	829,002
	27,059	42,677
	732,960	786,325

The consolidated financial statements and the report of the Group,
which we have examined with due care, comply with law.

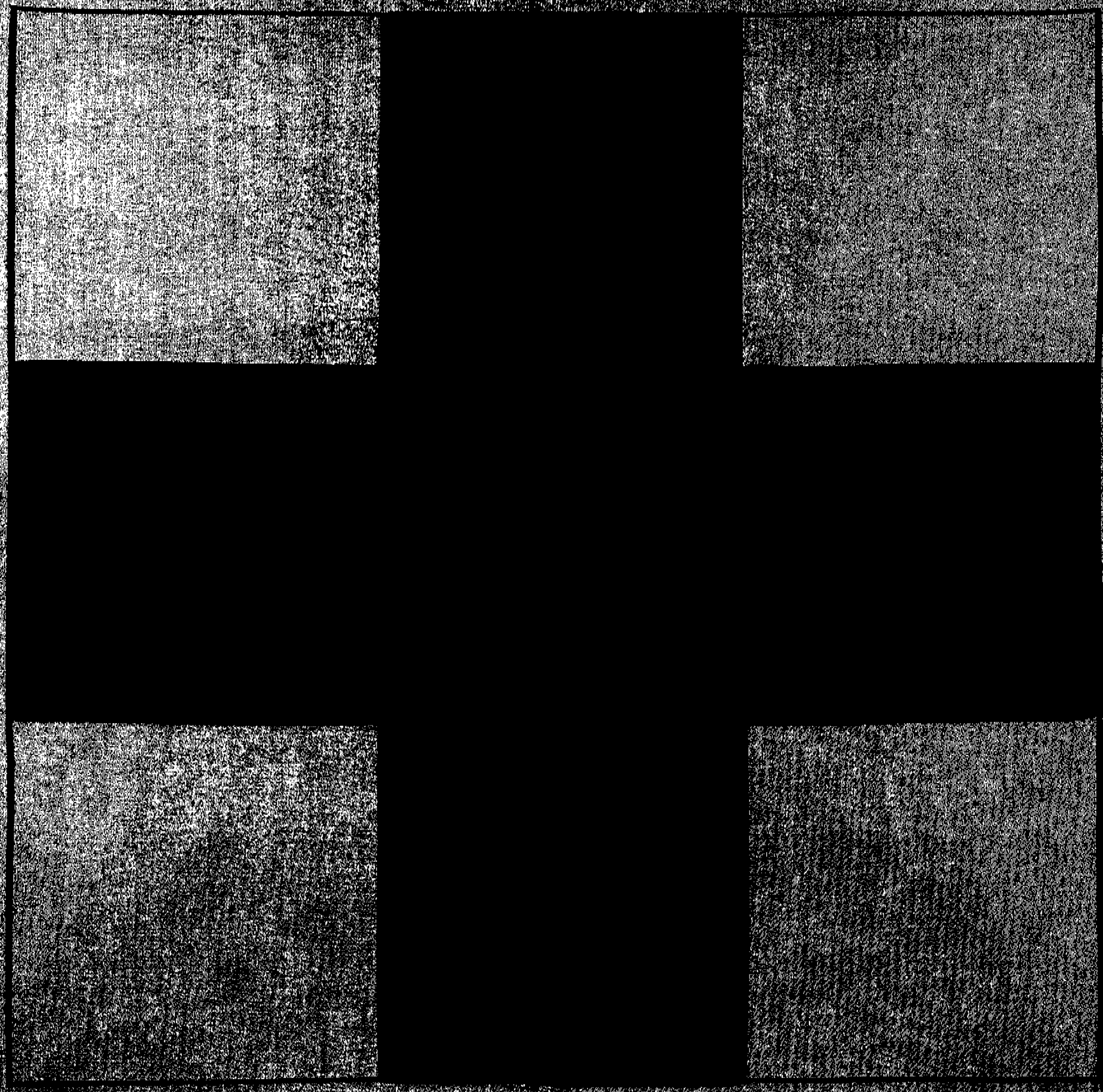
Frankfurt am Main, March 20, 1992

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Fandré — Wirtschaftsprüfer

Dr. Fliess — Wirtschaftsprüfer

WHO WILL BE IN IN '99?



Shareholdings of Deutsche Bank AG pursuant to § 285 No. 11 Commercial Code

	D: declaration of backing see p. 44	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands

A. Banks and financing companies

1. Consolidated

(* - for the first time)

ALD AutoLeasing D GmbH, Hamburg	D	51 %	51 %	DM	85.6	11,349
Bain & Company Ltd., Sydney*	D	51 %	51 %	A$	55.3	2,397
Banca d'America e d'Italia S.p.A., Milan	D	99.65 %		Lit	1,002,171.0	61,446,588
BAI Factoring S.p.A., Milan		100 %	100 %	Lit	7,689.3	1,599,958
BAI Leasing S.p.A., Milan		100 %	100 %	Lit	10,721.4	16,154
BAI Società di Intermediazione Mobiliare S.p.A., Milan[1]		97 %	97 %	Lit	8,002.8	461,886
Banco Comercial Transatlántico, S.A., Barcelona	D	97.73 %	—	Pta	34,517.9	1,625,279
Deutsche Bank Crédit, S.A., Madrid*		100 %	100 %	Pta	1,872.3	127,701
Deutsche Bank Vida, Compañía de Seguros y Reaseguros, S.A., Madrid[1]		100 %	100 %	Pta	750.7	721
D.B. Inmuebles y Patrimonio, S.A., Barcelona*		100 %	100 %	Pta	4,997.0	–146,263
D.B. Securities, Sociedad de Valores, S.A., Madrid[1]		100 %	100 %	Pta	977.7	–22,285
Leasing Bancotrans, S.A., Barcelona		100 %	100 %	Pta	1,037.9	262,419
Banco de Montevideo, Montevideo	D	99.40 %	—	U.N$	45,371.4	10,962,108
H. Albert de Bary & Co. N.V., Amsterdam	D	100 %		Guil	195.5	8,290
Deutsche Bank (Asia Pacific) Ltd., Singapore	D	100 %		S$	61.9	276
Deutsche Bank Australia Ltd., Melbourne	D	100 %	0.01 %	A$	134.6	762
Deutsche Bank (Austria) Aktiengesellschaft, Vienna	D	100 %		AS	355.8	38,084
Deutsche Bank Bauspar-Aktiengesellschaft, Frankfurt am Main	D	98 %	—	DM	32.3	2,903
Deutsche Bank (Canada), Toronto	D	100 %	—	Can.$	88.3	6,309
Deutsche Bank Capital Corporation, New York	D	100 %	—	U.S.$	103.6	623
Deutsche Bank Capital Markets Ltd., London	D	100 %	0.01 %	£	88.7	11,768

