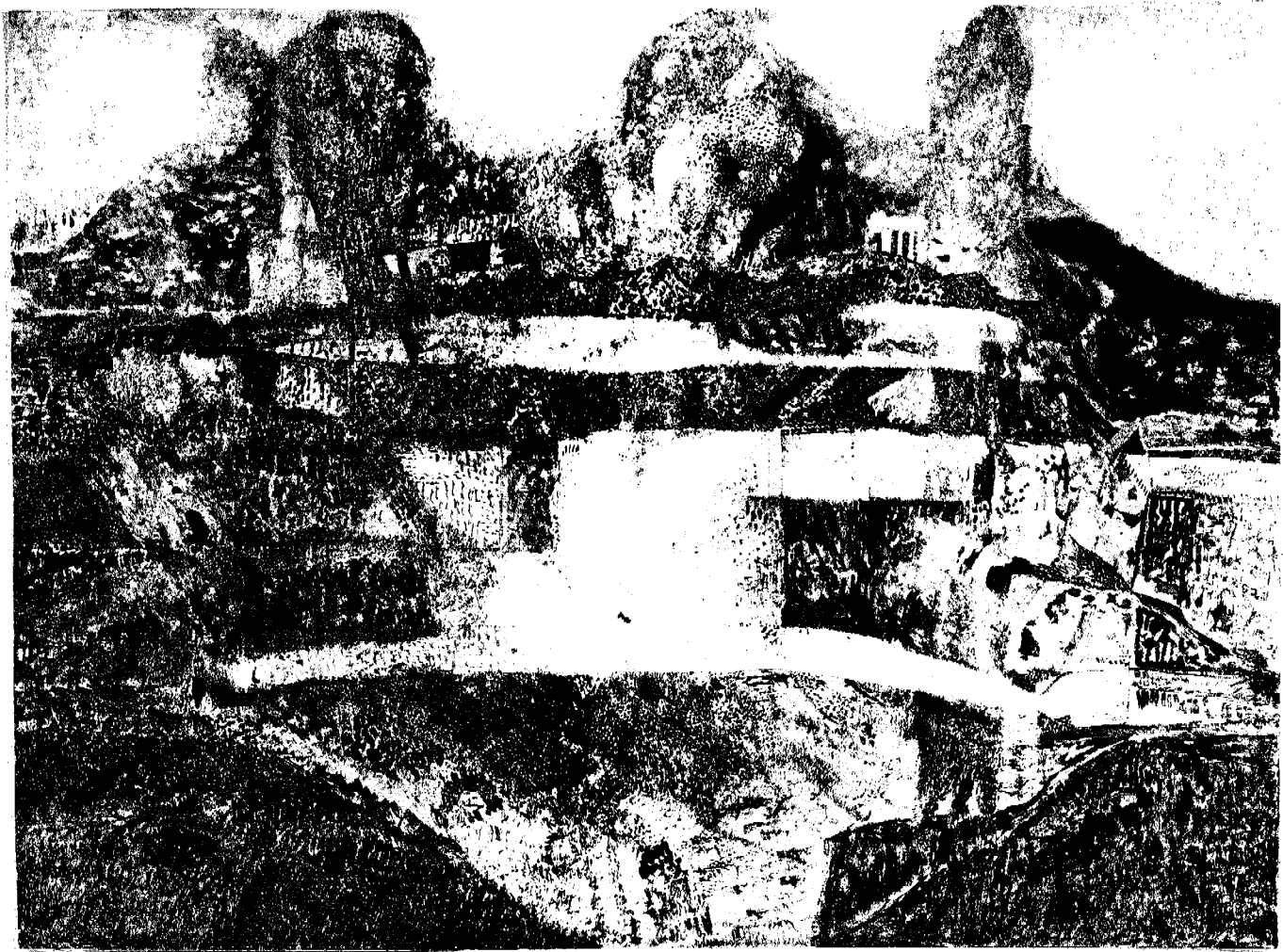


**Annual Report for 1992**

**Deutsche Bank AG**





## Contents

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

Deutsche Bank at a glance .....	4
Letter to Shareholders .....	5
Supervisory Board .....	8
Advisory Board .....	9
Board of Managing Directors .....	11

### **Report of the Board of Managing Directors**

General Economic Situation .....	12
Management Report of Deutsche Bank AG ....	15

<b>Our Staff</b> .....	28
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### **Annual Statement of Accounts for 1992 of Deutsche Bank AG**

Annual Balance Sheet .....	32
Profit and Loss Account .....	34
Figures from the Balance Sheet and Profit and Loss Account of Deutsche Bank AG .....	36
Notes to the Annual Statement of Accounts ...	38

<b>Report of the Supervisory Board</b> .....	44
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### **Table:**

Deutsche Bank – Your Partner Worldwide – Group Companies and Affiliates .....	46
--	----

### **Consolidated Statement of Accounts for 1992**

Report of the Group .....	48
Consolidated Balance Sheet .....	72
Consolidated Profit and Loss Account .....	76
Figures from the Consolidated Balance Sheet and Profit and Loss Account ....	78

<b>Shareholdings of Deutsche Bank AG</b> .....	81
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Contemporary Art at Deutsche Bank .....	91
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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 branch, subsidiary or affiliate. 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 at the end  
 of the Annual Report.

This paper is *environment-friendly*.

Cover:  
 Gerhard Altenbourg,  
 Hill in the Making, 1979,  
 mixed media, 27.5 × 48.5 cm

## Deutsche Bank at a glance

	Deutsche Bank Group		Deutsche Bank AG	
	1992	1991	1992	1991
	DM m.	DM m.	DM m.	DM m.
Balance sheet total . . . . .	496,600	449,100	334,000	306,000
Funds from outside sources . . . . .	439,500	405,700	298,000	270,900
Total credit extended . . . . .	320,500	299,700	200,600	187,100
Capital and reserves . . . . . (incl. participatory capital)	20,943	18,267	20,858	18,192
Equity ratio . . . . .	4.2%	4.1%	6.2%	5.9%
Net interest income . . . . .	11,156	10,617	8,638	7,836
Net commission income . . . . .	4,196	3,772	2,793	2,539
Staff and other operating expenses . . . . .	10,411	9,670	7,511	6,790
Partial operating profit . . . . .	5,033	4,793	3,920	3,585
Operating profit . . . . .	6,388	5,972	4,610	4,270
Taxes . . . . .	1,906	2,045	1,114	1,416
Net income for the year . . . . .	1,830	1,410	1,389	1,338
Net income per DM 50 share . . . . .	DM 38.70 <sup>1)</sup>	DM 30.10 <sup>1)</sup>	DM 30.00	DM 29.20
Additions to revenue reserves . . . . .	809	752	694	650
Withdrawals from reserves . . . . .	43	45	–	–
Total dividend payment . . . . .	*	*	695	688
Dividend per DM 50 share . . . . .	*	*	DM 15.00	DM 15.00
Tax credit per DM 50 share . . . . . (for shareholders with full German tax liability)	*	*	DM 8.44	DM 8.44
<sup>1)</sup> excluding minority interests in profit				
Shareholders . . . . .	*	*	285,000	306,000
Staff . . . . .	74,256	71,400	56,702	56,482
Customers (excl. banks) . . . . .	8.45 m.	8.07 m.	6.84 m.	6.66 m.
Offices . . . . .	2,146	1,944	1,518	1,449
domestic . . . . .	1,713	1,539	1,440	1,374
foreign . . . . .	433	405	78	75
* not applicable				

## Dear Shareholders,

We closed the 1992 financial year with Group net income for the year of DM 1,830 m. This is an advance of 30% on the previous year's figure. We propose a distribution of DM 695 m. to the shareholders of Deutsche Bank AG; this again corresponds to a dividend of DM 15 per DM 50 share.

We allocated DM 809 m. of the profits earned in the Group to revenue reserves; a further DM 342 m. will be added following approval by the respective General Meeting.

In 1992, operating profit in the Group rose by 7% to DM 6,388 m. and at Deutsche Bank AG by 8% to DM 4,610 m. The growth in earnings in the Group and at the parent company stems from a strong rise in net interest and commission income. The higher income in interest business is due to growth in average business volume, while the overall interest margin

narrowed slightly. In trading for own account, the previous year's level was well maintained. At 7.7%, the rise in staff and other operating expenses in the Group sank by more than half compared with the previous year.

### Balance sheet total close to DM 500 bn.

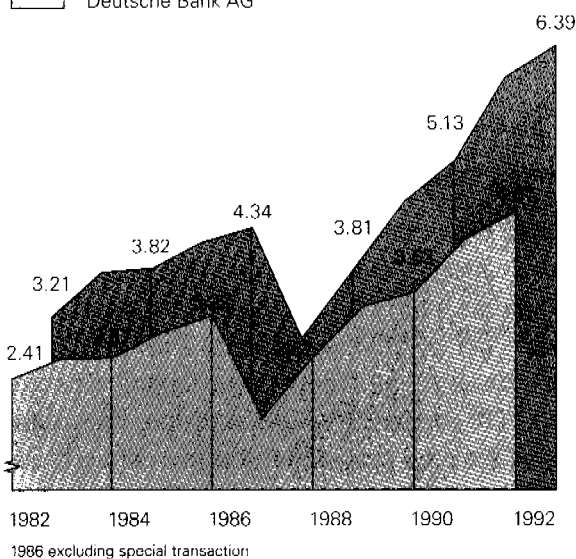
The Group's consolidated balance sheet total rose again in 1992 by about DM 50 bn. to reach almost DM 500 bn. on the balance sheet date. Besides the first-time consolidation of the Deutscher Herold Group, this growth resulted mainly from lending business.

Deutsche Bank AG's balance sheet total rose by 9% to DM 334 bn.; total credit extended crossed the DM 200 bn. threshold for the first time.

#### Development of operating profit 1982-1992

(in DM bn.)

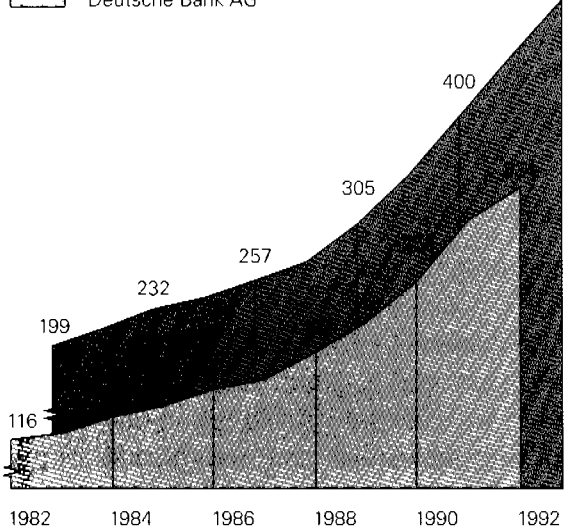
■ Deutsche Bank Group  
□ Deutsche Bank AG



#### Development of balance sheet total 1982-1992

(in DM bn.)

■ Deutsche Bank Group  
□ Deutsche Bank AG



## Capital and reserves strengthened further

Group capital and reserves, including participatory capital, totalled DM 20,943 m. as at the end of the year. This is an increase of more than DM 2.7 bn. compared with the previous year.

We achieved ratios of 5.4% for core capital and 10.5% for total capital, thus exceeding the minimum capital ratios of 4% and 8% respectively as required internationally under the Basle capital adequacy regulation. We will clearly meet the EC capital adequacy requirements as well.

## Provisioning measures in lending business

The risks in national and international lending business were again carefully assessed and valued in accordance with uniform criteria throughout the Group.

In particular, we have

- made adequate provision for all creditworthiness risks
- formed appropriate collective adjustments for latent risks
- allowed for country risks for a total of 58 sovereign states
- valued securities holdings according to the strict "lower of cost and market" principle.

## Expansion of the Group

In the second half of the year under review, we acquired a majority interest in Deutscher Herold AG, Bonn. Deutscher Herold is an insurance group with a long tradition and a good market positioning. Its activities are centred on life insurance business with private individuals and commercial clients. It also offers a wide range of composite insurance products. In addition, we took a 30% stake in Gerling-Konzern Versicherungs-Beteiligungs-AG, Cologne.

This participation is intended to preserve the character of the Gerling Group as the only major, international German insurance company that is still family-owned and to strengthen its role as a partner for German industry.

In the area of equity finance, our activities in the old and new federal states were reorganized and incorporated under DBG Vermögensverwaltungsgesellschaft mbH, Frankfurt am Main. To underpin this business, partners from the insurance industry have been included in the circle of shareholders. In property leasing, we have been operating independently through our now wholly-owned subsidiary Deutsche Immobilien Leasing GmbH, Düsseldorf, since October 1992 and, with 8 branches, have a nationwide presence.

In London, the futures and options businesses were merged into the new Group subsidiary DBMG Futures & Options Ltd.

The concentration of our activities in North America under the roof of Deutsche Bank North America Holding Corp., New York, progressed as planned and included the takeover of the brokers C.J. Lawrence Inc., New York.

We now hold all the voting shares in the Australian investment firm Bain & Company Ltd., Sydney.

## Streamlining our organization

In 1992 we continued to build up and expand our technical infrastructure as planned. At home, we have concentrated our computer centres at a small number of locations. Capital investment of DM 160 m. is planned for the new technical centre in Leipzig. EDP services for European countries outside Germany are now provided through a centre in Great Britain.

Our network services were transferred to Deutsche Gesellschaft für Netzwerkdienste mbH,

Eschborn. This independent subsidiary not only supports all Group operations but also offers the bank's value-added services, such as Electronic Banking, to external clients.

In view of new, complex forms of financing on the international markets the systems for processing, authorizing and monitoring credit exposures are being steadily extended.

Outlook

We are aware that, owing to the general economic situation, 1993 will be a difficult year. Nonetheless, we aim to enhance our earning power further by seeking margin-oriented growth and, at the same time, by limiting risks and reducing administrative costs.

Frankfurt am Main, March 1993

Deutsche Bank  
Aktiengesellschaft

The Board of Managing Directors



Carl L. von Boehm-Bezing



Rolf-E. Breuer



Horst Burgard



Ulrich Cartellieri



John A. Craven



Michael Endres



Hilmar Kopper




Jürgen Krumnow



Georg Krupp



Ronaldo H. Schmitz



Ellen R. Schneider-Lenné



Ulrich Weiss



Herbert Zapp

## 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

Dr. 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. Eckart van Hooven

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

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

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

Chairman of the Supervisory Board  
of Nestlé Deutschland AG, Frankfurt am Main

David A. G. Simon CBE

Chief Executive Officer  
The British Petroleum Company p.l.c., London

Dipl.-Ing. Hans Peter Stihl

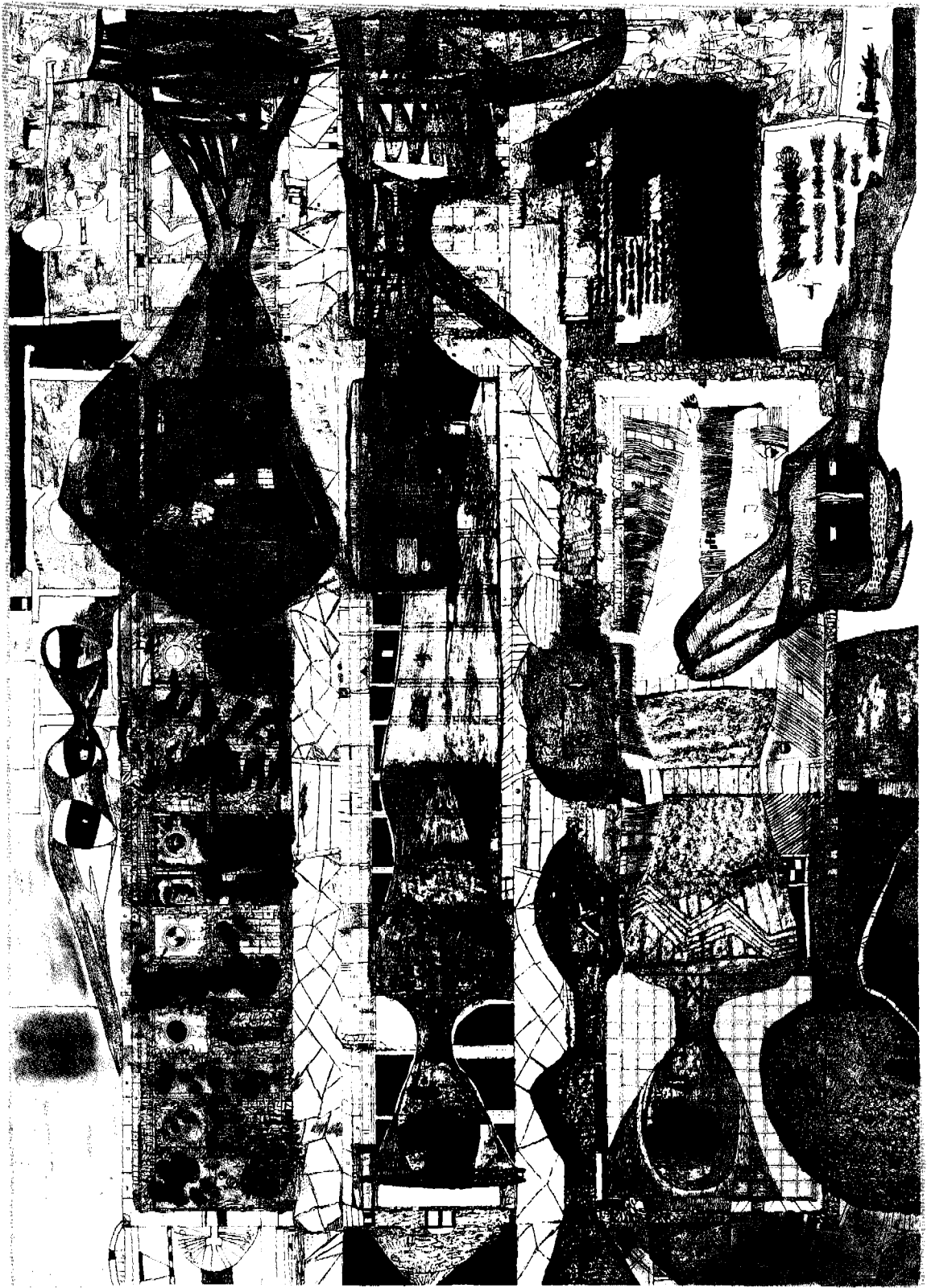
Chairman and Chief Executive Officer of Andreas Stihl,  
Waiblingen

Dr. Frank Trömel

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

# **Report of the Board of Managing Directors**

## **General Economic Situation**

### **Sluggish world economy**

Economic performance was disappointing in most of the industrial countries in 1992. However, in the U.S.A., the recovery gained breadth and momentum in the second half of 1992. Moreover, the redirection of U.S. economic policy after the change of administration in Washington holds out promise that the upturn will continue. In Japan, on the other hand, sharp price corrections on the property and equity markets had a crippling effect on domestic demand and business sentiment. Although interest rates have partly fallen to all-time lows, there are still no signs of recovery in Japan. In western Europe, hopes of economic improvement were thwarted by rising interest rates in Germany through to the summer, disruptions in the process of European integration and little stimulus from the world economy. Major countries in western Europe were in recession at the end of 1992, and this situation is likely to persist for the time being.

In contrast, economic growth in South-East Asia remained dynamic in spite of the weak world economy. In Latin America, market-driven reforms are increasingly bearing fruit. Some smaller states in eastern Europe achieved further successes in restructuring their economies in 1992; this was reflected by sharply increased exports to western markets. On the other hand, the economic situation in the states of the former Soviet Union has continued to deteriorate up to the present.

### **Slackening economic momentum in Germany**

With the demand pull from the new federal states subsiding, the west German economy was no longer able to escape from the general weakness of the world economy. Output in western Germany has been declining since spring 1992. Currency turmoil in the European Monetary System and strong devaluations of major partner currencies led to a further deterioration in business sentiment and

considerable cuts in investment and production plans in the autumn. Owing to the combination of continued economic weakness and emerging structural problems, there are fears that the economy could be heading for a recession in 1993.

The collapse of trade with the former Soviet Union and further strong increases in labour costs slowed the process of economic recovery in the new federal states. The industrial sector there is still in a deep crisis, but there was marked growth in the construction and services sectors. Unsettled questions of property ownership and administrative bottlenecks continued to delay many investment projects. Weak sales and earnings in the old federal states led to cuts in investments planned for 1993 in eastern Germany, too.

The difficult economic situation in the new federal states made public transfer payments in an amount equivalent to almost 5% of west German national product necessary in 1992. Thanks to higher tax revenues, Germany's overall budget deficit of DM 110 bn. (3.7% of GNP) was slightly lower than in 1991; however, with borrowing by the public sector, including non-governmental public entities and social insurance funds, running to DM 170 bn., stronger recourse was made to the capital market than in 1991 (DM 130 bn.). Public deficits will rise significantly in 1993 as a result of lower tax revenues and increased expenditures owing to the general economic situation.

### **Falling interest rates**

In spite of rising inflation (4% versus 3.5% in 1991), capital market yields fell by almost one percentage point in the course of the year. The downward trend continued at the beginning of this year. A key factor was the strength of the D-Mark – initially against the dollar but later in relation to European currencies as well – which made investments in D-Mark attractive

**Development of interest rates**



governments in industrial countries, inter alia to replenish foreign exchange reserves. The growth was borne by dollar and DM issues. The D-Mark moved up into second place after the U.S. dollar in the league of international issuing currencies. Banks continued to be reserved in their lending owing to the more stringent capital adequacy requirements. The maturities of international loans have shortened and margins have improved.

### Germany's position as a financial centre strengthened

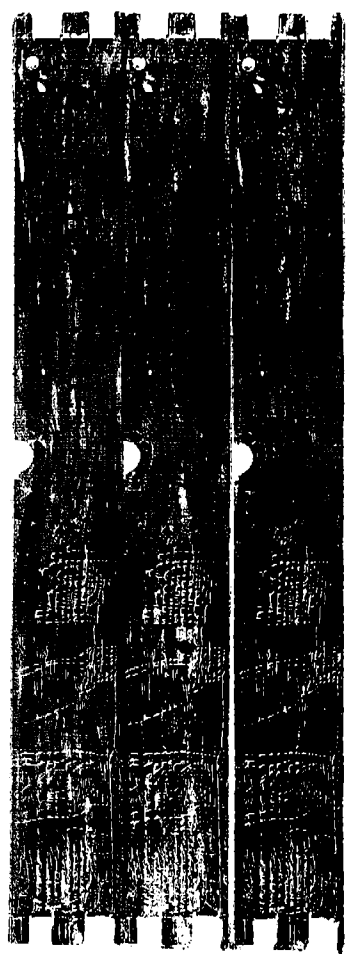
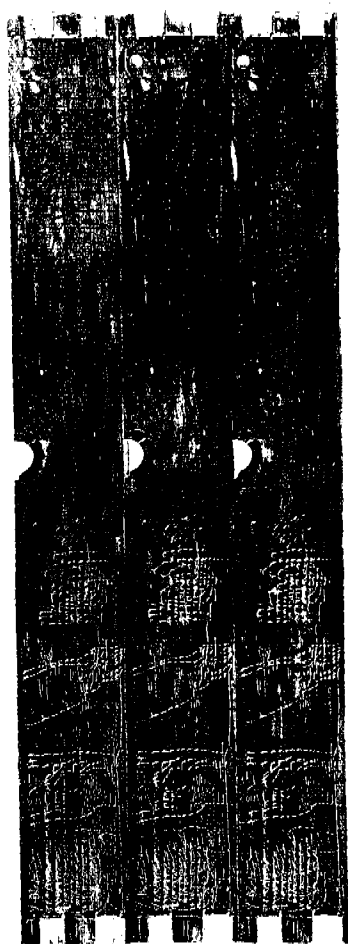
The year under review saw further improvements to key factors behind Germany's role as a financial centre. In August, in response to requirements of the single European market, the Bundesbank introduced a number of simplifications for foreign D-Mark issues which have contributed to this market's dynamic development. Among other things, it became possible to make public offerings of D-Mark bonds without listing them on a German stock exchange. Since then, foreign non-banks can issue D-Mark paper with maturities of less than two years, including commercial paper, without involving German credit institutions.

The creation of Deutsche Börse AG in December, with the participation of the regional stock exchanges, has established the corporate structures for an efficient organization of securities and stock exchange services that are necessary to compete internationally. The setting up of a central securities and stock exchange supervisory body close to the market and in line with international standards is one important task that still needs to be performed to safeguard Germany's competitiveness as a financial centre.

to foreign investors. The Bundesbank, which had raised its key interest rates again in July 1992, decided in September to relax monetary policy for the first time in response to the turmoil on the foreign exchange markets and the worsening economic outlook. Further cautious moves in this direction followed. Money market rates sank from just under 10% at the beginning of September to 8 $\frac{3}{4}$ % by the end of the year. Moderate pay settlements, the Federal Government's concern with a medium-term programme of budgetary consolidation and the weakness of the economy make a marked relaxation of monetary policy in Germany appear likely in 1993.

### International financial markets expanded

New business on the international financial markets reached a new record in 1992. This was due chiefly to the higher borrowing requirements of



## I. Our business divisions

### Retail Banking

#### Mixed demand for loans

The strongest rise in lending volume in retail banking was in loans to the self-employed and small enterprises. The increases achieved in building financing were in line with the growth rates of previous years. Particularly in the new federal states we provided a large number of people establishing new businesses with various types of loan. Consumer loans, on the other hand, were less in demand.

#### Strong growth in savings and time deposits

Favoured by high interest rates, particularly for the short and medium term, substantial volume growth was registered in savings and time deposits. By offering attractive forms of deposits and investment we achieved double-digit growth rates in terms of both the number of customers and business volume in the new federal states.

#### Branch network expanded

Our branch network in the new federal states including Berlin was expanded to 349 offices. We are now very close to reaching the service density we had aimed at in the new federal states. The intensive training of our staff has played a substantial part in the success achieved there.

#### Customer-friendly service and self-service

Customer-friendly service, combined with the best-possible use of human and material resources, have strengthened our competitive position. The qualitative and quantitative further development of self-service facilities is one of the most important factors in a cost-efficient retail banking strategy.

The frequent use made of our self-service machines is a clear sign that they have met with the interest and acceptance of our customers. During the reporting year, withdrawals from our extensive network of 1,400 cash dispensers exceeded DM 15 bn. More and more machines equipped to accept deposits and issue foreign currency are being installed at suitable locations. There are also approximately 2,000 account statement printers and roughly 100 customer terminals offering account information, transfers and certain product simulations.

By issuing the "Deutsche Bank EUROCARD" and "Deutsche Bank EUROCARD GOLD" credit cards we have won additional customers. Including our eurocheque and customer cards we now have a total of 3.7 million cards in circulation.

#### Range of insurance products diversified

Insurance contracts totalling a further approximate DM 7.3 bn. were referred to Lebensversicherungs-AG der Deutschen Bank, Wiesbaden. Into only its third full financial year, the company managed to virtually break even, with policy-holders enjoying a high level of profit-sharing. Deutsche Bank's business offices have now achieved commissions, including claims for subsequent commissions, totalling over DM 400 m.

The acquisition of a majority holding in Deutscher Herold represents another important addition to our products and distribution channels in retail banking. Since the beginning of the current year we have been providing our customers with the entire range of ser-



vices offered by this insurance group. In addition to mortgage insurance, private pension insurance and fund-linked life insurance, a full spectrum of personal and non-life insurance is also offered. Deutscher Herold Group also includes Bonnfinanz Aktiengesellschaft für Vermögensberatung und Vermittlung, Bonn, a well-established distribution company.

### **Further growth in building savings business**

The referral of building savings contracts to Deutsche Bank Bauspar-AG, Frankfurt am Main, was again successful. Savings contracts totalling approximately DM 3.3 bn. were concluded in the reporting year.

## **Private Banking**

### **Individual counselling at advisory centres**

This business division is responsible both for providing our high-net-worth customers with comprehensive advisory services and for product development in portfolio management. Our comprehensive, qualified advisory services are provided throughout Germany at special advisory centres with a total of 2,000 experienced staff. A new branch layout and EDP-aided portfolio management create the optimum environment for clients to obtain confidential and competent advice.

We intend to further expand our business with high-net-worth clients via our bank's subsidiaries in Italy and Spain as well as in Asia and North America. During the reporting year, the number of private portfolios managed within the Group rose by 20% in Europe alone.

### **Mixed development of turnover**

A stock market characterized by stagnating share prices caused many customers to be reserved about

investing in the equity markets during the reporting year. Turnover in German shares was again lower than in the previous year.

There was, however, a further increase in the sale of investment fund certificates. Apart from international bond funds there was particularly strong demand for the fixed-term and money-market-related funds divided by our subsidiaries DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main, and DB Investment Management S.A., Luxembourg.

Owing to the prospect of a worldwide cut in interest rates, sales of fixed-income securities remained buoyant.

Aggregate turnover with our customers in the domestic group increased by approximately 46%. Within the Group we now manage well over 2 million safe-custody accounts with a market value of roughly DM 300 bn.

Derivative instruments for risk-oriented portfolio management were also increasingly in demand.

Our range of life insurance products was expanded. Our "Rendite-Plus-Paket" - a combination of securities investment and endowment life insurance which was newly launched in the previous year - was particularly successful. This form of investment combines a high yield with opportunities for tax optimization and insurance cover.

## **Corporate Banking**

### **Special services for corporate customers**

The No. 1 activity of this business division continues to be the providing of special assistance for the restructuring process in the new federal states.

At our larger branches we have set up forex and money market trading groups to cover our corporate customers' special requirements in these products and derivatives.



In foreign commercial business we are expanding our international EDP network in order to find new solutions in payment business, especially with a view to the single European market.

Our electronic banking products db-dialog and db-direct are now used by 4,000 customers.

For the cashless settlement of payments in shops we now offer retailers our online debit transfer system and our product electronic cash.

**Expansion in lending business**

Demand for loans centred on the short and medium-term sectors. As far as long-term financings are concerned, the strongest demand was for db investment loans and tied funds from public-sector support programmes.

The increase in deposits was attributable to both demand and time deposits. There was also brisk demand for euromarket investments (including referred business).

Our mortgage bank subsidiaries achieved high growth rates, particularly in commercial financings and loans to public-sector entities (communal loans). A substantial proportion of new business was accounted for by the new federal states.

**Servicing of small and medium-sized enterprises**

There is greater awareness of environmental protection among small and medium-sized enterprises. At the environmental trade fairs Terratec in Leipzig and ENVITEC in Düsseldorf we presented our range of environmental information and financing services to a broader public.

As a result of the change in the economic environment, Deutsche Gesellschaft für Mittelstandsberatung mbH, Munich, now offers more products to safeguard the competitiveness of small and medium-sized enterprises. More projects were also carried out in eastern and western Europe with the

aim of utilizing cost advantages and adapting to the market situation in a united Europe.

**Partner for local authorities**

Special financing models, offered as an alternative to classical types of loan, met with a good response from public utilities and waste disposal enterprises. Infrastructure projects in the new federal states are particularly important here.

**Equity finance business increased**

On the rapidly growing market for venture and development capital, Deutsche Beteiligungsgesellschaft mbH, Frankfurt am Main, further expanded its market position. Its portfolio now covers 136 affiliates.

DIH Deutsche Industrie-Holding GmbH & Co. KG, Frankfurt am Main, which we co-founded at the end of 1991, acquired a majority stake and thereby took over the management of seven companies with 2,000 jobs in the new federal states.

**Gratifying development in sales financing and leasing**

GEFA Gesellschaft für Absatzfinanzierung mbH, Wuppertal, and GEFA-Leasing GmbH, Wuppertal, both achieved a substantial increase in new business. In the main areas of vehicles, machinery and information technology, demand remained high despite noticeable cyclical influences.

ALD AutoLeasing D GmbH, Hamburg, further increased its commercial business and achieved gratifying growth in services.

**Roland Berger & Partner**

Roland Berger & Partner GmbH International Management Consultants, Munich, which is managed

independently, considerably expanded its activities in western and eastern Europe as well as in America and Japan and continued the positive development of previous years. Its aggregate fee volume grew by more than 20%.

## **Financial Institutions**

Deutsche Bank Group maintains worldwide business relations with over 6,000 financial institutions, such as banks, insurance companies, securities houses and capital investment companies, and offers a comprehensive range of services. Our business activities with financial institutions in North America have focussed increasingly on insurance companies and institutional customers.

Representative offices were opened in Hanoi and Ho Chi Minh City (Saigon) as well as Kiev and St. Petersburg. Representative offices in Alma-Ata and Tbilisi are in the pipeline.

The basic structure of a rescheduling strategy for Bulgaria was agreed in the banking advisory groups led by us; the basic outline of a long-term rescheduling arrangement was proposed to the Bank for Foreign Economic Affairs of the former Soviet Union.

## **Mergers & Acquisitions**

Morgan Grenfell Group plays a key part in Deutsche Bank Group's global mergers and acquisitions activities, i.e. advisory services on the purchase, sale or restructuring of enterprises and on related financial matters.

During the reporting year we continued to occupy a leading position in the U.K., Morgan Grenfell's traditional home market. In addition, Morgan Grenfell operates successfully on the major European markets, in the U.S.A. through the relationship with Gleacher & Co. Inc., New York, and in Asia.

DB Morgan Grenfell GmbH, Frankfurt am Main, provides our clientele in Germany with advice on the preparation and implementation of mergers and acquisitions. As market leader, our subsidiary has assisted in numerous domestic and international transactions.

## **Corporate Finance**

### **Capital increases, share placements**

In 1992, a total of 28 domestic capital increases for cash, with an aggregate volume of approximately DM 3.6 bn., were carried out under our lead management. We assisted four companies, including Buderus AG, with new listings.

The share issuing volume on the euromarket rose by about 45%. We were involved in 67 new placements.

### **International bonds and note programmes**

The issuing volume of international bonds reached the record level of just under U.S.\$ 350 bn. The 48 currency bonds under our lead management included a U.S.\$ 1 bn. bond with warrants for Siemens Capital Corporation.