[1]) included as from 1992

	D: declaration of backing (see p. 44)	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands
Deutsche Bank Finance N.V., Curaçao/ Netherlands Antilles	D	100 %	—	U.S.$	5.7	673
Deutsche Bank Financial Inc., Dover/U.S.A.	D	100 %	—	U.S.$	1.2	712
Deutsche Bank de Investimento, S.A., Lisbon	D	100 %	—	Esc	4,991.7	742,495
DB Leasing – Sociedade de Locação Financeira Mobiliária, S.A., Lisbon[1]		100 %	100 %	Esc	752.3	2,315
Deutsche Bank Lübeck Aktiengesellschaft vormals Handelsbank, Lübeck	D	92.47 %	—	DM	136.9	13,900
Deutsche Bank Luxembourg S.A., Luxembourg	D	100 %	0.01 %	LF	16,712.8	1,979,354
Deutsche Bank Saar AG, Saarbrücken	D	69.24 %	—	DM	109.0	12,000
Deutsche Bank (Suisse) S.A., Geneva	D	100 %	0.01 %	SF	119.9	5,739
DB (Belgium) Finance S.A./N.V., Brussels	D	100 %	0.01 %	BF	2,589.1	143,819
DB Export-Leasing GmbH, Frankfurt am Main	[2]	100 %	—	DM	0.05	−266,853
DB Finanziaria S.p.A., Milan	D	100 %		Lit	16,852.0	1,775,823
DB Investment Management S.A., Luxembourg	D	100 %	100 %	DM	126.7	35,288
DB Investments (GB) Ltd., London	D	100 %	0.01 %	£	869.7	12,601
DB U.K. Finance p.l.c., London	D	100 %	0.01 %	£	27.0	2,865
Deutsche Capital Management Australia Ltd., Melbourne	D	100 %	100 %	A$	0.5	28
Deutsche Capital Markets Australia Ltd., Sydney	D	100 %	100 %	A$	12.0	58
Deutsche Centralbodenkredit-Aktiengesellschaft, Berlin-Cologne	D	93.28 %	—	DM	878.2	65,200
Deutsche Credit Corporation, Deerfield/U.S.A.	D	100 %	—	U.S.$	62.1	6,585
Deutsche Finance (Netherlands) B.V., Amsterdam	D	100 %		Guil	15.0	4,666
Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt am Main	D	100 %	100 %	DM	40.4	10,105
Deutsche Gesellschaft für Immobilien-Leasing mbH, Cologne	D	100 %	100 %	DM	10.2	2,089
DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main	D	93 %	0.50 %	DM	196.2	46,673
Deutsche Grundbesitz Investmentgesellschaft mbH, Frankfurt am Main	D	60 %		DM	25.7	2,654

[1]) included as from 1992; [2]) profit and loss transfer agreement

	D: declaration of backing see p. 44	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands
EFGEE Gesellschaft für Einkaufs-Finanzierung mbH, Düsseldorf	—1)	100 %	100 %	DM	18.0	1,822
Europäische Hypothekenbank S.A., Luxembourg	D	100 %	70 %	DM	40.2	402
Frankfurter Hypothekenbank Aktiengesellschaft, Frankfurt am Main	D	94.10 %	0.01 %	DM	913.6	76,880
GEFA Gesellschaft für Absatzfinanzierung mbH, Wuppertal	1)	100 %	—	DM	238.0	20,105
GEFA-Leasing GmbH, Wuppertal	—1)	100 %	100 %	DM	70.0	12,004
German American Capital Corporation, Baltimore/U.S.A.*	D	100 %	—	U.S.$	52.6	-3,882
Grunelius KG Privatbankiers, Frankfurt am Main	D	82.87 %	—	DM	31.7	-4,473
Lübecker Hypothekenbank Aktiengesellschaft, Lübeck	D	100 %	75 %	DM	294.7	27,703
McLean McCarthy Inc., Toronto	D	100 %	1.55 %	Can.$	17.4	-1,032
Morgan Grenfell Group plc, London – Group –				£		23,647
Morgan Grenfell Group plc, London	D	100 %	86.05 %	£	389.6	11,317 2)
C. J. Lawrence Inc., New York		100 %	100 %	U.S.$	34.5	
DB Morgan Grenfell GmbH, Frankfurt am Main		100 %	100 %	DM	0.6	—
Morgan Grenfell Asia Holdings Pte. Ltd., Singapore		100 %	100 %	S$	63.4	
Morgan Grenfell Asset Management Ltd., London		100 %	100 %	£	0.6	—
Morgan Grenfell (C.I.) Ltd., St. Helier/Jersey		100 %	100 %	£	79.9	—
Morgan Grenfell & Co. Ltd., London		100 %	100 %	£	295.2	—
Morgan Grenfell Development Capital Ltd., London		100 %	100 %	£	0.6	
Schiffshypothekenbank zu Lübeck Aktiengesellschaft, Lübeck/Hamburg	D	100 %	—	DM	114.5	19,080