Interest in DM investments rose markedly following the turmoil in the EMS and the more important role of the D-Mark as a reserve currency. The strong demand was primarily utilized by government entities for large-volume issues known as jumbo bonds. Among the 34 D-Mark issues lead-managed by Deutsche Bank was a DM 5.5 bn. bond for the U.K.

On the DM commercial paper market, which was largely established by Deutsche Bank, we maintained our leading position and launched nine programmes with an aggregate volume of DM 5.3 bn. One of these was the DM 2 bn. commercial paper programme for the German Post Office.

## **Structured financings**

Export leasing financings for European state railway systems were further increased. Aircraft financing was concentrated on European airlines.

The project financings we handled were chiefly in the raw materials, energy and infrastructure sectors, including the first privately owned telecommunications network in Germany.

## **Syndicated loans**

Especially in Europe we have established ourselves as one of the leading banks on the syndicated loans market. Among other things, we arranged facilities for FIAT S.p.A. and Neste Oy.

## **Securities Trading and Sales/ Asset Management**

### **Shares sluggish, bonds buoyant**

Private and institutional customers' interest was clearly concentrated on the bond market. Against the background of expected cuts in interest rates, reshuffled portfolios owing to the introduction of interest income tax as well as considerable capital inflows due to revaluation in the second half, we achieved a rise in turnover of almost 50%. In shares, however, the low pre-year result was only slightly improved.

### **Derivative products**

There was a surge in demand for risk-hedging instruments, primarily as a result of the volatile economic situation. Our business with marketable contracts and OTC products benefitted particularly from this. On Deutsche Terminbörse (DTB), the German Futures and Options Exchange, contract turnover more than doubled again last year. Demand for DTB

products grew further, particularly with institutional investors and in fund management.

## **Fund and asset management**

In this sector, the volume of assets entrusted for management to Deutsche Bank Group including Morgan Grenfell rose by 12% to DM 170 bn.

Funds totalling DM 8.3 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. At the end of the reporting year, the aggregate assets of all 70 retail securities funds managed in the "DWS Group" amounted to DM 56.2 bn. The open-ended real estate investment fund "grundbesitz-invest" achieved fund assets of DM 4.5 bn. Investments in closed-end real estate and real estate leasing funds are offered by our subsidiaries Deutsche Immobilien Anlagegesellschaft mbH, Frankfurt am Main, and Deutsche Immobilien Leasing GmbH, Düsseldorf.

Specialized funds for domestic and foreign institutional investors and employee funds are managed by Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt am Main. The assets it manages rose by 11% to DM 25.4 bn. In the wake of inner-German developments, we have now launched further specialized funds for customers in the new federal states.

Deutsche Asset Management GmbH, Frankfurt am Main, specializes in the management of international institutional assets. It handles a portfolio volume of an aggregate DM 8.5 bn. and rounds off the offering of Morgan Grenfell Asset Management Ltd., London, and its subsidiaries, who manage assets totalling DM 50.1 bn. for customers in the U.K.,

North and South America and Asia. The Group is one of the world's leading asset managers.

### **Foreign Exchange, Money and Precious Metal Trading**

We again achieved a marked improvement on the very good pre-year results in forex and money market trading.

In order to optimize our customers' financial management we offer interest and currency derivatives

as important components to hedge interest risks. To ensure efficient settlement of such transactions, Deutsche Bank maintains a network of swap groups which spans the globe. As a result of further substantial growth rates, our business in interest derivatives achieved a nominal volume of DM 380 bn. In view of our carefully selected counterparties, the risk equivalent - at approximately DM 10 bn. - is well within reasonable limits. The average residual life of our swap portfolio was 3.6 years.

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

### Balance sheet total

Balance sheet total improved by DM 27.9 bn. or 9.1% to DM 334.0 bn. Growth was weaker, both in the domestic bank and at the foreign branches.

With effect from July 1, 1992, all activities of Deutsche Bank Capital Markets Ltd., London, with a balance sheet total of DM 12.7 bn., were transferred to our branch there.

### Total credit extended

Total credit extended (excluding guarantees and letters of credit) grew by DM 13.5 bn. (+ 7.2%) to over DM 200 bn. It has roughly doubled over the last five years.

Claims on customers increased by DM 9.8 bn. to DM 173.5 bn. Most of this increase - DM 7.9 bn. - was accounted for by long-term loans. Short and



medium-term claims rose modestly by DM 1.9 bn. Discounts amounted to DM 7.5 bn.

The expansion of claims on corporate customers by DM 5.3 bn. to DM 105.1 bn. is primarily attributable to short and medium-term loans to our foreign customers.

	End of 1992		End of 1991		Change	
	DM m.	% share	DM m.	% share	DM m.	%
Total credit extended						
Claims on customers						
short and medium-term	89,908	44.8	88,042	47.1	+ 1,866	= 2.1
long-term (4 years or more)	83,591	41.7	75,646	40.4	+ 7,945	= 10.5
	173,499	86.5	163,688	87.5	+ 9,811	= 6.0
Discounts						
	7,478	3.7	6,973	3.7	+ 505	= 7.2
Advances to banks	19,587	9.8	16,444	8.8	+ 3,143	= 19.1
Total credit extended	200,564	100.0	187,105	100.0	+13,459	= 7.2

Lendings to domestic corporate customers remained virtually unchanged at DM 73.6 bn. At the long end, there was strong demand for tied funds from public-sector support programmes, primarily for investment projects in the new federal states.

Claims on domestic private individuals increased by DM 4.0 bn. to DM 64.2 bn. With construction activity remaining brisk, building financings rose DM 2.4 bn. to DM 36.6 bn. In addition, we referred DM 0.9 bn. to our mortgage banks.

Advances to banks were recorded at DM 19.6 bn. (+ DM 3.2 bn.).

### Interbank business

Claims on banks grew by DM 11.1 bn. (+ 11.6%) to DM 106.3 bn. These included deposits totalling DM 76.4 bn., of which DM 32.4 bn. or 42% was held at our subsidiaries, primarily abroad.

### Development of interbank business

(in DM bn.)

Deutsche Bank AG

#### Liabilities to banks

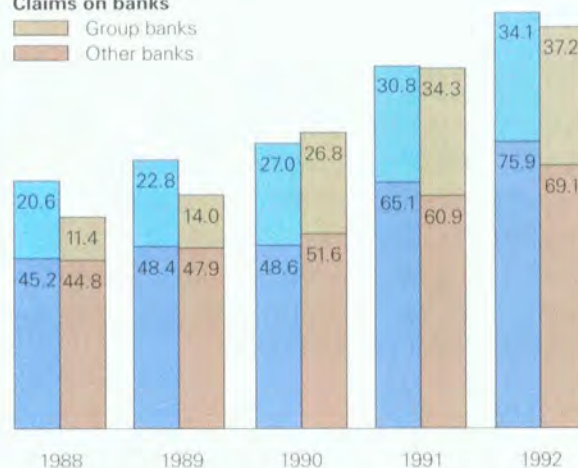
Group banks

Other banks

#### Claims on banks

Group banks

Other banks



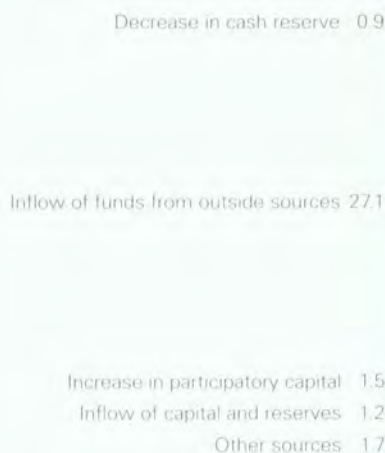
### Financing balance

(in DM bn.)

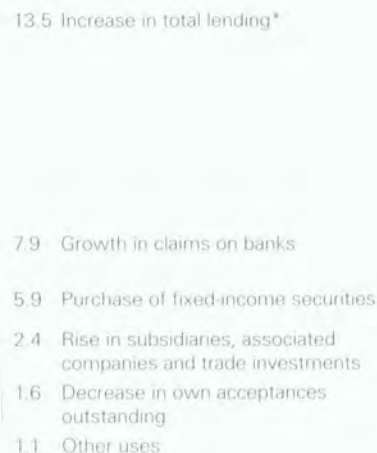
Deutsche Bank AG

Total 32.4

#### Source of funds



#### Use of funds



\*short and medium-term claims on customers + DM 1.9 bn., long-term claims on customers + DM 7.9 bn., advances to banks + DM 3.2 bn., discounts + DM 0.5 bn.



Liabilities to banks increased by DM 14.1 bn. (+ 14.7%) to DM 110.0 bn. DM 27.0 bn. of these were long-term deposits of our own Group banks.

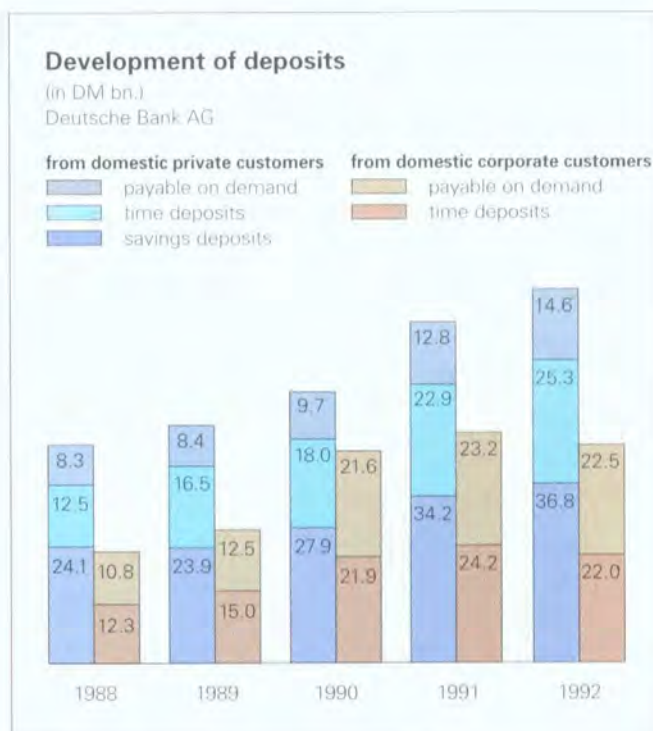
## Customers' deposits

Customers' deposits rose DM 12.1 bn. (+ 7.2%) to DM 180.4 bn. Over the last five years, the increase here - as with total credit extended - amounted to DM 98 bn.

We increased our time deposits by DM 4.9 bn. to DM 91.0 bn., primarily by taking in long-term funds. Demand deposits grew DM 3.7 bn. to DM 48.5 bn.

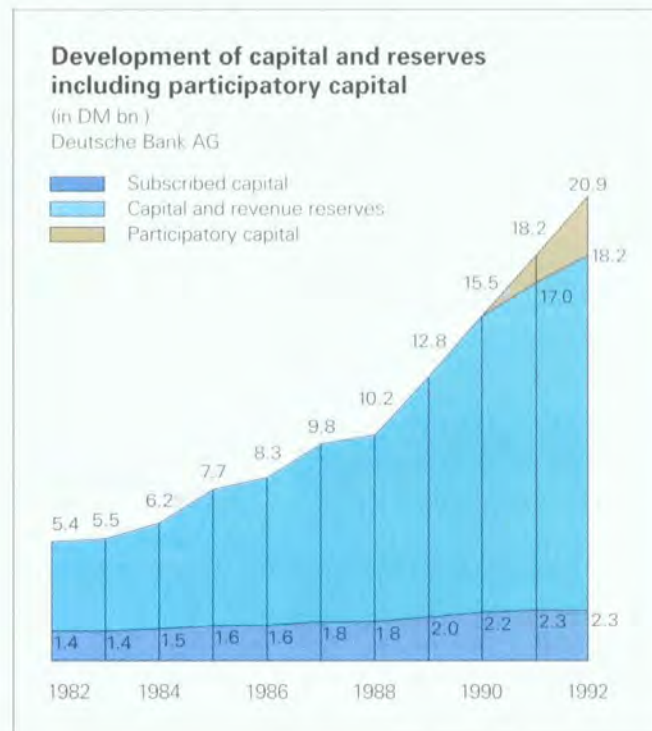
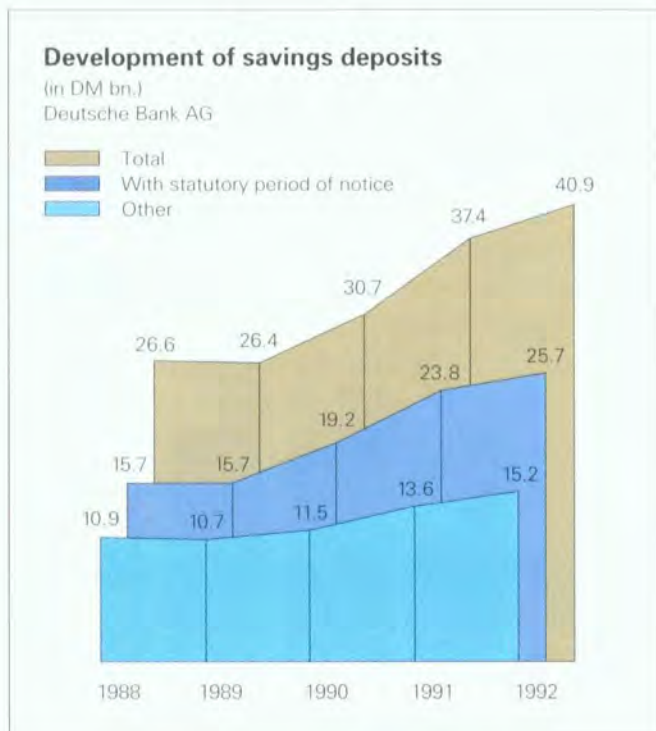
Following a rise of DM 3.5 bn., savings deposits came to DM 40.9 bn. At DM 20.5 bn., fixed-interest saving accounted for half of total savings at the end of 1992. These high-interest bearing savings deposits grew by an aggregate DM 10.5 bn. in 1991 and 1992.

The volume of bonds and notes outstanding increased by DM 0.9 bn. to DM 7.6 bn. In September



## Funds from outside sources

	End of 1992		End of 1991		Change	
	DM m.	% share	DM m.	% share	DM m.	%
<b>Liabilities to banks</b>						
payable on demand	22,645	7.6	18,476	6.8	+ 4,169	= 22.6
time deposits	87,297	29.3	77,360	28.6	+ 9,937	= 12.8
customers' drawings on other banks	61		40		+ 21	= 52.5
	<u>110,003</u>	<u>36.9</u>	<u>95,876</u>	<u>35.4</u>	<u>+14,127</u>	<u>= 14.7</u>
<b>Liabilities to customers</b>						
payable on demand	48,464	16.3	44,727	16.5	+ 3,737	= 8.4
time deposits	91,030	30.5	86,186	31.8	+ 4,844	= 5.6
savings deposits	40,900	13.7	37,411	13.8	+ 3,489	= 9.3
	<u>180,394</u>	<u>60.5</u>	<u>168,324</u>	<u>62.1</u>	<u>+12,070</u>	<u>= 7.2</u>
Bonds and notes	7,635	2.6	6,692	2.5	+ 943	= 14.1
<b>Total funds from outside sources</b>	<u>298,032</u>	<u>100.0</u>	<u>270,892</u>	<u>100.0</u>	<u>+27,140</u>	<u>= 10.0</u>



and October 1992, two DM floating rate notes totalling DM 2 bn. were launched by the bank.

### Capital and reserves

Liabe capital totalling just under DM 2.0 bn. accrued to the bank in 1992 through the issue of participatory certificates with warrants, the exercise of option and conversion rights, and from the issue of staff shares. Including the addition to revenue reserves in the sum of DM 694 m. from net income for the year, the bank strengthened its liabe capital pursuant to the Banking Act (KWG) by DM 2.7 bn. to DM 20.9 bn.

### Securities holdings

Half of the DM 5.9 bn. rise in holdings of bonds and notes to DM 18.4 bn. resulted from the takeover of Deutsche Bank Capital Markets Ltd., London.

Securities not to be shown elsewhere decreased by DM 0.6 bn. to DM 7.4 bn.

### Subsidiaries, associated companies and trade investments

The book value of subsidiaries, associated companies and trade investments grew by DM 2.4 bn. to DM 14.3 bn. The increase stemmed, among other things, from the acquisition of a 30% holding in Gerling-Konzern Versicherungs-Beteiligungs-AG, Cologne, and from the purchase of a majority stake in Deutscher Herold AG, Bonn and Berlin. Further growth resulted from capital increases at and capital payments to subsidiaries. The management functions and administrative activities of all branches and subsidiaries operating in the U.S.A. were grouped together in Deutsche Bank North America Holding Corp., New York. In real estate leasing we now



operate independently via our subsidiary Deutsche Immobilien Leasing GmbH, Düsseldorf, which we now wholly own.

**Organizational measures**

Our trading and investment banking operations received effective support from improved information flows through our Market Data Infonet System and through the introduction of BOSS-CUBE, an electronic order system. To standardize the handling of securities, we also introduced our international settlement system in London.

The necessary technical measures were taken to bring our accounting procedures into line with the new regulations in this field. The directives issued in the framework of EC harmonization are to be applied for the first time to the 1993 financial year in the Annual Statement of Accounts for both Deutsche Bank AG and the Group. The comparative figures for the 1992 financial year are being compiled accordingly.

**Net interest income**

Average balance sheet total again rose substantially by 15.4% = DM 42.8 bn. to DM 320.2 bn. as a result of the expansion of total credit extended and deposits at banks. Net interest income increased by 10.2% or DM 802 m. to DM 8,638 m. owing to the growth in volume and higher current income from subsidiaries, associated companies and trade investments. The overall interest margin decreased by 0.12 percentage points to 2.57%.

**Net commission income on services business**

Net income from commissions and other service charges received amounted to DM 2,793 m. The increase of DM 254 m. (+ 10.0%) resulted from payments business, foreign exchange, foreign note and

coin and, in particular, securities business. The sale of foreign investment fund certificates generated considerable incremental income in securities business. By contrast, income from commission and issuing business in shares weakened further.

**Staff and other operating expenses**

In 1992 the bank's staff and other operating expenses amounted to DM 7,511 m. The rise of 10.6% or DM 721 m. was especially due to the further expansion of our branch network in the Berlin and Leipzig regions by 76 to 349 branch offices. In the old federal states the cost increase was limited to 5.2%.

Staff expenses rose 8.4% = DM 379 m. to DM 4,875 m. The rise was particularly caused by the flat-rate increase in tariff salaries in the old federal states by 5.4% (with effect from February 1, 1992), the one-off payments for January and May of an aggregate DM 650, the gradual adjustment of tariff salaries in the new federal states to western levels and the increased remuneration of non-tariff staff.

The expansion of our branch network in the new federal states caused a marked rise in expenditure for banking premises and in other general overheads. General operating expenses rose in total by DM 298 m. to DM 2,255 m.

Depreciation of and adjustments to land and buildings and office furniture and equipment amounted to DM 446 m. Of this, DM 381 m. was accounted for by normal depreciation and DM 65 m. by special depreciation pursuant to the Regional Development Act.

**Profits from own-account trading**

In own-account trading in securities, bond dealing achieved a gratifying increase in profits. By contrast, income from trading in shares remained below the pre-year level as a result of the weak stock market in

the second half. In forex own-account trading, the very good pre-year result was clearly exceeded. At just under DM 0.7 bn., overall profit from own-account trading remained at the high level of the preceding year.

### **Operating profit**

The operating profit of Deutsche Bank AG - the surplus on current business including own-account trading - rose in 1992 to DM 4,610 m. The main reason for the 8.0% or DM 340 m. improvement was the growth in earnings from interest and commission business.

### **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 1,635 m. (1991: DM 885 m.).

This expenditure particularly reflects the increased loan loss provisions for our domestic lending business. In addition, write-downs on securities were up on the pre-year amount. However, provisioning for foreign lending business (including country risks) decreased on balance.

All securities holdings were valued according to the strict "lower of cost and market" principle.

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

Latent risks were accounted for by the formation of collective adjustments.

In addition, there is a taxed valuation reserve pursuant to § 26a Banking Act (KWG - old version); a reallocation to contingency reserves was made pursuant to § 340f Commercial Code.

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

After the above offsetting, "Other income" amounted to DM 605 m. (1991: DM 811 m.).

### **Other expenses**

Other expenses, reported at DM 235 m. (1991: DM 486 m.), include depreciation of leasing equipment and allocations to provisions not relating to lending business.

### **Pre-tax profit**

Pre-tax profit for 1992 fell by DM 251 m. to DM 2,503 m.

Taxes on income and assets declined by DM 300 m. to DM 1,089 m. The reasons for this were the decrease in taxable profit and the rise in income subject to a lower tax burden abroad.

Other taxes are reported at DM 25 m.

### **Proposed appropriation of profits**

Of the net income for the year of DM 1,389.0 m., which rose DM 50.7 m., the bank added DM 694.0 m. to revenue reserves. We propose that an unchanged dividend of DM 15 per share of DM 50 par value be resolved, i.e. DM 694,967,835 on the share capital of DM 2,316,559,450.

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 1993**

Owing to the difficult economic situation in Germany and most other European countries, 1993 will place strong demands on us. We will continue to enhance our instruments for analyzing and managing risks and improve the quality of our

services while at the same time making our work flows more cost-effective.

We are confident that we shall again achieve a satisfactory result in an increasingly difficult economic environment.

## Our Staff

### Increase in Group staff/cuts in personnel at the domestic parent

Total staff in the Group rose from 71,400 to 74,256. The major factor behind this growth was the integration of Deutscher Herold Group and its 2,413 permanently employed staff. Personnel increases were carried out chiefly by DB Luxembourg, Deutsche Credit Corporation in Deerfield/U.S.A., our São Paulo Branch and by GEFA.

Outside Germany we had a total staff of 14,340 persons, of whom 8,706 were employed in Europe, 2,769 in Asia/Australia, 1,404 in South America and 1,457 in North America. 404 staff members from Germany were delegated abroad.

At home, our cost-saving measures led to a reduction of 496 staff at the parent company. This development will continue in the current year. Manpower cut-backs were achieved by increasing automation, concentrating settlement activities and outsourcing

various non-banking activities. Staff levels were reduced largely by taking advantage of fluctuation and early retirement schemes.

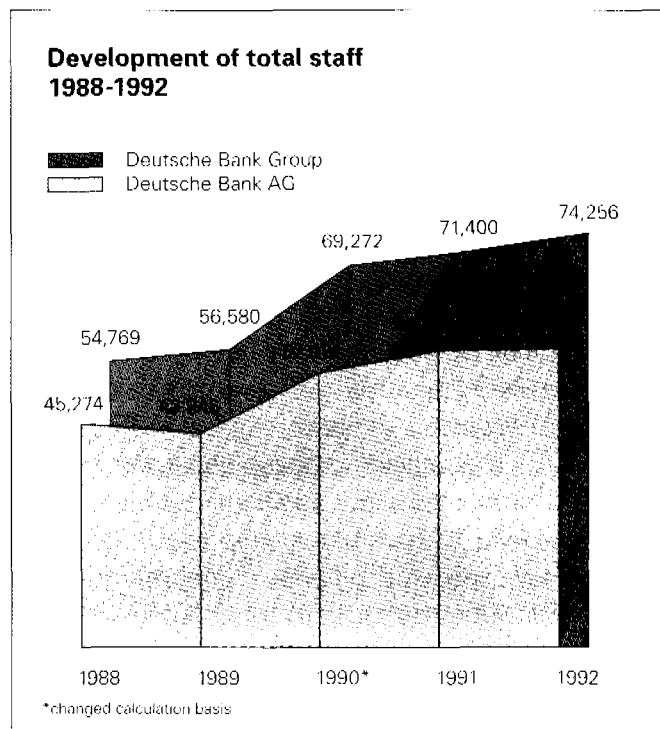
The bank's domestic staff included 11,330 people in the new federal states (previous year: 11,695). The number of delegates from the old federal states settled at the previous year's level of roughly 1,200.

### Intensification of personnel development throughout the Group

In vocational training we reached a record high of 6,200 apprentices in the Group. This figure includes 120 young staff members training abroad. At the domestic parent company, the apprentice ratio was 12.5%. The second major source of management potential is the university graduates we recruit at home and abroad; 439 of them successfully completed our management trainee programme. In addition, 198 graduates chose the direct route of joining our domestic organization for on-the-job training.

### "Guidelines and Objectives for Leadership and Cooperation"

Over the past few years, our Group - at home and abroad - has taken on new dimensions both in terms of business activity and human resources. That explains the wish expressed by many staff members for some kind of keynote to go by as regards common objectives and uniform management standards. We therefore decided to update our existing management principles and accordingly introduced the new "Guidelines and Objectives for Leadership and Cooperation" throughout the Group. These guidelines define the way the bank sees itself and serve as a kind of "constitution" by establishing a clear code of personal interaction and conduct in Deutsche Bank Group.



## Further training - the key to success

In further training, greater emphasis was placed on management training. The number of management seminars held rose by 200 to 450. In addition, special workshops were organized where participants could practise their management skills.

Against the background of our international activities, we also developed a European Training Programme chiefly concerned with cross-border issues, such as corporate finance, financial institutions and risk management. We also upgraded the quality of our language training, which is very popular with our staff. The main focus of specialized bank training was on the new federal states and EDP training.

In all, 4,100 seminars were attended by 51,000 staff members. Aggregate expenditure on basic and further training came to DM 330 m., which corresponds to 6.5% of total wages and salaries in the Group (or 8.3% at the parent).

## Compliance as a means of protecting investors and staff

We were the first German bank to set up a domestic compliance organization in the year under review. This was done in response both to international custom and practice in securities trading and sales and the expectations of our clients. Compliance provides our staff with clear-cut guidelines for dealing with market-sensitive information.

## Thanks to our staff

We wish to express our thanks and recognition to all members of staff, whose dedication and effort helped to achieve a satisfactory Group result in a difficult environment.

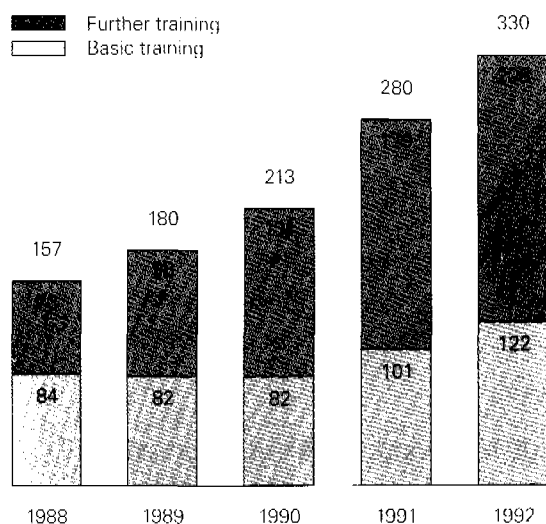
Cooperation with employee representatives, the Group and General Staff Councils as well as with the Group Committee of Spokesmen and the Committee of Spokesmen for Senior Executives was, as always, fair and constructive.

### Expenses for training and further training 1988-1992

(in DM m.)

Deutsche Bank Group

■ Further training  
□ Basic training



1988 figures for AG only

On December 15, 1992

## Dr Wilhelm Vallenthin

passed away at the age of 83 years.

He joined our bank in 1946 and was member of the Board of Managing Directors from 1959 to 1975. With his broad-based knowledge, clarity of judgment and personal warmth, he did great and lasting service to our bank. He was highly esteemed in the German business community 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.

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

Ruth Abeldt, Bremen  
Ettore Baldi, Hamburg  
Ulrich Beuster, Berlin  
Giselheid Bieringer, Munich  
Lieselotte Blum, Frankfurt am Main  
Marianne Boy, Hamburg  
Rosa Braun, Cologne  
Inge Bulmahn, Bremen  
Harald Drexhage, Villingen  
Erich Elsenhans, Karlsruhe  
Klaus-Dieter Elssner, Würzburg  
Holm Felchner, Frankfurt am Main  
Werner Fingerhuth, Wuppertal  
Ferdinand Finkel, Augsburg  
Karl-Rolf Forst, Gummersbach  
Inge Gabor, Hameln  
Thorsten Gerecke, Hamburg  
Karl Herbst, Hagen  
Helmut Heuberger, Augsburg  
Hans-Jörg Hornikel, Cologne  
Gisbert Hümmeke, Arnsberg  
Hans Jähnel, Osnabrück  
Rosemarie Keck, Mannheim  
Reinhold Klement, Fulda  
Helmi Knott, Duisburg  
Mike Kories, Düsseldorf  
Eberhard Krupp, Bonn  
Nicole Krygier, Berlin

Cristian Loyet, Buenos Aires  
Ingeborg Mallon, Hamburg  
Friedrich Markstein, Munich  
Klaus Meulmann, Duisburg  
Alfred Mölter, Goslar  
Dirk Moritz, Berlin  
Gerlinde Müller, Frankfurt am Main  
Rüdiger Neumann, Darmstadt  
Otto Pawelzik, Cologne  
Ellen Plate, Leipzig  
Helga Raabe, Hamburg  
Walter Schmid, Frankfurt am Main  
Norbert Schmidt, Frankfurt am Main  
Regina-Elisabeth Schreiter, Ludwigsburg  
Hans Schröder, Münster  
Monika Schurig, Frankfurt am Main  
Christian Schwaiger, Munich  
Irmgard Sonntag, Frankfurt am Main  
Ingeborg Thünken, Hagen  
Rolf Tinius, Cologne  
Juliane Transfeld, Cologne  
Helmut Trötscher, Frankfurt am Main  
Walter Twellmeyer, Leipzig  
Alexandra Walther, Frankfurt am Main  
Heinrich Weil, Darmstadt  
Heinrich Weingarth, Offenbach  
Roman Wloch, Frankfurt am Main  
Lothar Zelz, Bielefeld

We mourn the passing away of 303 retired employees of the bank.  
We shall always honour their memory.

# Assets

# Deutsche Bank Aktiengesellschaft

	DM	DM	31. 12. 1991 in DM 1,000
Cash on hand		2,080,870,364	1,661,476
Balance with Deutsche Bundesbank		4,789,304,147	6,108,067
Balances on postal giro accounts		9,343,477	34,368
Cheques, matured bonds, interest and dividend coupons, items received for collection		587,978,990	353,468
Bills of exchange		1,540,790,552	1,569,441
including:			
a) rediscountable at Deutsche Bundesbank	DM 650,022,989		
b) own drawings	DM 55,619,799		
Claims on banks			
a) payable on demand	18,140,331,261		15,100,431
b) with original periods or periods of notice of			
ba) less than three months	31,765,105,275		31,286,406
bb) at least three months, but less than four years	48,682,431,133		41,652,814
bc) four years or more	7,684,639,076		7,163,287
		106,272,506,745	95,202,938
Treasury bills and discountable Treasury notes			
a) of the Federal and Länder Governments	28,143,308		160,593
b) of other issuers	2,158,850,029		2,375,377
		2,186,993,337	2,535,970
Bonds and notes			
a) with a life of up to four years			
aa) of the Federal and Länder Governments	DM 642,204,041		
ab) of banks	DM 2,692,877,455		
ac) of other issuers	DM 550,729,297	3,885,810,793	4,146,290
including:			
eligible as collateral for Deutsche Bundesbank advances	DM 3,242,811,629		
b) with a life of more than four years			
ba) of the Federal and Länder Governments	DM 3,477,288,263		
bb) of banks	DM 5,827,982,624		
bc) of other issuers	DM 5,256,939,551	14,562,210,438	8,370,533
including:			
eligible as collateral for Deutsche Bundesbank advances	DM 7,324,157,609		
		18,448,021,231	12,516,823
Securities not to be shown elsewhere			
a) shares marketable on a stock exchange and investment fund certificates	7,164,409,670		7,966,842
b) other	226,862,035		57,482
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 1,045,503,603	7,391,271,705	8,024,324
Claims on customers with original periods or periods of notice of			
a) less than four years	89,908,074,157		88,041,705
b) four years or more	83,590,777,771		75,646,373
		173,498,851,928	163,688,078
including:			
ba) secured by mortgages on real estate	DM 14,126,213,459		
bb) communal loans	DM 1,863,884,726		
due in less than four years	DM 36,370,125,000		
Recovery claims on Federal and Länder authorities under Currency Reform Acts		69,575,071	94,770
Loans on a trust basis at third party risk		303,308,330	322,874
Subsidiaries, associated companies and trade investments		14,277,672,516	11,879,905
including: investments in banks	DM 7,852,347,202		
Land and buildings		148,444,284	144,778
Office furniture and equipment		1,062,991,066	915,674
Own bonds and notes		49,158,060	61,849
nominal amount	DM 46,706,250		
	Can\$ 53,000		
Other assets		1,044,578,201	712,082
Deferred items			
a) difference in accordance with § 250 (3) Commercial Code	128,540,669		124,478
b) other deferred items	79,260,345		80,640
		207,801,014	205,118
<b>Total Assets</b>		<b>333,969,461,018</b>	<b>306,032,003</b>
Total Assets and the recourse claims from the contingent liabilities shown below the line on the liabilities side include:			
a) claims on related companies		47,353,556,000	41,880,478
b) claims arising from loans falling under § 15 (1) 1-6 and (2) Banking Act, unless included under a)		862,833,040	827,011



## Liabilities

33

## Expenses

## Deutsche Bank Aktiengesellschaft

	DM	DM	1991 in DM 1,000
Interest and similar expenses . . . . .		17,556,707,251	14,861,611
Commissions and similar service charges paid . . . . .		186,070,823	156,396
Write-downs of and adjustments to claims and securities, transfers to provisions for possible loan losses . . . . .		1,635,213,089	885,212
Salaries and wages . . . . .		3,618,833,198	3,319,014
Compulsory social security contributions . . . . .		524,518,142	478,035
Expenses for pensions and other employee benefits . . . . .		731,843,436	698,972
General operating expenses . . . . .		2,254,601,307	1,956,681
Depreciation of and adjustments to land and buildings and office furniture and equipment . . . . .		445,538,135	415,999
Write-downs of and adjustments to subsidiaries, associated companies and trade investments . . . . .		96,261,012	51,736
Taxes			
a) on income and assets . . . . .	DM 1,132,224,080		
less taxes debited to "single-entity companies" . . . . .	DM 42,883,145		
b) other . . . . .			
	1,089,340,935		1,389,182
	<u>25,191,896</u>		<u>27,209</u>
		1,114,532,831	1,416,391
Expenses from assumption of loss . . . . .		298,701,953	267,346
Allocations to Special Items with partial reserve character . . . . .		1,044,101	12,212
Other expenses . . . . .		235,051,060	485,875
Net income for the year . . . . .		1,388,967,835	1,338,268
<b>Total Expenses</b>		<b>30,087,884,173</b>	<b>26,343,748</b>

Net income for the year . . . . .  
 Allocations to revenue reserves  
     a) legal reserve . . . . .  
     b) other revenue reserves . . . . .  
 Distributable profit . . . . .