2. Unconsolidated Group companies

ComCo Datenanlagen GmbH & Co. KG, Berlin	—	52 %	52 %	DM	9.6	3,353
Deutsche Bank (Austria) Kapitalanlagegesellschaft m.b.H., Vienna	D	100 %	100 %	AS	10.0	1
Deutsche Bank France S.N.C., Paris	D	100 %	0.01 %	FF	150.0	—

1) profit and loss transfer agreement; 2) figures for subordinated companies omitted pursuant to § 286 (3) Sent. 1 No. 2 Commercial Code

	D: declaration of backing see p. 44	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands
Deutsche Bank Gestion S.A., Paris	D	100 %	0.12 %	FF	0.5	4
DB Capital Markets (Deutschland) GmbH, Frankfurt am Main	D	100 %		DM	0.4	382
Deutsche Vermögensbildungsgesellschaft mbH, Bad Homburg v.d.H.	D	100 %	100 %	DM	5.9	483
N.V. Finandus, Amsterdam	D	100 %	100 %	Guil	46.6	2,625
P.T. DB Leasing Indonesia, Jakarta	D	75 %	—	Rp	11,889.7	1,485,081
Süddeutsche Bank GmbH, Frankfurt am Main	D	100 %		DM	4.2	10
3. Majority-owned, not under uniform direction						
Deutsche Bank Capital Markets (Asia) Ltd., Hong Kong	D	54.54 %[1]	—	Yen	8,709.7	581,085
4. Holding between 20% and 50%						
AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main	—	26.90 %	0.21 %	DM	229.0	21,000
Banque de Luxembourg S.A., Luxembourg	—	28.95 %	28.95 %	LF	3,788.6	715,459
Deutsche Immobilien Leasing GmbH, Düsseldorf	[2]	50 %	—	DM	36.3	10,009
Gesellschaft zur Finanzierung von Industrieanlagen mbH, Frankfurt am Main	—	27.10 %	0.21 %	DM	4.9	600
SKV Kredit-Bank GmbH, Kiel	—	33.33 %	33.33 %	DM	14.4	814
Vermietungsgesellschaft MITTE für SEL-Kommunikationsanlagen mbH, Stuttgart	—	50 %	—	DM	2.6	310
Zürich Investmentgesellschaft mbH, Frankfurt am Main		20 %		DM	8.6	-464

B. Other enterprises

1. Consolidated

(* = for the first time)

Alma Beteiligungsgesellschaft mbH, Düsseldorf	—	100 %	—	DM	-49.0	-37,355
Deutsche Asset Management GmbH, Frankfurt am Main	D	100 %	—	DM	26.6	10,719
Deutsche Bank Government Securities, Inc., New York	D	100 %	100 %	U.S.$	82.8	5,918

[1]) our share of the voting capital 50%; [2]) profit and loss transfer agreement

	D: declaration of backing see p. 44	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands
DB Holdings Canada Inc., Toronto	D	100 %	100 %	Can.$	7.7	26
DEBEKO Immobilien GmbH, Eschborn	D	100 %	-	DM	5.4	4,031
DEBEKO Immobilien GmbH & Co Grundbesitz Berlin OHG, Berlin*	D	100 %	76.78 %	DM	60.0	411
DEBEKO Immobilien GmbH & Co Grundbesitz OHG, Eschborn	D	100 %	0.10 %	DM	829.4	-83,080
DEUBA Verwaltungsgesellschaft mbH, Frankfurt am Main	—	100 %	—	DM	38.1	1,995
Deutsche Gesellschaft für Mittelstandsberatung mbH, Munich	-	100 %		DM	3.9	1,036
Deutsche Grundbesitz-Anlagegesellschaft mbH, Frankfurt am Main	—	60 %	—	DM	3.5	96
Deutsche Portfolio Corporation, New York	—	100 %	100 %	U.S.$	59.6	3,559
Elektro-Export-Gesellschaft mbH, Nürnberg		100 %	100 %	DM	1.3	63
Firmen-Lebensversicherungs-Aktiengesellschaft der Deutschen Bank, Frankfurt am Main/Wiesbaden*	D	70 %	70 %	DM	21.6	-9,559
Hessische Immobilien-Verwaltungs-Gesellschaft mbH, Eschborn	—[1]	100 %	5 %	DM	3.5	-493
KCB-Beteiligungs-Aktiengesellschaft, Duisburg	—	100 %	100 %	DM	711.1	28,908
Klöckner Industriebeteiligungsgesellschaft mbH, Duisburg	—	58.28 %	58.28 %	DM	174.0	-12
Lebensversicherungs-Aktiengesellschaft der Deutschen Bank, Frankfurt am Main/Wiesbaden	D	100 %	100 %	DM	69.4	-8,965
Matura Vermögensverwaltung mbH, Düsseldorf	—	100 %	—	DM	1.4	885
McLeanco Holdings Ltd., Toronto	—	100 %	100 %	Can.$	0.5	-17
Mebrö Beteiligungs AG, Frankfurt am Main	—	100 %	100 %	DM	0.02	1
Karl-Johann, P. von Quistorp Bürohaus KG, Eschborn*	—	100 %	0.10 %	DM	98.0	-21,971
Süddeutsche Vermögensverwaltung GmbH, Frankfurt am Main	—	100 %	—	DM	6.0	231
Trinitas Vermögensverwaltung GmbH, Frankfurt am Main	[1]	100 %	—	DM	1.0	2,925

[1] profit and loss transfer agreement

	D: declaration of backing see p. 44	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands
2. Unconsolidated Group companies						
Bürohaus Mainzer Landstrasse 16–28 GbR, Eschborn	—	99 %	99 %	DM	151.7	-7,581
CGT Canada Grundbesitz Treuhand GmbH, Frankfurt am Main	—	55 %	—	DM	0.1	—
Deutsche Bank Gilts Ltd., London	D	100 %	100 %		£2.	—
DBCC Asset Management Ltd., Dublin	D	100 %	100 %	Ir£	1.5	824
DB Research GmbH Gesellschaft für Wirtschafts- und Finanzanalyse, Frankfurt am Main	D	100 %		DM	0.8	74
Deutsche Beteiligungs AG Unternehmensbeteiligungsgesellschaft, Königstein/Taunus	—	46.25 %[1]	—	DM	114.8	7,332
Deutsche Beteiligungsgesellschaft mbH, Frankfurt am Main		92.50 %	—	DM	2.7	847
Deutsche Canada-Grundbesitzverwaltungsgesellschaft mbH, Frankfurt am Main	—	55 %	-	DM	0.1	8
Deutsche Grundbesitz-Anlagegesellschaft mbH & Co Löwenstein Palais, Eschborn	—	100 %	0.33 %	DM	30.0	—
DIA Deutsche Immobilien Anlagegesellschaft mbH, Frankfurt am Main	D	100 %	—	DM	2.7	155
Deutsche Bank Realty Advisors, Inc., New York		100 %	100 %	U.S.$	1.5	-36
Deutsche Real Estate Consulting Ltd., Tokyo		100 %	100 %	Yen	34.3	8,190
Deutsche Wirtschaftsdatenbank GmbH, Frankfurt am Main	—	100 %		DM	1.0	33
Deutscher Beteiligungsfonds I GbR, Frankfurt am Main		92.50 %	—	DM	260.0	2,264
Essener Grundstücksverwertung Dr. Ballhausen, Dr. Bruens, Dr. Möller KG, Essen	—	99 %	-	DM	1.5	467
Gesellschaft für Finanzmarketing mbH (GFM), Stuttgart	—	100 %	—	DM	0.1	-273

[1]) our share of the voting capital 77.08 %

	D: declaration of backing see p. 44	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands
Immobiliengesellschaft der Deutschen Bank mbH, Frankfurt am Main	D	100 %	—	DM	6.6	575
Immobilien-Holding Martin Zimmer GmbH, Cologne	—	75 %	75 %	DM	2.6	1,512
Immobilien Winter GmbH & Co. KG, Heidelberg	—	100 %	100 %	DM	5.3	2,131
JG Japan Grundbesitzverwaltungsgesellschaft mbH, Frankfurt am Main	—	100 %		DM	0.1	—
Nordwestdeutscher Wohnungsbauträger GmbH, Braunschweig	—[1]	100 %	—	DM	0.2	31
Promotora de Edificios para Oficinas, S.A., Barcelona	—	100 %	100 %	Pta	1,192.9	29,515
Vertriebsgesellschaft mbH der Deutschen Bank für Privatkunden, Frankfurt am Main	D	100 %	63 %	DM	0.5	—
WINWE Beteiligungsgesellschaft mbH, Frankfurt am Main	—	100 %	—	DM	8.4	-183

3. Majority-owned, not under uniform direction

Allgemeine Verwaltungsgesellschaft für Industriebeteiligungen mbH, Munich	—	55.35 %	—	DM	364.1	12,847
"Alwa" Gesellschaft für Vermögensverwaltung mbH & Co. Grundstücksvermietung KG, Düsseldorf	—	96.99 %	1.25 %	DM	-58.6	-36,629
AV America Grundbesitzverwaltungsgesellschaft mbH, Frankfurt am Main	—	55 %	—	DM	0.1	20
Bavaria Filmkunst GmbH, Munich	—	54.24 %	—	DM	7.0	35
Roland Berger & Partner Holding GmbH, Munich	—	75.07 %		DM	34.4	16,225
Deutsche Eisenbahn-Consulting GmbH, Frankfurt am Main	—	51 %	51 %	DM	18.5	5,652
Deutsche Gesellschaft für Anlageverwaltung mbH, Frankfurt am Main	—	75 %	—	DM	195.8	3,817

[1] profit and loss transfer agreement

	D: declaration of backing (see p. 44)	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves (millions)	Result (thousands)
Deutsche Gesellschaft für Immobilienanlagen "America" mbH, Bad Homburg v.d.H.	—	55 %	—	DM	0.5	20
GFI Industriemontagen GmbH & Co. Leasing und Service OHG, Düsseldorf	—	75 %	75 %	DM	18.8	1,957
Intertractor Aktiengesellschaft, Gevelsberg	—	99 %	99 %	DM	34.0	-15,447

4. Holding between 20% and 50%

	D: declaration of backing (see p. 44)	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves (millions)	Result (thousands)
ALSTER Beteiligungsgesellschaft mbH & Co KG, Frankfurt am Main	—	45 %	—	DM	54.2	4,219
Bavaria Film GmbH, Geiselgasteig	—	20 %	20 %	DM	38.5	1,373
Consortia Versicherungs-Beteiligungsgesellschaft mbH, Frankfurt am Main	—	30 %	—	DM	29.5	974
Daimler-Benz AG, Stuttgart	—	28.19 %	—	DM	13,074.0	1,120,000
DPF Deutsche Projektentwicklungs-Gesellschaft für Grundvermögen mbH, Frankfurt am Main	—	50 %	—	DM	1.2	134
Energie-Verwaltungs-Gesellschaft mbH, Düsseldorf	—	25 %[1]	—	DM	530.6	32,197
Groga Beteiligungsgesellschaft mbH, Frankfurt am Main	—	50 %	—	DM	17.6	1,281
Philipp Holzmann AG, Frankfurt am Main	—	30 %	—	DM	958.5	34,938
Horten AG, Düsseldorf	—	25 %	25 %	DM	453.5	20,000
HOSTRA Beteiligungsgesellschaft mbH, Düsseldorf		33.33 %	—	DM	259.2	13,823
Hutschenreuther AG, Selb	—	25.09 %	25.09 %	DM	66.5	4,747
Karstadt AG, Essen	—	25.01 %	—	DM	1,648.0	173,000
Klöckner Haus- und Verwaltungs-AG & Co, Duisburg		37.21 %		DM	112.4	5,166
Klöckner-Humboldt-Deutz AG, Cologne	—	41.45 %	41.13 %	DM	378.8	20,000
Limerick Institutional Investments Ltd., Dublin	—	46.67 %	0.13 %	U.S.$	40.0	341