## Income

DM	DM	1991 DM
	1,388,967,835	1,338,268,130
<u>694,000,000</u>	<u>694,000,000</u>	<u>650,000,000</u>
	<u>694,967,835</u>	<u>688,268,130</u>

# Figures from the Balance Sheet and Profit and Loss Account of Deutsche Bank AG\*)

- Amounts in DM millions -

Balance Sheet	End of	1992	1991	1990	1989	1988	1987	1986
<b>Assets</b>								
Cash reserve		6,879	7,803	5,472	6,633	4,145	7,547	6,231
Bills of exchange		1,541	1,569	1,829	1,568	1,956	1,785	1,784
Claims on banks		106,273	95,203	78,387	61,941	56,140	44,662	46,098
Treasury bills and discountable Treasury notes		2,187	2,536	1,897	2,436	2,381	2,287	2,139
Bonds and notes		18,448	12,517	8,310	7,852	8,544	7,549	9,773
Securities not to be shown elsewhere		7,391	8,024	6,359	5,714	4,730	5,086	4,637
Claims on customers		173,499	163,688	138,871	116,972	103,817	86,669	79,690
short and medium-term		89,908	88,042	72,179	54,311	48,289	39,402	38,978
long-term (four years or more)		83,591	75,646	66,692	62,661	55,528	47,267	40,712
Loans on a trust basis at third party risk		303	323	349	403	885	178	173
Subsidiaries, associated companies and								
trade investments		14,278	11,880	11,414	8,087	6,360	6,430	6,453
Land and buildings		148	145	164	1,130	1,106	1,039	912
Office furniture and equipment		1,063	916	714	611	658	656	641
Other assets		1,044	713	827	589	680	768	746
Remaining assets		915	715	780	813	605	542	651
<b>Balance Sheet Total</b>		<b>333,969</b>	<b>306,032</b>	<b>255,373</b>	<b>214,749</b>	<b>192,007</b>	<b>165,198</b>	<b>159,928</b>
<b>Liabilities</b>								
Liabilities to banks		110,003	95,876	75,604	71,171	65,728	55,027	52,360
including: time deposits		87,297	77,360	60,043	56,027	52,602	44,996	39,862
Liabilities to customers		180,394	168,324	141,128	109,958	94,790	82,245	82,420
including: time deposits		91,030	86,186	72,154	55,834	43,855	34,160	36,164
savings deposits		40,900	37,411	30,703	26,379	26,636	26,266	24,551
Bonds and notes		7,635	6,692	8,283	7,783	7,696	7,305	5,561
Own acceptances and promissory notes outstanding		3,868	5,480	5,011	3,689	4,060	2,815	2,571
Provisions		8,315	8,657	7,578	7,019	6,820	6,210	6,831
for pensions		3,056	2,808	2,418	2,232	2,075	1,921	1,790
other		5,259	5,849	5,160	4,787	4,745	4,289	5,041
Participatory capital		2,700	1,200	—	—	—	—	—
Capital and reserves		18,158	16,992	15,538	12,796	10,176	9,776	8,282
Subscribed capital		2,317	2,294	2,207	1,988	1,773	1,773	1,624
Capital reserve		10,516	10,067	9,350	7,445	5,490	5,490	4,145
Revenue reserves		5,325	4,631	3,981	3,363	2,913	2,513	2,513
Remaining liabilities		2,201	2,123	1,613	1,776	2,312	1,395	1,351
Distributable profit		695	688	618	557	425	425	552
<b>Balance Sheet Total</b>		<b>333,969</b>	<b>306,032</b>	<b>255,373</b>	<b>214,749</b>	<b>192,007</b>	<b>165,198</b>	<b>159,928</b>
Endorsement liabilities		5,796	5,232	5,178	4,744	4,011	3,506	4,148
Contingent liabilities from guarantees etc.		38,637	38,272	32,396	27,490	25,962	21,023	18,940

## Profit and Loss Account of Deutsche Bank AG

	for the year	1992	1991	1990	1989	1988	1987	1986
Income on business volume (net interest income)		8,638	7,836	6,377	5,324	4,794	4,366	5,465
Income on service business <sup>1)</sup> (net commission income)		2,793	2,539	2,353	2,099	1,923	1,765	1,581
Staff and other operating expenses		7,511	6,790	5,496	4,787	4,694	4,379	4,264
Taxes		1,114	1,416	1,165	1,521	1,429	547	1,243
Net income for the year		1,389	1,338	1,236	1,007	825	425	824
Allocations to revenue reserves		694	650	618	450	400	—	272
Distributable profit		695	688	618	557	425	425	552
Dividend in DM per share or in %		15.—	15.—	14.—	14.—	12.—	12.—	12.—
+ bonus								5.—
plus tax credit for shareholders with unlimited domestic tax liability		(8.44)	(8.44)	(7.88)	(7.88)	(6.75)	(6.75)	(9.56)
<b>Number of staff at year's end</b>		<b>56,702</b>	<b>56,482</b>	<b>52,991</b>	<b>43,845</b>	<b>45,274</b>	<b>43,951</b>	<b>42,928</b>

\*) Not part of the Annual Statement of Accounts    1) Figures up to 1986 not entirely comparable owing to change in reporting of re-allowances

1985	1984	1983	1982	1981	1980	1970	1960	1956	1. 1. 1952
7,266	5,940	5,235	5,455	6,679	7,524	2,763	1,388	699	417
1,812	2,050	2,119	1,994	2,462	2,939	4,095	2,109	1,897	598
41,000	43,186	31,598	34,608	34,246	26,165	4,303	983	686	347
1,866	1,111	1,189	1,144	614	612	408	482	54	64
10,183	10,765	9,436	7,709	6,569	6,374	1,482	557	333	3
2,711	3,080	2,739	2,327	2,249	2,158	1,325	706	352	60
69,556	65,721	59,409	56,572	56,089	52,874	14,785	4,128	2,805	1,690
36,091	38,241	35,939	34,655	31,161	26,995	8,893	3,696	2,396	1,458
33,465	27,480	23,470	21,917	24,928	25,879	5,892	432	409	232
154	218	207	212	227	233	52	65	87	46
4,567	2,692	2,507	2,048	1,829	1,681	534	80	54	9
862	816	784	765	731	757	345	154	118	61
558	415	324	308	293	276	101	—	—	20
671	1,434	1,424	1,341	1,471	1,760	462	10	33	1
699	460	813	1,013	1,014	893	777	560	503	442
141,905	137,888	117,784	115,496	114,473	104,246	31,432	11,222	7,621	3,758
44,149	45,899	38,226	37,396	35,732	34,016	6,776	1,744	1,810	589
32,437	35,331	29,411	28,621	27,153	26,752	3,618	692	1,149	391
76,687	73,599	64,425	63,080	64,698	57,157	22,397	8,475	5,092	2,652
34,593	33,100	27,130	26,614	30,654	23,296	7,331	2,551	1,652	731
21,582	20,656	20,934	21,114	20,353	19,628	8,187	2,200	964	197
3,407	2,553	1,545	2,659	3,081	3,635	—	—	—	—
2,017	2,122	1,662	1,395	1,382	1,133	70	51	15	119
6,190	5,615	4,382	3,618	2,867	2,292	522	281	209	188
1,678	1,569	1,453	1,291	1,269	1,148	364	146	127	76
4,512	4,046	2,929	2,327	1,598	1,144	158	135	82	112
7,745	6,235	5,518	5,374	4,873	4,398	1,360	550	350	141
1,599	1,469	1,356	1,356	1,232	1,114	480	250	200	100
3,904	2,903	2,449	2,448	2,075	1,720	161	41	41	39
2,242	1,863	1,713	1,570	1,566	1,564	719	259	109	2
1,326	1,512	1,701	1,676	1,599	1,392	221	81	120	69
384	353	325	298	241	223	86	40	25	—
141,905	137,888	117,784	115,496	114,473	104,246	31,432	11,222	7,621	3,758
4,914	5,520	4,960	4,525	3,604	3,165	640	167	317	794
19,817	21,039	21,005	21,013	21,182	18,245	4,185	1,473	816	461
1985	1984	1983	1982	1981	1980	1970	1960	1956	1952
4,317	4,217	4,146	3,810	3,412	2,812	901			
1,394	1,167	1,076	941	892	807	249			
3,809	3,545	3,316	3,076	2,868	2,687	884			
1,324	937	940	757	553	482	96			
762	503	469	302	242	343	116	90	50	
378	150	144	4	1	120	30	50	25	
384	353	325	298	241	223	86	40	25	
12.—	12.—	12.—	11.—	10.—	10.—	9.—	16%	12%	
(6.75)	(6.75)	(6.75)	(6.19)	(5.63)	(5.63)				
41,674	41,126	40,570	40,325	39,836	39,242	33,070	19,106	16,597	12,080

## 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. 1991 DM m.	Additions DM m.	Disposals DM m.	Write-downs, depreciation DM m.	31. 12. 1992 DM m.
Subsidiaries, associated companies and trade investments.....	11,879.9	3,093.0	598.9	96.3	14,277.7
Land and buildings.....	144.8	20.5	12.8	4.1	148.4
Office furniture and equipment.....	915.7	593.4	4.7	441.4	1,063.0
Intangible assets.....	47.6	45.3	0.1	24.1	68.7

The shareholdings of Deutsche Bank AG pursuant to § 285 No. 11 Commercial Code form a separate part 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 20.5 m. to land and buildings include DM 1.8 m. in building costs for new construction and conversions for which capitalization is compulsory, DM 18.7 m. for land purchases – thereof DM 5.5 m. for purchases to save mortgage rights. DM 12.8 m. of the disposals relate to sales, DM 10.7 m. thereof to prior purchases to save mortgage rights.

#### Own shares

In the course of 1992, we and companies related to us bought and resold 8,745,424 Deutsche Bank shares of DM 50 par value 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 675.96; the average selling price was DM 675.22. The short-fall was charged to operating profit.

The shares of our bank bought and sold during 1992 correspond to 18.88% of our share capital. The largest holding on any one day was 0.43% and the average daily holding 0.08% of our share capital.

At the end of 1992, neither we nor any of our related companies held Deutsche Bank shares.

As at 31. 12. 1992, 126,703 Deutsche Bank shares of DM 50 par value each, representing 0.27% of our share capital, were pledged to the bank and its related companies as security for loans.

#### Capital and reserves

On 31. 12. 1992, subscribed capital (bearer shares) came to DM 2,316,559,450. 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	
39,331,189 shares in the nominal amount of DM 50	

The capital of DM 40,000,000 authorized at the General Meeting on May 23, 1991, excluding shareholders' pre-emptive rights and limited until April 30, 1996, was utilized with an amount of DM 6,500,000 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 350 per DM 50 share.

On 31. 12. 1992 there was aggregate authorized capital of DM 328,500,000; this includes authorized capital of DM 108,500,000, for which shareholders' pre-emptive rights are excluded.

The convertible bonds included in the balance sheet item "Bonds and notes" decreased by DM

8,162,750 in 1992 owing to the exercise of conversion rights to DM 204,677,250. This reduced the conditional capital available for this purpose by DM 15,632,550 to DM 40,935,450. 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 15,470 bonds of par value DM 10,000, 39,981 bonds of par value DM 1,000 and 39,985 bonds of par value DM 250.

The subscription period for the stock warrants attached to the 5% and 4¼% bonds with warrants of 1987, issued by our subsidiary Deutsche Bank Finance N.V., Curaçao, in the amount of DM 750,000,000 and SF 200,000,000 respectively ended on December 15, 1992. They entitled the bearer to subscribe for Deutsche Bank shares at a subscription price of DM 680 per DM 50 share. In 1992, 2,860 Deutsche Bank shares = DM 143,000 (nominal) were acquired pursuant to subscription rights. The remaining stock warrants and the conditional capital earmarked for them have expired.

The following bond with warrants still in circulation was issued in 1986 through our subsidiary Deutsche Bank Finance N.V., Curaçao; the attached warrants entitle the holder to subscribe to Deutsche Bank shares: 6¼% bond 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. The bond with warrants issued by Deutsche Bank Finance N.V., Curaçao, has been taken over by Deutsche Finance (Netherlands) B.V., Amsterdam, under a borrower substitution agreement. For this purpose, there was conditional capital at the end of 1992 in the amount of DM 49,700,000.

The life of the bearer participatory certificates with warrants in the aggregate amount of DM 1.2 bn., issued in February 1991 and divided into certificates

with equal rights in the nominal amount of DM 1,000 and DM 10,000, ends on 31. 12. 2002. Redemption will be on June 30, 2003 at par, subject to the stipulations on loss participation. 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 attached warrants entitle the bearer to subscribe for bearer shares of Deutsche Bank AG at a subscription price of DM 550. For this purpose, there is still conditional capital of DM 117,355,250; in the course of 1992 it decreased through the exercise of subscription rights by DM 20,650.

In May 1992 we made full use of the authorization given at the General Meeting on May 23, 1991 to issue bearer participatory certificates with warrants in a total amount of DM 1,500,000,000; the bearer participatory certificates with warrants also meet the requirements of § 10 (5) Banking Act (KWG). DM 150,000,000 of the conditional capital of DM 225,000,000 is available to guarantee the subscription rights. The participatory certificates were offered to the shareholders for purchase in the ratio of 1 for 35 at a price of 120% per participatory certificate of DM 1,000 par value. The resulting premium of DM 300,668,675 was added to the capital reserve pursuant to § 272 (2) 2 Commercial Code.

The participatory certificate entitles the holder to an annual dividend payment of 8.75% of par value which is prior-ranking over the shareholders' profit share. The participatory certificates bear a dividend as of June 11, 1992; the dividends paid on the participatory certificates are limited to the extent that no balance sheet loss may occur as a result of 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 2003 financial year; redemption will be on June 30, 2004 at par, subject to the stipulations on loss participation. Two certificates, each for five warrants, are attached to each participatory certificate of DM 1,000 par value, entitling the holder to purchase two bearer shares of DM 50 par value each of Deutsche Bank AG. Fifty certificates, each for one warrant, are attached to each participatory certificate of DM 5,000 par value, entitling the holder to purchase a total of 10 bearer shares of par value DM 50 each of Deutsche Bank AG. Two certificates, each for fifty warrants, are attached to each participatory certificate of DM 10,000 par value, entitling the holder to purchase a total of 20 bearer shares of DM 50 par value each of Deutsche Bank AG. The subscription price per share of DM 50 par value is DM 610. The subscription period ends on June 30, 1997. The conditional capital for this purpose was reduced in 1992 by DM 36,150 through the exercise of option rights to DM 149,963,850.

On 31. 12. 1992, total conditional capital came to DM 432,954,550.

As at 31. 12. 1992, capital and reserves were made up as follows:

Subscribed capital .....	DM 2,316,559,450
Capital reserve .....	DM 10,516,458,819
Revenue reserves	
a) legal reserve .....	DM 25,000,000
b) other revenue reserves .....	DM 5,300,180,923
Total capital and reserves .....	<u>DM 18,158,199,192</u>

Including the participatory capital in the sum of DM 2,700,000,000, liable capital pursuant to the Banking Act (KWG) totalled DM 20,858,199,192.

The reserves pursuant to § 10 (4a) Sent. 1 No. 4 Banking Act (KWG), which are counted as capital and reserves for banking supervisory purposes, came to DM 3,483 m. for Deutsche Bank AG and to DM 4,470 m. for the Group.

## Liabilities not shown in the balance sheet

For those banks and 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 contractual liabilities.

Liabilities for possible calls on not fully paid-up shares in public and private limited companies and on other shares amounted to DM 172 m. at the end of 1992. There were joint liabilities pursuant to § 24 GmbH Act totalling DM 69 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 amounted to DM 3.2 m. on 31. 12. 1992.

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 3,169 m. were deposited on 31. 12. 1992.

At the end of 1992, assets of DM 448 m. were tied up in connection with loans raised.

Legal stipulations required the provision of security amounting to DM 632 m. for the business activities of our foreign branches and DM 6 m. in connection with trading in financial futures contracts.



Securities in the nominal value of DM 290 m. serve as collateral for securities lending operations and for deals on the German Futures and Options Exchange. Additionally, securities in the nominal value of Guil 100 m. were pledged as security for liabilities of a related company.