[1]) our share of the voting capital 35.71%

	D: declaration of backing see p. 44	Share of capital total	of which indirect (§ 16 (4) JSCA)		Capital and reserves millions	Result thousands
MFG Flughafen-Grundstücks-verwaltungsgesellschaft mbH & Co. BETA KG, Grünwald	—	25.03 %		DM	2.1	15,676
"moderne Stadt" Gesellschaft zur Förderung des Städtebaues und der Gemeindeentwicklung mbH, Cologne	—	50 %		DM	9.0	6,715
NINO AG, Nordhorn	—	23.98 %	—	DM	42.0	2,958
Rhein-Neckar Bankbeteiligung GmbH, Stuttgart	—	49.07 %[1]	—	DM	178.0	8,024
Société Luxembourgeoise de Centrales Nucléaires S.A. (SCN), Luxembourg		25 %	—	DM	328.4	13,422
Tipperary Institutional Investments Ltd., Dublin	—	44.26 %	0.22 %	U.S.$	92.0	8,145

Note: A$1 = DM 1.152; AS 100 = DM 14.205; BF 100 = DM 4.855; Can.$ 1 = DM 1.31; Esc 100 = DM 1.132; FF 100 = DM 29.27; Guil 100 = DM 88.75; Ir£1 = DM 2.656; Rp 1,000 = DM -.761; Lit 1,000 = DM 1.3195; LF 100 = DM 4.855; Pta 100 = DM 1.569; £ 1 = DM 2.843; SF 100 = DM 111.94; S$ 100 = DM 93.675; U.N$ 100 = DM -.061; U.S.$ 1 = DM 1.516; Yen 100 = DM 1.2165

[1]) our share of the voting capital 50%

Contemporary Art at Deutsche Bank

The concept

Contemporary art at the bank gives staff, customers and visitors an opportunity to experience art in a business environment and invites them to think about content and form. That is Deutsche Bank's motivation for buying and displaying modern art on its premises. Most of the works selected are by artists and sculptors from German-speaking countries, especially young artists born in the 1950s and '60s.

In the towers of Deutsche Bank's head office in Frankfurt, about 1,900 works on paper by 125 artists are exhibited in the corridors and conference rooms. Further works of contemporary art are on display at many domestic and foreign branches and subsidiaries.

The bank's art concept also extends to the design of its annual reports, each featuring the work of one particular artist. This year, the report contains art works by Rosemarie Trockel taken mainly from the bank's collection. Starting at the General Meeting, her drawings, multiples and printed graphics will be on exhibit at 30 branches.

Rosemarie Trockel

Rosemarie Trockel, born in Schwerte (Westphalia) in 1952, today lives in Cologne; her original areas of study, from 1970, were anthropology, sociology, theology and mathematics. In 1974 she went into art at the Kölner Werkkunstschule, where she worked until 1978 under Werner Schriefers.

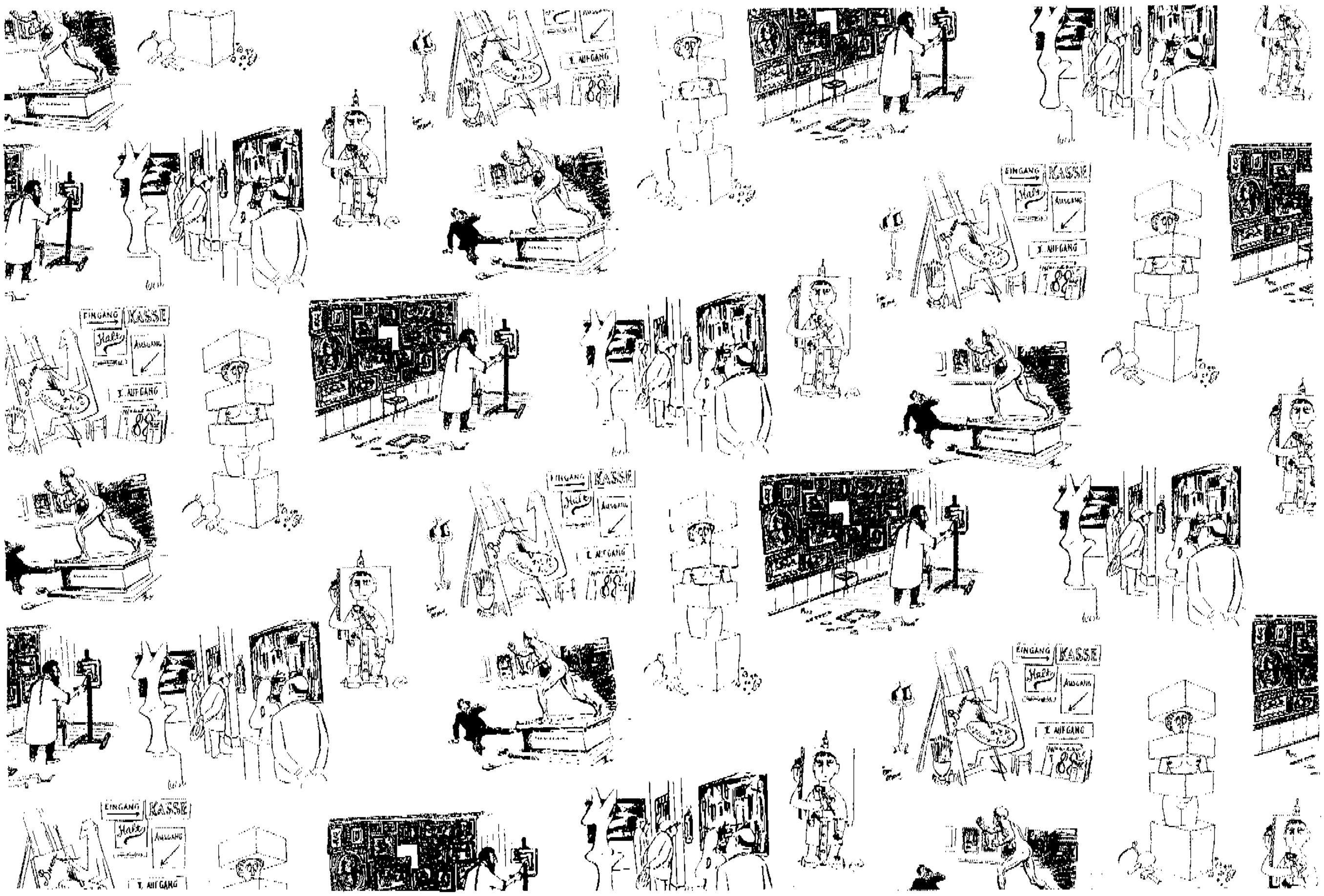
Last year Ms. Trockel was awarded the "Karl-Ströher-Preis 1989" in Frankfurt am Main. She had her first individual exhibition in 1983 in the galleries of Philomene Magers, Bonn, and Monika Sprüth, Cologne. Two years later her work was shown in Rheinisches Landesmuseum Bonn, and in 1988 at the Museum of Modern Art, New York, as well as in the Kunsthalle Basel. In 1991/92 her sculptures toured the U.S.A., Canada and Spain, and her drawings were on exhibit, inter alia, in the Museum für Gegenwartskunst in Basle and Museum Ludwig in Cologne (up to June 21, 1992).

Drawings have always been a central theme in Rosemarie Trockel's work right from the beginning. It was not until 1981/82 that she turned to three-dimensional art, the most popular of which are her "vase" sculptures. As a third medium she also does oil painting and designs knitted pictures produced by knitting machines.

Her "stove pictures", begun in 1990, combine aspects of painting and sculpting and are a further example of Rosemarie Trockel's pictorial analysis of female activities and materials.

For the artist, the vase represents "the simplest form of inside and out", and when asked why apes frequently recur in her work, Ms. Trockel said: "It is always the human being I am interested in, where he comes from, his evolution. Many of my sculptures date back to the time when I studied anthropology, that explains the recurring theme of bones and skulls. I find apes fascinating as impersonators, as imitators of everything they see."

Her sculptures have few formal similarities. In Rosemarie Trockel's own words they "are the product of time and coincidence; they don't have any special markers but they are all somehow related to each other, sharing a certain aura. I think they are shaped by the time it takes to make them, the slow creation process. Perhaps I can put it this way: they have an aura of timelessness."



List of works depicted:

Cover	Object made of biscuit porcelain, 1991, from the "White Carrot" portfolio, length 52.5 cm
Page 4	Untitled, 1981, watercolour and shellac, 20.5 × 14.4 cm
Page 11	Untitled, 1985, watercolour, ink and oil, 23.8 × 18.6 cm
Page 14	Untitled, 1985, dispersion paint on paper, 52 × 42 cm
Page 18	Untitled, 1982, watercolour, shellac and ink, 14.7 × 16.2 cm
Page 32	Untitled, 1987, watercolour and oil, 55 × 45 cm
Page 37	Untitled, (spotted picture), 1988, wool, 160 × 360 cm (section)
Page 47	Untitled, 1983, watercolour and ink, 24.5 × 19 cm
Page 49	Untitled, 1987, ink on cardboard, 25.5 × 21 cm (private collection of Ascan Crone)
Page 80	Who will be in in '99?, 1988, wool, 210 × 160 cm
Page 90	Untitled, 1991, sheet steel, stoving enamel finish and hotplate, 200 × 100 × 12 cm
Page 92	Cashier, 1987, screen print, 60 × 90 cm

Further Information

In addition to this Annual Report we shall be pleased to send you any of the following Deutsche Bank publications free of charge.

Please send me the following publications:

☐ German Annual Report for 1991

☐ French Annual Report for 1991

☐ Spanish Annual Report for 1991

☐ Japanese Annual Report for 1991
(distribution scheduled for 2nd half)

☐ Directory of Deutsche Bank Offices

Name

Street

Postal code Town/Country

Please
affix
stamp

Reply card

Deutsche Bank
Zentrale Werbe-Abteilung
Postfach 10 06 01

D-6000 Frankfurt am Main 1

GERMANY

Dear Shareholders,

Several shareholders have announced that they will be putting counter-proposals at our General Meeting in Munich on May 21, 1992.

Mr. Ludwig Ketteler and Mr. Joachim Müllensiefen, both from Ibbenbüren, intend to put the proposal

- to vote separately on the ratification of the acts of management of each individual member of the Board of Managing Directors (agenda item 3) and
- not to ratify the acts of management in the case of Mr. Kopper.

Mr. Ketteler's reasons for his proposals are as follows:

"Excessive wage agreements brought about by Daimler-Benz Supervisory Board member Franz Steinkühler reduced Daimler-Benz' profit for the year - Deutsche Bank has a 28% share - to 1.5% return on sales (Toyota, the most serious competitor on the world market, has return on sales of 5% and cash on hand in the equivalent of DM 37.5 bn.). The ratification of the acts of management in the case of Daimler-Benz Supervisory Board member Steinkühler at the last Daimler-Benz General Meeting on the recommendation of Daimler-Benz Supervisory Board Chairman Kopper damaged the interests of Deutsche Bank shareholders and the economy as a whole."