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

The total emoluments of the Board of Managing Directors in 1992 amounted to DM 19,193,596.20. Former members of the Board of Managing Directors of Deutsche Bank AG or their surviving dependants received DM 10,106,765.72. In addition to a fixed payment of DM 296,700, the Supervisory Board received dividend-related emoluments amounting to DM 1,495,000. The Advisory Board was paid DM 574,560, and members of the Regional Advisory Councils received DM 4,003,570.

Provisions for pension commitments to former members of the Board of Managing Directors or their surviving dependants totalled DM 66,593,877. The members of the Supervisory Board and the Board of Managing Directors of Deutsche Bank AG are listed on pages 8 and 11.

**Average number of staff during the year**

The average number of employees in the financial year was 51,385 (previous year: 50,602), of whom 28,144 were women. There were 4,200 members of staff working abroad.

Frankfurt am Main, March 9, 1993

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

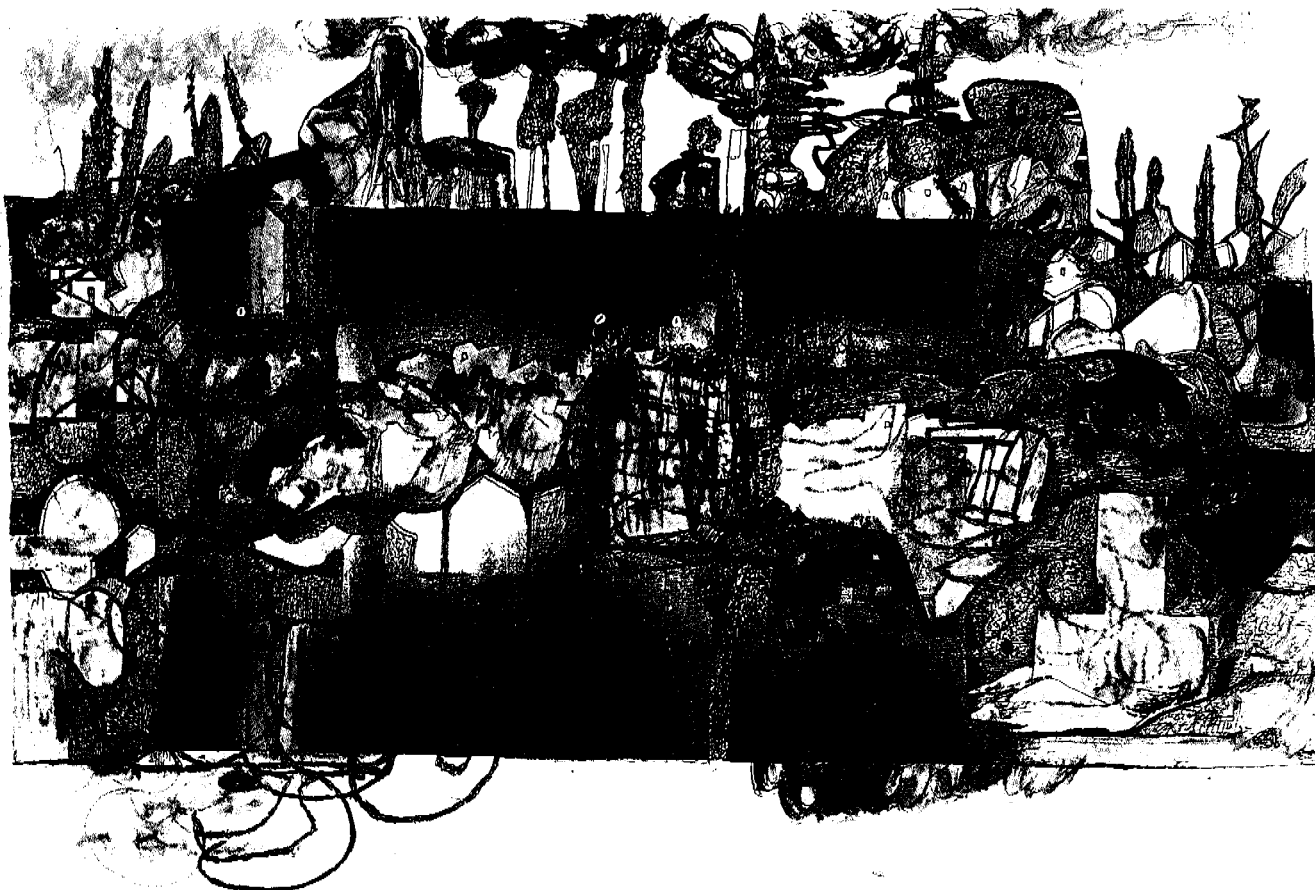
principles the annual financial statements give a true and fair view of the company's assets, liabilities, financial position and profit or loss. The Management Report is consistent with the annual financial statements.

Frankfurt am Main, March 18, 1993

KPMG Deutsche Treuhand-Gesellschaft  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

*Brackert*  
Wirtschaftsprüfer

*Dr. Fliess*  
Wirtschaftsprüfer



THE END

Ch. 2

## 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 current fundamental questions of business policy. Besides the development of day-to-day business, discussions centred in particular on the risks of the Group's lending business at home and abroad and also securities business, business development in the new federal states as well as the bank's business opportunities in various European countries and the U.S.A. Furthermore, the Supervisory Board informed itself about the bank's new compliance organization and its increased involvement in the insurance sector. The resulting opportunities were discussed in detail and the necessary resolutions were taken. We also conferred about significant changes in the bank's portfolio of subsidiaries, associated companies and trade investments.

The cyclical and monetary situation was the subject of extensive report and discussion. We examined major business transactions individually and dealt with all matters which, pursuant to legal requirements or the Articles of Association, must be presented to us for approval.

At its meetings, the Credit Committee of the Supervisory Board, together with the Board of Mana-

ging Directors, examined loans that had to be submitted in accordance with law and 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 of December 31, 1992, 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 were submitted to us.

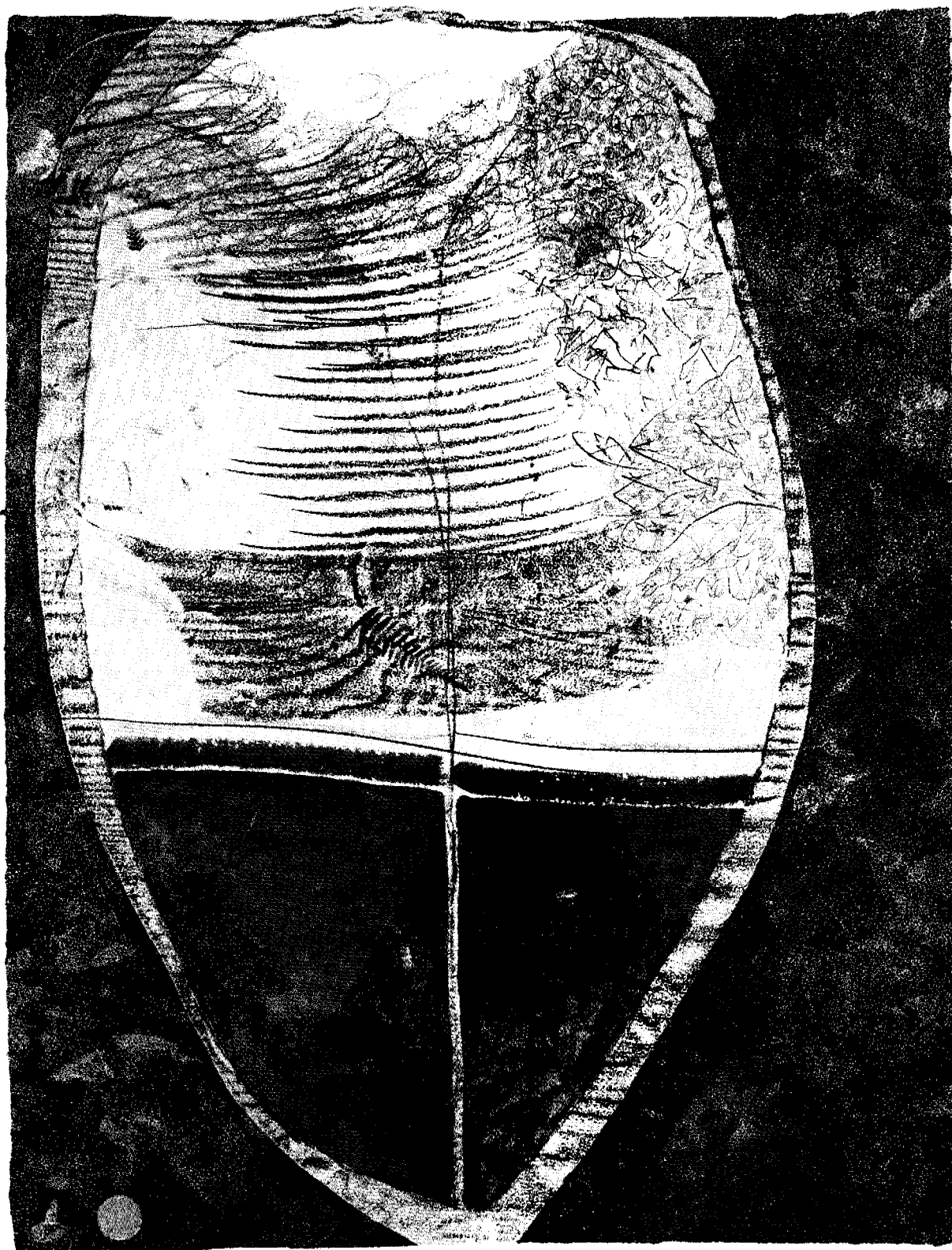
The Annual Statement of Accounts drawn up by the Board of Managing Directors has been approved by us today and is thus established. We agree with the proposed appropriation of profits.

Frankfurt am Main, March 30, 1993

The Supervisory Board



Dr. F. Wilhelm Christians  
Chairman



# Deutsche Bank – Your Partner Worldwide

The services of Deutsche Bank Group are provided worldwide through the following companies:

## Commercial banks

### German

#### Deutsche Bank AG

Frankfurt am Main  
Capital and reserves DM 18,158.2 m. \*)

#### Deutsche Bank Lünebeck AG vormals Handelsbank

Lünebeck  
Capital and reserves DM 179.8 m. Holding 93%

#### Deutsche Bank Saar AG

Saarbrücken  
Capital and reserves DM 114.0 m. Holding 69.2%

### International

#### Banca d'America e d'Italia S.p.A.

Milan  
Capital and reserves Lit 1,070.0 bn. Holding 99.7%

#### Banco Comercial Transatlántico, S.A.

Barcelona  
Capital and reserves Pta 35.6 bn. Holding 99.6%

#### H. Albert de Bary & Co. N.V.

Amsterdam  
Capital and reserves Guilder 190.7 m. Holding 100%

#### Deutsche Bank (Asia Pacific) Ltd.

Singapore  
Capital and reserves S\$ 66.6 m. Holding 100%

#### Deutsche Bank Australia Ltd.

Melbourne  
Capital and reserves A\$ 130.1 m. Holding 100%

#### Deutsche Bank (Austria) AG

Vienna  
Capital and reserves AS 369.5 m. Holding 100%

#### Deutsche Bank (Canada)

Toronto  
Capital and reserves Can\$ 85.1 m. Holding 100%

#### Deutsche Bank de Investimento, S.A.

Lisbon  
Capital and reserves Esc 10.0 bn. Holding 100%

#### Deutsche Bank Luxembourg S.A.

Luxembourg  
Capital and reserves LF 28.3 bn. Holding 100%

#### DB (Belgium) Finance S.A./N.V.

Brussels  
Capital and reserves BF 2.8 bn. Holding 100%

#### DB U.K. Finance p.l.c.

London  
Capital and reserves £ 30.8 m. Holding 100%

## Mortgage banks

### German

#### Deutsche Centralbodenkredit-AG

Berlin – Cologne  
Capital and reserves DM 928.2 m. Holding 93.6%

#### Frankfurter Hypothekbank AG

Frankfurt am Main  
Capital and reserves DM 969.0 m. Holding 94.3%

#### Lübecker Hypothekbank AG

Lünebeck  
Capital and reserves DM 315.8 m. Holding 100%

#### Schiffshypothekbank zu Lünebeck AG

Hamburg  
Capital and reserves DM 123.5 m. Holding 100%

### International

#### Europäische Hypothekbank S.A.

Luxembourg  
Capital and reserves DM 45.9 m. Holding 100%

## International financing companies

### International

#### Deutsche Bank Finance N.V.

Curaçao  
Capital and reserves U.S.\$ 6.7 m. Holding 100%

#### Deutsche Bank Financial Inc.

New York  
Capital and reserves U.S.\$ 1.5 m. Holding 100%

#### Deutsche Finance (Netherlands) B.V.

Amsterdam  
Capital and reserves Guilder 10.6 m. Holding 100%

## Investment banking, capital markets and capital investment companies

### German

#### Deutsche Asset Management GmbH

Frankfurt am Main  
Capital and reserves DM 26.6 m. Holding 100%

#### Deutsche Gesellschaft für Fondsverwaltung mbH

Frankfurt am Main  
Capital and reserves DM 39.3 m. Holding 100%

#### DWS Deutsche Gesellschaft für Wertpapiersparen mbH

Frankfurt am Main  
Capital and reserves DM 233.1 m. Holding 99.9%

#### Deutsche Grundbesitz-Anlagegesellschaft mbH

Frankfurt am Main  
Capital and reserves DM 3.3 m. Holding 60%

#### Deutsche Grundbesitz-Investmentgesellschaft mbH

Frankfurt am Main  
Capital and reserves DM 24.4 m. Holding 60%

#### Deutsche Vermögensbildungs-gesellschaft mbH

Bad Homburg v.d.H.  
Capital and reserves DM 6.3 m. Holding 100%

#### Grunelius KG Privatbankiers

Frankfurt am Main  
Capital and reserves DM 36.2 m. Holding 82%

### International

#### BAI Società di Intermediazione Mobiliare S.p.A.

Milan  
Capital and reserves Lit 8.2 bn. Holding 99.9%

#### Bain & Company Ltd.

Sydney  
Capital and reserves A\$ 67.5 m. Holding 50%

#### C. J. Lawrence Inc.

New York  
Capital and reserves U.S.\$ 36.6 m. Holding 100%

#### Deutsche Bank Capital Corporation

New York  
Capital and reserves U.S.\$ 114.7 m. Holding 100%

#### Deutsche Bank Capital Markets (Asia) Ltd.

Hong Kong  
Capital and reserves Yen 8.1 bn. Holding 54%

#### Deutsche Bank France S.N.C.

Paris  
Capital and reserves FF 142.8 m. Holding 100%

#### Deutsche Bank Gilts Ltd.

London  
Capital and reserves £ 7.8 m. Holding 100%

#### Deutsche Bank Government Securities, Inc.

New York  
Capital and reserves U.S.\$ 89.4 m. Holding 100%

#### Deutsche Bank (Suisse) S.A.

Geneva  
Capital and reserves SF 129.5 m. Holding 100%

#### DB Investment Management S.A.

Luxembourg  
Capital and reserves DM 180.9 m. Holding 100%

#### DB Securities Sociedad de Valores y Bolsa, S.A.

Madrid  
Capital and reserves Pta 1.1 bn. Holding 100%

#### McLean McCarthy Inc.

Toronto  
Capital and reserves Can\$ 15.5 m. Holding 100%

#### Morgan Grenfell Group plc

London  
Capital and reserves £ 395.0 m. Holding 100%

\*) also DM 2,700 m. in participatory capital



cular by the following companies

Instalment financing  
and leasing companies

man

**AutoLeasing D GmbH**  
Munich  
Capital and reserves DM 95.6 m. Holding 51%

**Co Datenanlagen GmbH & Co. KG**  
Munich  
Capital and reserves DM 3.9 m. Holding 52%

**Export-Leasing GmbH**  
Frankfurt am Main  
Capital and reserves DM 0.05 m. Holding 100%

**Deutsche Immobilien Leasing GmbH**  
Munich  
Capital and reserves DM 50.0 m. Holding 100%

**EE Gesellschaft für  
aufs-Finanzierung mbH**  
Munich  
Capital and reserves DM 21.0 m. Holding 100%

**A Gesellschaft für  
Investfinanzierung mbH**  
Munich  
Capital and reserves DM 388.0 m. Holding 100%

**A-Leasing GmbH**  
Munich  
Capital and reserves DM 100.0 m. Holding 100%

International

**Factoring S.p.A.**  
Munich  
Capital and reserves Lit 12.2 bn. Holding 100%

**Leasing S.p.A.**  
Munich  
Capital and reserves Lit 9.7 bn. Holding 100%

**Deutsche Bank Credit, S.A.**  
Madrid  
Capital and reserves Pta 2.0 bn. Holding 100%

**Deutsche Credit Corporation**  
New York  
Capital and reserves U.S.\$ 71.4 m. Holding 100%

**Leasing – Sociedade de Locação  
Imobiliária, S.A.**  
Lisbon  
Capital and reserves Esc 0.8 bn. Holding 100%

Specialized institutions

German

**Deutsche Bank Bauspar-AG**  
Frankfurt am Main  
Capital and reserves DM 40.3 m. Holding 98%

**Deutsche Gesellschaft  
für Netzwerkdienste mbH**  
Eschborn  
Capital and reserves DM 5.0 m. Holding 100%

**DPE Deutsche Projektentwicklungs-  
Gesellschaft für Grundvermögen mbH**  
Frankfurt am Main  
Capital and reserves DM 1.5 m. Holding 50%