Mr. Müllensiefen's reasons for his proposals are as follows:

"Responsibility of every individual. Despite "irresponsible wage increases" (quote from Kopper) Kopper used Deutsche Bank's Daimler-Benz shareholding (Daimler General Meeting) to ratify the acts of management in the case of Supervisory Board member Steinkühler despite a proposal not to ratify them owing to subsequent strike tactics which harmed the economy as a whole during wage negotiations: strike threat aimed at financially powerful large enterprises, who are in a better position than small and medium-sized companies to survive strike-induced production stoppages or offset increases in working costs by moving production (abroad) or raising imports (accessories)! Since stoppages at large companies automatically jeopardize hundreds of thousands of jobs at subcontractors, management is blackmailed into averting a strike and granting excessive pay increases (hostage ransom!). The damage is therefore shifted onto small and medium-sized businesses, which with $^2/_3$ of all employees are the most important source of manpower! The price of the private battle for prestige between Steinkühler and Wulf-Mathies: 280,000 company closures (1990!), still 1.8 million unemployed, rise in imports, increasing currency devaluation and hindrance of urgently needed business activity! Does Kopper lack credibility, or is he powerless?"

Mr. Christoph Beck, Berlin, Ms. Lore Bernecker-Boley, Bietigheim-Metterzimmern, GfW Gesellschaft für Wertpapierinteressen e.V., Langenfeld, and Mr. Thorsten Pelka, Hamburg, intend to put the proposal not to ratify the acts of management of the Board of Managing Directors and Supervisory Board (agenda items 3 and 4).

Mr. Beck's reasons are as follows:

"Deutsche Bank has a holding in or cooperates with companies and industrial groups (Daimler-Benz, MBB, AEG, Preussag, Siemens, Klöckner, Mannesmann Demag) which by providing Iraq with arms allowed the conduct of war on a scale we are only too aware of. Their exporting of weapons to other poor countries has merely further increased these countries' indebtedness. It should also be briefly mentioned in this connection that the possibilities offered by arms conversion have never been utilized. Owing to its holdings and involvement in the above companies, Deutsche Bank must bear some of the responsibility for the above situation."

Ms. Bernecker-Boley's reasons:

"Through their provisions for loan losses with the so-called Third World, all German banks together are to date estimated to have had tax savings of at least DM 14 bn. It is a scandal that Deutsche Bank, the leading institution in this business, does not at last pass on the considerable tax advantages it enjoys as a result of its substantial provisions for the bad debts of Third-World countries. In 1991, large amounts of interest were once again earned from people's suffering. The Board of Managing Directors and Supervisory Board have therefore failed to fulfil a major aspect of their social and entrepreneurial responsibility."

The reasons given by GfW Gesellschaft für Wertpapierinteressen e.V. are as follows:

"Deutsche Bank AG securities advisers recommend the purchase of Commerzbank shares. This is, however, inexpedient. Altbanken maintain cartel-like connections and have the same attorney. Consequently all members of boards of directors are familiar with the legal situation of Commerzaltbank. Altbank is obliged to convene a general meeting. Court drew attention primarily to need for information on part of holders of residual quotas, elections to supervisory board, etc. Commerzbank dispatched shareholders' letters. In this respect, Commerzaltbank failed to report comprehensively, and thus a court decision to convene a general meeting is impending. In this situation it is advisable to recommend residual quotas, and not Commerzbank shares. It is to be feared that big investors/funds are selling Commerzbank shares and, in their place, buying residual quotas because expectations for the real-asset value of the latter are better. They include a great deal of highly shareholder-friendly resolution proposals.

Supervisory Board let inappropriate declaration of Board of Managing Directors on prospects for asset return pass unchallenged. After these remarks, it was apparent that various shares were tending lower. Panic selling allowed Commerzbank residual quotas, IG-Liquis and WCM-Beteiligungsgesellschaft shares to slip markedly, although company figures were highly positive. WCM recorded 9-figure growth in earnings with only 2.5 m. equity, precisely 100-fold increase in earnings. Should therefore have had a favourable effect on IG-Liquis share, as should general meeting expectations for Commerzbank residual quotas.

Bank supervisory boards, in particular chairmen of supervisory boards, engender assumptions, expectations at all general meetings that they know something about banking business/shares. Thus their silence about board of managing directors' speeches which are inappropriate or unwarranted cannot be rewarded with ratification of acts of management. Liability for damages is to be feared. Arises above all with respect to Commerzbank residual quotas, WCM, IG-Liquis."

Mr. Pelka's reasons are as follows:

"Poverty and human misery are a major threat to the environment. There is increasing awareness of this - especially now, ahead of the big UN conference in Rio on the environment and development. Poverty and human misery are being dramatically exacerbated, in particular by the large debt burden of the countries of the southern hemisphere. Extensive debt relief - especially by the banks - is imperative. Deutsche Bank developed no new initiatives in 1991 and is therefore responsible in part for the global threat to our planet. The Board of Managing Directors and the Supervisory Board have thereby harmed the reputation of the Federal Republic of Germany and the company."

Reply:

The criticism expressed in the counter-proposals is unjustified.

Ratification of the acts of management of the Board of Managing Directors applies to their activity for Deutsche Bank and not to their actions on other bodies. Exercise of our voting rights in associated companies implies no judgement of the collective bargaining agreements in the sector concerned. Deutsche Bank exercises no influence on the business policy of the companies named by Mr. Beck.