**Bonndata Gesellschaft für  
Datenverarbeitung mbH**  
Bonn  
Capital and reserves DM 8.1 m. Holding 51%  
(in voting capital)

International

**Deutsche Bank Financial Products Corp.**  
New York  
Capital and reserves -U.S.\$ 0.2 m. Holding 100%

Insurance companies

German

**Deutscher Herold  
Allgemeine Versicherungs-AG**  
Bonn  
Capital and reserves DM 139.1 m. Holding 65.3%  
(effective)

**Deutscher Herold  
Lebensversicherungs-AG**  
Bonn  
Capital and reserves DM 102.5 m. Holding 65.3%  
(effective)

**Lebensversicherungs-AG  
der Deutschen Bank**  
Wiesbaden  
Capital and reserves DM 67.8 m. Holding 100%

International

**DB Vida Compañía de  
Seguros y Reaseguros, S.A.**  
Madrid  
Capital and reserves Pta 1.6 bn. Holding 100%

Consultancy companies

German

**Roland Berger & Partner Holding GmbH**  
Munich  
Capital and reserves DM 37.0 m. Holding 75.1%

**Bonnfinanz Aktiengesellschaft für  
Vermögensberatung und Vermittlung**  
Bonn  
Capital and reserves DM 2.4 m. Holding 65.3%  
(effective)

**DB Morgan Grenfell GmbH**  
Frankfurt am Main  
Capital and reserves DM 2.3 m. Holding 100%

**DB Research GmbH Gesellschaft für  
Wirtschafts- und Finanzanalyse**  
Frankfurt am Main  
Capital and reserves DM 5.0 m. Holding 100%

**Deutsche Gesellschaft für  
Mittelstandsberatung mbH**  
Munich  
Capital and reserves DM 4.3 m. Holding 100%

**Deutsche Immobilien  
Anlagegesellschaft mbH**  
Frankfurt am Main  
Capital and reserves DM 33.2 m. Holding 100%

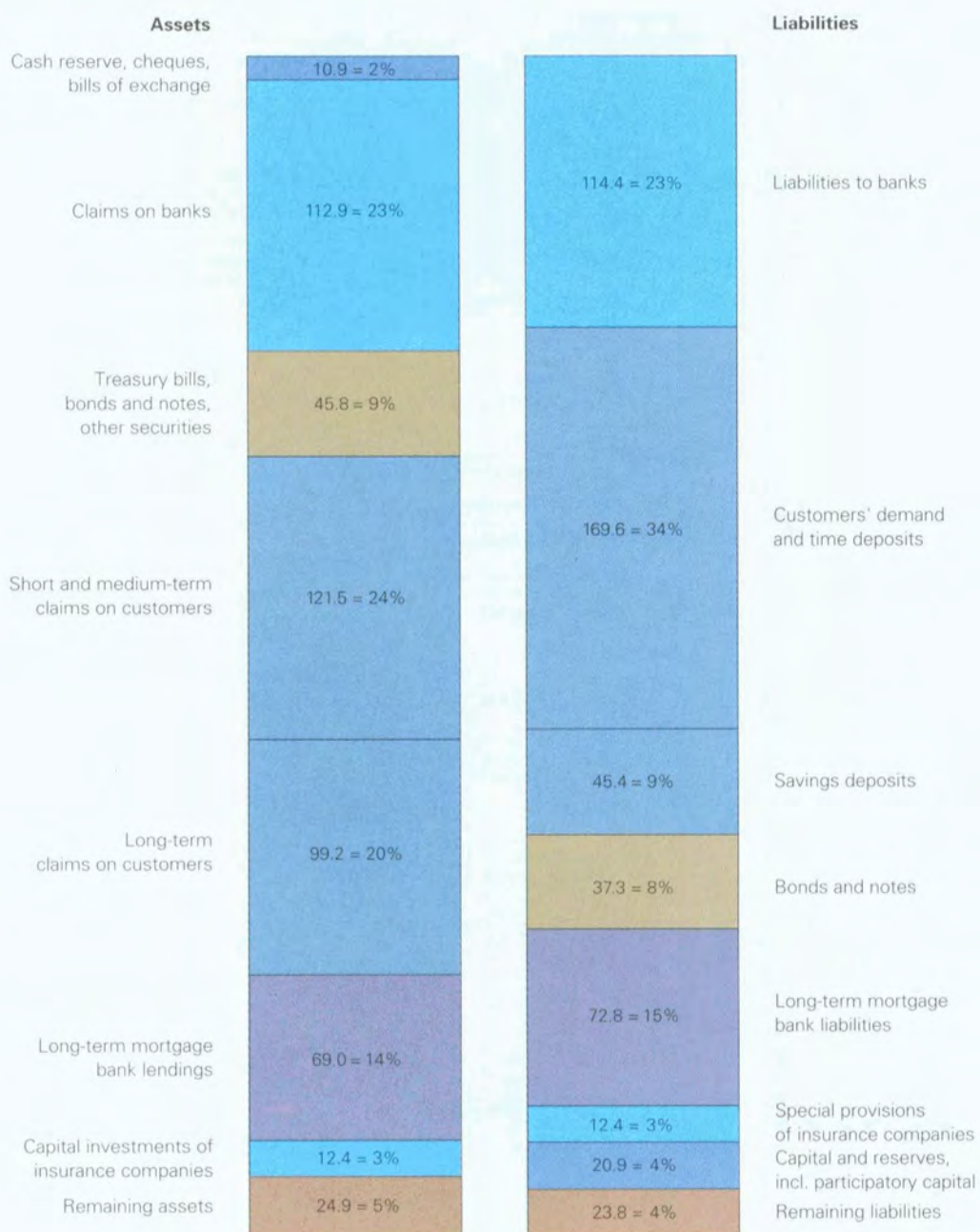
**Immobilien-Gesellschaft der  
Deutschen Bank mbH**  
Frankfurt am Main  
Capital and reserves DM 7.3 m. Holding 100%

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

## Report of the Group for 1992

### Balance sheet structure, end of 1992

(in DM bn.)



Balance sheet total 496.6 = 100%



## 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. Owing to the sale of 70% of the shares, Banco de Montevideo, Montevideo, is no longer consolidated. Furthermore, the business activities of Deutsche Bank Capital Markets Ltd., London, and those of Deutsche Portfolio Corporation, New York, were transferred to other Group units. The Deutscher Herold insurance group was consolidated for the first time. Since the acquisition of the majority did not take place until the middle of December 1992, only the balance sheet values have been consolidated.

## Commercial banks

The financial year of *Deutsche Bank Lüneburg AG vormals Handelsbank, Lüneburg*, was characterized by strong expansion in balance sheet total and a further improvement in the income situation. The growth of balance sheet total by 9.6% to DM 3.8 bn. was due primarily to lending business, with stronger demand for long-term loans than short and medium-term advances. Funds from outside sources came to DM 3.5 bn. (+ 8.6%). Savings deposits increased to more than DM 1 bn. The trend towards higher-yield forms of saving continued unabated.

Owing to the marked increase in net interest income and net commission income, operating profit improved by 23.2% to DM 70.6 m.

Of net income for the year of DM 17.6 m. (+ 26.6%), DM 7.5 m. was added to revenue reserves. A further

DM 2.5 m. is to be added to reserves by resolution of the General Meeting. Capital and reserves will then amount to DM 172.2 m.

It is proposed to the General Meeting that an unchanged dividend of DM 15 per share of DM 50 par value be distributed.

*Deutsche Bank Saar AG, Saarbrücken*, reached a balance sheet total of DM 2.3 bn. (+ 3.3%) at the end of 1992. Total credit extended increased by 5.9% to DM 1.4 bn., especially through short and medium-term loans to corporate clients. Funds from outside sources rose 4.4% to DM 2.1 bn.

The 4.4% increase in net interest income stemmed from the expansion of average balance

### Breakdown of aggregate balance sheet total end of 1992

Deutsche Bank Group





sheet total. Thanks to brisk sales of investment fund certificates, net commission income rose by 9.3%. Operating profit increased 3.0% to DM 38.1 m.

Of net income for the year of DM 12.0 m., DM 5.0 m. was added to revenue reserves, with capital and reserves then amounting to DM 107.0 m. It is proposed to the General Meeting that an unchanged dividend of DM 10 per share of DM 50 par value be distributed.

*Banca d'America e d'Italia S.p.A. (BAI), Milan*, represented by 149 branches in the Italian market, can look back on a successful 1992 financial year. Balance sheet total as at December 31, 1992 is reported at Lit 12,588 bn. (DM 13.8 bn.). Owing to the growth in average balance sheet total, net interest income was up by 7.3%. The interest margin did not maintain the level of the previous year. The increase in profits from own-account trading in foreign exchange is particularly noteworthy.

In the credit card sector (BankAmericard), the bank achieved sales growth of 17.6% on the previous year. Total net income for the year rose 10.4% to Lit 67.8 bn. (DM 74.2 m.), of which Lit 33.6 bn. (DM 36.8 m.) is to be added to reserves. Lit 34.2 bn. (DM 37.4 m.) is to be distributed to shareholders. Including the addition to reserves, the bank has capital and reserves of Lit 1,036 bn. (DM 1.1 bn.).

The balance sheet volume of *BAI Leasing S.p.A., Milan*, increased 4.4% to Lit 695 bn. (DM 761 m.). The positive development of business was underpinned by improved margins in leasing business. The volume of leasing contracts newly concluded in 1992 rose 8% to Lit 150 bn. (DM 164 m.). The growth rate was thus considerably higher than the sector average.

Net income for the year of Lit 191 m. (DM 209,000) is to be added to reserves. Capital and reserves will then amount to Lit 9.7 bn. (DM 10.6 m.).

*BAI Factoring S.p.A., Milan*, recorded substantial volume growth. The claims on customers arising from factoring business increased 29% to Lit 627 bn. (DM 686 m.).

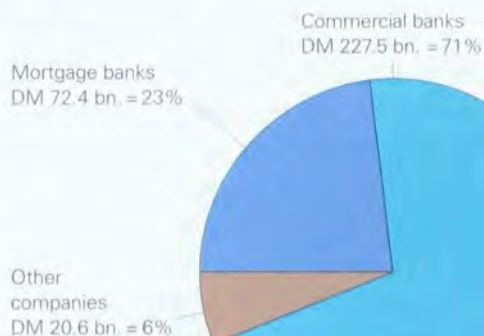
Half of the net income for the year of Lit 2.0 bn. (DM 2.2 m.) is to be added to reserves, and half is to be used for distribution of a dividend.

The company's capital and reserves, to which Lit 5 bn. (DM 5.5 m.) was added in 1992 through a capital increase, are reported at Lit 12.2 bn. (DM 13.3 m.).

*BAI Società di Intermediazione Mobiliare S.p.A., Milan*, which resulted from conversion of Finanziaria BAI S.p.A., received a licence for securities business from the stock exchange supervisory authority. It commenced business at the beginning of 1992

#### Total lending, by Group companies, end of 1992

Deutsche Bank Group



Total DM 320.5 bn.

and achieved net income for the year of Lit 170 m. (DM 186,000) in its first business year. The company has capital and reserves of Lit 8.2 bn. (DM 9.0 m.).

*DB Finanziaria S.p.A., Milan*, supplements the range of products and services offered by Banca d'America e d'Italia S.p.A. In the 1992 financial year it stepped up its activities in new financial instruments. Balance sheet total rose to Lit 197 bn. (DM 216 m.).

Net income for the year of Lit 738 m. (DM 0.8 m.) will be used to distribute a dividend. The company's capital and reserves amount to Lit 17.6 bn. (DM 19.3 m.).

*Banco Comercial Transatlántico, S.A., Barcelona*, with its subsidiaries, offers the entire range of products of a universal bank. The past financial year was again characterized by strong growth of balance sheet total, which rose 41.3% to Pta 696 bn. (DM 9.8 bn.).

Owing to the narrower interest margin, net interest income could not be maintained at the previous year's high level. On the other hand, the profits from own-account trading in securities and foreign exchange almost doubled. Net income for the year increased 8.8% to Pta 1,802 m. (DM 25.4 m.). Of this figure, Pta 970 m. is to be added to reserves. Pta 826 m. is to be used for distribution of a dividend. After the addition to reserves, the bank's capital and reserves will amount to Pta 34.8 bn. (DM 491 m.).

*Deutsche Bank Credit, S.A., Madrid*, supplements the range of products offered by Banco Comercial Transatlántico, S.A. The bank specializes in vehicle financings and the extension of loans secured against real property. Total credit extended came to Pta 23.2 bn. (DM 328 m.). The financial year ended with net income for the year of Pta 94 m. (DM 1.3 m.).

The bank has capital and reserves of Pta 2.0 bn. (DM 28.2 m.).

Since the beginning of 1992, new leasing business has been handled by Banco Comercial Transatlántico, S.A. *Leasing Bancotrans Sociedad de Arrendamiento Financiero, S.A., Barcelona*, previously active in this business sector, confines its activities to the administration of its property stock in the value of Pta 13.6 bn. (DM 192 m.). Net income for the year at Leasing Bancotrans of Pta 235 m. (DM 3.3 m.) is to be added to reserves as in previous years.

*DB Securities Sociedad de Valores y Bolsa, S.A., Madrid*, conducts securities trading in the Spanish market. The product range was extended to include M & A business and trading in futures and options. In July 1992 the company became member of the Spanish stock exchange.

Turnover in securities business was substantially increased. Net income for the year came to Pta 75 m. (DM 1.1 m.). Of this, Pta 39 m. will be distributed as dividend, the rest will be carried forward to new account. Capital and reserves come to Pta 1.0 bn. (DM 14 m.).

*DB Vida Compañía de Seguros y Reaseguros, S.A., Barcelona*, conducts life insurance business and the administration of pension funds. The products are marketed through the branch network of Banco Comercial Transatlántico, S.A., and by the company's own sales staff. In its first full business year the company established itself firmly in the Spanish insurance market. Up to the end of 1992, insurance contracts for Pta 31.7 bn. (DM 446 m.) had been concluded. Net income for the year of Pta 130 m. (DM 1.8 m.) is to be added to reserves. The company's capital and reserves will then amount to Pta 1.6 bn. (DM 23 m.).



*DB Inmuebles y Patrimonio, S.A., Barcelona*, administers the property owned by our Spanish subsidiaries. Over and above that, the company offers property management services outside the Group.

*H. Albert de Bary & Co. N.V., Amsterdam*, raised its balance sheet total owing to brisk lending business by 3.1 % to Guil 5.0 bn. (DM 4.6 bn.). A substantial portion of the company's lending business relates to short-term commodity trade financings.

Incremental income in foreign exchange and bond trading led to a slight improvement in operating profit. Of the net income for the year of Guil 8.4 m. (DM 7.5 m.), Guil 1.8 m. is to be added to reserves, raising capital and reserves to Guil 184.0 m. (DM 163.9 m.). It is planned to distribute a dividend of Guil 6.6 m. (DM 5.9 m.).

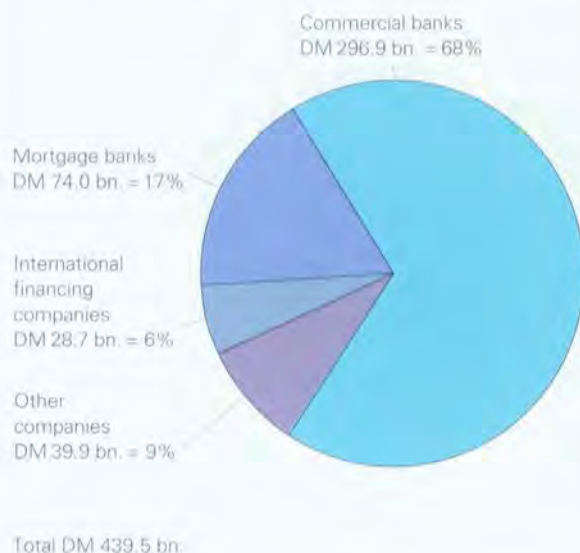
*Deutsche Bank (Asia Pacific) Ltd., Singapore*, as a merchant bank, supplements the business transacted by the branches of Deutsche Bank AG in the Asian region. Balance sheet total grew by 12.5% compared with the previous year to S\$ 520 m. (DM 511 m.).

The successful course of business is reflected in the net income for the year, which rose to S\$ 13.4 m. (DM 13.2 m.) and is to be distributed in full. Capital and reserves are reported at S\$ 53.2 m. (DM 52.3 m.).

*Deutsche Bank Australia Ltd., Melbourne*, with its 100 % subsidiaries Deutsche Capital Markets Australia Ltd., Sydney, and Deutsche Capital Management Australia Ltd., Melbourne, increased its share in the voting capital of Bain & Company Ltd., Sydney, to 100%. Total credit extended was unchanged at A\$ 2.0 bn. (DM 2.3 bn.). In April 1992 the bank issued a five-year eurobond for A\$ 125 m. (DM 139 m.).