It is not correct that we earn high interest on our loans to problem countries. In some cases, we have received no interest payments for years. Consequently the necessary adjustments/write-downs, even from the tax perspective, by no means lead to increased earnings. Deutsche Bank continues to play a constructive part in work on a solution to the debt crisis of the Third World. Here, elements of debt forgiveness are still under discussion.

A recommendation by securities advisers of the bank to buy Commerzbank shares cannot be faulted. Moreover, the evaluation of shares of Commerzbank/Altbank and the shares of the other companies named by GfW is not the object of the general meeting of Deutsche Bank.

With kind regards,

Deutsche Bank
Aktiengesellschaft

The Board of Managing Directors

Frankfurt am Main, April 1992

Dear Shareholders,

With the notice published in the Bundesanzeiger No. 66 of April 3, 1992, the

Ordinary General Meeting

of Deutsche Bank AG

has been convened for Thursday, May 21, 1992, 10 a.m.,

at the Gasteig, Rosenheimer Strasse 5,

8000 Munich 80.

The points to be discussed at the meeting are detailed below. We would be pleased to see you in Munich.

Agenda

1. Presentation of the established Annual Statement of Accounts and the Management Report for the 1991 financial year with the Report of the Supervisory Board

   Presentation of the Consolidated Statement of Accounts and the Report of the Group for the1991 financial year.

2. Resolution on the appropriation of profits

   The Board of Managing Directors and the Supervisory Board propose that the distributable profit of DM 688,268,130 be used to pay a dividend of DM 15 per share in the nominal amount of DM 50.

3. Ratification of the acts of management of the Board of Managing Directors for the 1991 financial year

   The Board of Managing Directors and the Supervisory Board propose that the acts of management be ratified.

4. Ratification of the acts of management of the Supervisory Board for the 1991 financial year

   The Board of Managing Directors and the Supervisory Board propose that the acts of management be ratified.

5. Election of the auditor for the 1992 financial year

   The Supervisory Board proposes that KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed auditor for the 1992 financial year.

6. Consent to inter-company agreements with subsidiaries

   The Board of Managing Directors and the Supervisory Board propose that the profit and loss transfer agreements concluded with the following wholly-owned subsidiaries be consented to with appropriate application of § 293 (2) Joint Stock Corporation Act:

   a) DB Capital Markets (Deutschland) GmbH, Frankfurt am Main, agreement of 27. 3. 1992,

   b) Pafa Beteiligungsgesellschaft mbH, Frankfurt am Main, agreement of 27. 3. 1992.

   The above agreements are available for inspection at the offices of Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 6000 Frankfurt am Main. The contents of these agreements are essentially as follows:

   The subsidiaries undertake to transfer their trading profits to Deutsche Bank Aktiengesellschaft, which for its part undertakes to compensate any annual losses at these subsidiaries pursuant to the provisions of § 302 Joint Stock Corporation Act. The transfer of income from the writing back of voluntary reserves created at the subsidiaries prior to the agreements is ruled out. It is permissible to form new reserves in line with the Articles of Association as well as other revenue reserves insofar as this is economic in accordance with sound commercial judgement. All agreements are valid from 1.1.1992; they may be terminated as at the end of a calendar year with one year's notice, but no earlier than as at 31.12.1996.

Shareholders who deposit their shares with one of the depositaries listed below from no later than Thursday, May 14, 1992 until conclusion of the General Meeting shall be entitled to participate in the General Meeting and to exercise their voting rights. The deposit shall also be deemed to have been properly effected if shares, with the approval of a depositary, are held blocked for such depositary with other banks until conclusion of the General Meeting.

Depositaries

in the Federal Republic of Germany:

all offices of
Deutsche Bank AG, Frankfurt am Main,
Deutsche Bank Lübeck AG vormals Handelsbank, Lübeck,
Deutsche Bank Saar AG, Saarbrücken,

in Austria:

Creditanstalt-Bankverein, Vienna,
Deutsche Bank (Austria) AG, Vienna,

in Belgium:

Generale Bank N.V., Brussels and Antwerp,
Deutsche Bank AG, Succursale de Bruxelles
and Filiaal Antwerpen,

in France:

Société Générale, Paris
Deutsche Bank AG, Succursale de Paris,

in Luxembourg:

Banque de Luxembourg S.A., Luxembourg,
Deutsche Bank Luxembourg S.A., Luxembourg,

in the Netherlands:

ABN Amro Bank N.V., Amsterdam,
H. Albert de Bary & Co. N.V., Amsterdam,

in Switzerland:

all offices of
Crédit Suisse, Zürich,
Union Bank of Switzerland, Zürich,
Swiss Bank Corporation, Basle, and
Deutsche Bank (Suisse) S.A., Geneva,

in the United Kingdom:

Midland Bank plc, London,
Deutsche Bank AG, London Branch.

The shares may also be deposited with a German notary or with a collective security deposit bank. In this case, please present the statement of confirmation, to be issued by the notary or the collective security deposit bank, to a depositary no later than one day after the last date for deposit.

With regard to the exercise of voting rights, we wish to draw your attention to § 18 (1) of our Articles of Association:

> "The voting right of each share corresponds to its nominal amount. If a shareholder owns shares in a total nominal amount exceeding 5% of the share capital, his voting rights are restricted to the number of votes carried by shares with a total nominal amount of 5% of the share capital. Shares held for account of a shareholder by a third person shall be added to the shares owned by such shareholder. If an enterprise is a shareholder, the shares owned by it shall include any shares which are held by another enterprise controlling, controlled by or affiliated within a group with such enterprise, or which are held by a third person for account of such enterprises."

The 5% of share capital mentioned in § 18 (1) currently corresponds to a nominal amount of DM 114,908,062 = 2,298,161 shares of DM 50 par value.

Yours sincerely,

Deutsche Bank
Aktiengesellschaft

The Board of Managing Directors

Frankfurt am Main, March 1992