#### Funds from outside sources, by Group companies, end of 1992

Deutsche Bank Group



Burdens on extraordinary account led to a loss of A\$ 4.0 m. (DM 4.5 m.). Capital and reserves are A\$ 130 m. (DM 145 m.).

*Deutsche Bank (Austria) AG, Vienna*, expanded its presence in Austria by opening a branch in Salzburg specializing in portfolio investment for private customers. The successful development of business and the improved income situation were due primarily to foreign exchange and securities trading and issuing business.

Balance sheet total is reported almost unchanged at AS 4.2 bn. (DM 603 m.).

The profit for the year of AS 10.3 m. (DM 1.5 m.) was used for partial equalization of the loss brought forward from earlier account and which arose in the start-up phase as a result of formation and

development costs. Capital and reserves amount to AS 397 m. (DM 56.5 m.).

The financial year of *Deutsche Bank (Canada), Toronto*, which covers 14 months following the conversion to December 31, was influenced by the difficult cyclical situation in Canada, especially on the property market. Total credit extended fell 2.6% to Can\$ 0.8 bn. (DM 1.0 bn.). On the other hand, deposits with banks were increased, causing balance sheet total to rise 3.6% to Can\$ 1.2 bn. (DM 1.6 bn.). Provisions had to be formed to take account of the risks in lending business.

The financial year shows a loss of Can\$ 27.2 m. (DM 34.6 m.). Capital and reserves amounted to Can\$ 85.1 m. (DM 108.3 m.) at the end of 1992 after the addition of Can\$ 24 m. (DM 30.5 m.).

*Deutsche Bank de Investimento, S.A., Lisbon*, conducts, after the expansion of its product range initiated in 1992, the business of a universal bank with the emphasis on corporate banking. The number of customers increased substantially. The bank has a leading position in the Portuguese market in the placement of commercial paper. Over and above that, it was market maker in Portuguese government securities. An offshore branch was opened in Madeira in 1992 and made an important contribution to the bank's volume growth. Balance sheet total rose from Esc 47 bn. (DM 527 m.) to Esc 195 bn. (DM 2.2 bn.).

Net income for the year of Esc 546 m. (DM 6.1 m.) is to be added in full to reserves. The bank thus has capital and reserves of Esc 10.0 bn. (DM 111 m.).

*DB Leasing – Sociedade de Locação Financeira Mobiliária, S.A., Lisbon*, which conducts leasing business in Portugal, successfully completed its first full

business year. In new business, 881 contracts were concluded with a volume of Esc 4.3 bn. (DM 47.7 m.).

The company has capital and reserves of Esc 757 m. (DM 8.4 m.).

The balance sheet total of *Deutsche Bank Luxembourg S.A., Luxembourg*, increased, owing to the recovery in short-term lending business with domestic and foreign customers, by 22% to LF 856 bn. (DM 41.7 bn.). In traditional euroloan business, the bank, besides extending individual loans, had greater involvement in syndicated lending business. Total credit extended came to LF 675 bn. (DM 32.9 bn.).

The principal source of funding is deposits taken in from banks in the euromarket, stemming chiefly from Group institutions.

The bank's activities are being increasingly determined by business with private customers. The number of account relationships and the volume of funds under administration have increased considerably.

At LF 6.7 bn. (DM 329 m.), operating profit reached a new peak. It improved by 6.9% compared with the previous year.

Of net income for the year of LF 5.4 bn. (DM 264 m.), LF 1.9 bn. is to be added to reserves by resolution of the Ordinary General Meeting. Furthermore, LF 1.5 bn. is earmarked for distribution of a dividend, and LF 2.0 bn. for a special distribution.

Owing to the bank's expanding business and the new capital adequacy requirements pursuant to EC directives, the company's capital was increased by a total of LF 6.2 bn. (DM 302 m.). The capital base has thus increased to LF 24.8 bn. (DM 1.2 bn.).

*DB (Belgium) Finance S.A./N.V., Brussels*, which is active in international lending business, achieved a balance sheet volume of BF 31.7 bn. (DM 1.5 bn.). Loans totalling BF 25.4 bn. (DM 1.2 bn.) were extended to customers. The successful development

of business is reflected in the 18.6% rise in net income for the year to BF 170.5 m. (DM 8.3 m.), of which BF 155 m. (DM 7.5 m.) will be used for distribution of a dividend. BF 15.5 m. (DM 0.8 m.) will be added to reserves, after which capital and reserves will increase to BF 2.6 bn. (DM 126.9 m.).

*DB U.K. Finance p.l.c., London*, reports a balance sheet total of £ 891 m. (DM 2.2 bn.).

Net income for the year of £ 3.8 m. (DM 9.2 m.), which exceeded the previous year's figure by 31 %, will be added in full to reserves. The company will then have capital and reserves of £ 30.8 m. (DM 75.2 m.).

## **Mortgage banks**

*Deutsche Centralbodenkredit-AG, Berlin-Cologne*, strongly increased its new loan commitments in mortgage business from DM 2.3 bn. to DM 3.0 bn. This is the highest commitment volume since the bank came into existence. The biggest share of new business related to lendings secured against commercial properties. The bank committed loans amounting to DM 0.7 bn. for properties in the new federal states and east Berlin. In lending to the public sector, commitments increased by DM 0.5 bn. to DM 2.6 bn. The total loan book, which comprises DM 17.5 bn. in mortgage loans and DM 12.7 bn. in loans to the public sector, increased 5% to DM 30.2 bn. Funds in a total amount of DM 6.1 bn. were taken up to refinance this new business. Included here for the first time, in anticipation of the new capital adequacy regulations, were subordinated bonds. Balance sheet total is reported at DM 32.9 bn. (+ 8.2%).

Owing to the incremental income resulting from the expansion of volume, operating profit improved 8.0% to DM 188.7 m. Of the net income for the year of DM 75.2 m., DM 37.0 m. was added to revenue reserves. It is proposed to the General Meeting that a further DM 8.0 m. be added to revenue reserves and that an unchanged dividend of DM 15 per share of DM 50 par value be paid on the company's capital to be increased from company funds by DM 16.8 m. Including the addition to reserves, the bank's capital and reserves amount to DM 898.0 m.

At *Frankfurter Hypothekenbank AG, Frankfurt am Main*, total new lending business increased by 16.1 % to DM 4.1 bn. in 1992, the company's 130th anniversary. In new mortgage business, which rose by DM 1.9 bn., the highest increases were achieved in residential building. Close on 40% of the volume was attributable to lendings in the new federal states. In opening an office in Dresden and relocating our

Berlin office to the eastern part of the city, we created new bases for selective new business acquisition work. New lending to the public sector rose by 12.8% to DM 2.2 bn. The total loan book amounted to DM 29.5 bn. To fund its new business, the company raised funds totalling DM 5.6 bn. in 1992. Balance sheet total increased to DM 32.7 bn. (+ 5.3%).

The bank generated operating profit of DM 214.0 m. Of the net income for the year, which rose 7.0% to DM 82.3 m., DM 40.0 m. was added to revenue reserves. Over and above that, subject to a resolution to this effect by the General Meeting, a further DM 10.0 m. is to be added to reserves. After this, the bank will have capital and reserves amounting to DM 936.8 m. It is planned to pay an unchanged dividend of DM 15 per share of DM 50 par value on the share capital to be raised by DM 17.9 m. from company funds.

*Lübecker Hypothekenbank AG, Lübeck*, achieved substantial growth in its new lending business. New mortgage loans, at DM 1.4 bn., were 45% above the previous year's figure. This result was due in particular to financings for existing properties (purchase and modernization). In loans to the public sector, the bank recorded an increase in commitment volume by 14% to DM 0.7 bn. Close on one-fifth of total new business related to the new federal states. The total loan portfolio of DM 9.6 bn. comprises DM 7.2 bn. in mortgage loans and DM 2.4 bn. in loans to the public sector. Sales of bonds and notes and *Schuldscheindarlehen* came to DM 1.9 bn. Balance sheet total rose 3.8% to DM 10.4 bn.

Operating profit improved to DM 65.5 m. Of the net income for the year of DM 28.8 m., DM 13.0 m. was added to revenue reserves. A further DM 7.0 m. is to be used to strengthen reserves after a resolution to this effect by the General Meeting. Total capital and reserves thus amount to DM 307 m. Distributable profit is to be used to pay an unchanged dividend of

DM 15 per share of DM 50 par value on the share capital, which is to be increased by DM 3.7 m. from company funds.

*Schiffshypothekenbank zu Lübeck AG, Hamburg*, increased its balance sheet volume by 11.3% to DM 1.5 bn., despite the difficult environment on the shipping markets. The new loans are funded for the most part by loans taken up long term from banks. Of the net income for the year of DM 19.5 m., DM 9.0 m. is to be added to revenue reserves and DM 10.5 m. used for payment of a dividend (15%). Capital and reserves, after the addition to reserves, will amount to DM 113.0 m.

*Europäische Hypothekenbank S.A., Luxembourg*, grants loans to the public sector and loans secured against real property in the states of the EC and OECD. In the 1992 financial year the bank extended loans amounting to DM 616 m., refinanced for the most part by sales of covered bonds for an amount of DM 478 m. Balance sheet total increased by DM 0.5 bn. to DM 1.5 bn.

Of the net income for the year of DM 681,000 and the profit of DM 53,000 brought forward from the previous year, DM 700,000 is to be added to reserves by resolution of the Shareholders' Meeting. Capital and reserves will thus amount to DM 46 m.

#### **Investment banking, capital market and capital investment companies**

*Deutsche Asset Management GmbH, Frankfurt am Main*, manages assets for institutional investors in Germany and abroad. The investment volume under management at the end of 1992 amounted to DM 8.5 bn.

Of the distributable profit of DM 11.6 m., DM 11.5 m. is to be used for payment of a dividend.

*Deutsche Gesellschaft für Fondsverwaltung mbH (DEGEF), Frankfurt am Main*, manages special-purpose funds for German and foreign institutional investors. Fund assets increased by DM 2.5 bn. to DM 25.4 bn. The number of funds increased by 7 to 255.

The Shareholders' Meeting resolved at the beginning of 1993 to pay out the entire distributable profit of DM 9.2 m.

*DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main*, achieved a net inflow of funds in the sum of DM 2.2 bn. up to mid-year 1992 from new sales of certificates. From this point onwards, investor interest focussed on the investment funds formed in accordance with foreign law. At the end of 1992 DWS managed total assets of DM 28.3 bn. in 29 securities retail funds. Certificate holders received a payment totalling DM 2.1 bn. Of the net income for the year of DM 64.0 m., DM 5.0 m. was added to revenue reserves. Capital and reserves thus amount to DM 155.0 m. For the 1991/1992 financial year, a dividend of DM 65 m. was paid with partial utilization of profit brought forward.

*Deutsche Grundbesitz-Anlagegesellschaft mbH, Frankfurt am Main*, managed eleven closed-end German property funds with total fund assets of DM 1.2 bn. at the end of 1992 (previous year: DM 1.0 bn.). There were also agency agreements for four funds with foreign property assets. Net income for the year of DM 50,000 will be carried forward to new account. Capital and reserves amount to DM 3.3 m.

*Deutsche Grundbesitz-Investmentgesellschaft mbH, Frankfurt am Main*, manages the open-ended property funds "grundbesitz-invest" and "HAUS-INVEST". Fund assets rose in 1992 from DM 5.4 bn. to DM 6.2 bn. The net income for the year of DM 173,000 will be carried forward to the next financial year.

*Grunelius KG Privatbankiers, Frankfurt am Main*, provide a comprehensive service to high-net-worth private customers in the field of portfolio investment. The volume under management rose again strongly in the 1992 financial year.

Since the middle of 1992, we have held all voting shares in the Australian investment bank *Bain & Company Ltd., Sydney*, through *Deutsche Bank Australia Ltd.* With a broad range of products for firms, corporations and institutional investors, Bain Group is one of the leading institutions among Australian investment banks.

Despite persistently difficult market conditions in Australia, net income for the year was increased to A\$ 12.1 m. (DM 13.5 m.), which is to be used to strengthen the company's capital base. Total capital and reserves, including subordinated liabilities, amount to A\$ 67.5 m. (DM 75.1 m.).

*Deutsche Bank Capital Corporation (DBCC), New York*, successfully concluded the past financial year. Special mention should be made of business in interest rate swaps, which, as a result of higher new contracts, contributed to the improved income situation.

The activities of DBCC are supplemented by its subsidiary *Deutsche Bank Government Securities, Inc. (DBGSI), New York*. The company is active as a primary dealer in trading and placement business in U.S. government bonds (Treasuries). The result was increased on the basis of intensified trading activities.

The two companies together generated net income for the year totalling U.S.\$ 8.2 m. (DM 13.2 m.). They have capital and reserves of U.S.\$ 104.1 m. (DM 168.0 m.).



Brokers *C. J. Lawrence Inc., New York*, well established in the American market, were integrated into Deutsche Bank North America Holding at the end of 1992. The investment bank's business is oriented to domestic and foreign institutional investors. The volume of assets under management was doubled in 1992. Balance sheet total increased to U.S.\$ 52.3 m. (DM 84.4 m.).

Net income for the year of U.S.\$ 1.9 m. (DM 3.1 m.) was achieved. The company has capital and reserves of U.S.\$ 36.6 m. (DM 59.0 m.).

*Deutsche Bank France S.N.C., Paris*, commenced operations in securities issuing business at the beginning of 1992. The company is admitted as primary dealer in French government paper. In the underwriting of euro-franc securities the bank succeeded in establishing a good position at the Paris centre.

The start-up loss of FF 7.2 m. (DM 2.1 m.), incurred in the first financial year, will be carried forward to new account. The bank has capital of FF 142.8 m. (DM 41.9 m.).

*Deutsche Bank Gilts Ltd., London*, commenced business operations in April 1992. It conducts securities business as market maker in U.K. government paper and thereby supplements the trading activities of our branch in London. The company has capital and reserves of £ 7.8 m. (DM 19.0 m.).

*Deutsche Bank (Suisse) S.A., Geneva*, with branches in Zürich and Lugano, considerably expanded its investment advisory and asset management business in 1992. In the capital market sector it participated in 76 transactions with a total volume of SF 11.3 bn. (DM 12.5 bn.). In all income sectors the bank reported good growth rates.

Net income for the year doubled to SF 9.5 m. (DM 10.5 m.). Of this, SF 6 m. will be used to pay a

dividend; the remainder will be added to reserves. Capital and reserves will then be reported at SF 123.5 m. (DM 136.3 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, almost doubled the volume of fund assets compared with the previous year. In a total of 21 funds, the company managed assets of DM 27.0 bn. at the end of 1992.

The new funds were very well received by investors. Rendite 2000 and R&S Garant alone achieved a fund asset volume totalling DM 14.0 bn.

The company achieved net income for the year of DM 60.6 m., of which DM 9 m. is to be paid to shareholders. It is proposed to the Shareholders' Meeting that DM 72.0 m. be added to reserves from net income for the year including profit carried forward. Capital and reserves will then amount to DM 171.5 m.

The Canadian securities broker *McLean McCarthy Inc., Toronto*, has converted its financial year to December 31, as a result of which the reporting period now covers 14 months. In corporate finance, the company's activities were further strengthened. The company participated in the placement of 12 new share issues. Since October 1992 it has taken up trading in derivative financial instruments.

Taken in total, income was not satisfactory owing to the stock market situation. A loss of Can\$ 1.9 m. (DM 2.4 m.) was incurred in the financial year. Including subordinated liabilities, the bank's capital and reserves amount to Can\$ 15.5 m. (DM 19.7 m.).

The British merchant bank *Morgan Grenfell Group plc, London*, successfully completed the 1992 financial year, thanks to the favourable development in all divisions. In the field of mergers and acquisitions, characterized by difficult market conditions, Morgan

Grenfell further strengthened its leading position. In asset management, the positive development continued. Owing to a number of new mandates and increases in value, the assets under management rose by £ 4.4 bn. to £ 20.5 bn. (DM 50 bn.). Lending business was oriented to qualitative growth. Debt arbitrage trading again made an important contribution to the overall result.

The consolidated balance sheet total of Morgan Grenfell Group plc rose 24.8% to £ 9.7 bn. (DM 23.6 bn.). Of the strongly increased net income for the year of £ 56.5 m. (DM 137.9 m.), £ 27.6 m. will be added to reserves and £ 27.6 m. used to distribute a dividend. Capital and reserves (consolidated) were recorded at £ 395.0 m. (DM 964 m.).

#### Instalment financing and leasing companies

*ALD AutoLeasing D GmbH, Hamburg*, further expanded its commercial business and achieved good growth rates in the service sector. Its leasing stock rose to roughly 131,800 vehicle units with a purchase value of DM 3.0 bn.

Balance sheet total increased 15.3% to DM 2.4 bn. Of the net income for the year of DM 14.8 m., DM 1.5 m. was added to reserves. As in the previous year, DM 4.8 m. is to be distributed to shareholders. A further DM 5.0 m. will be added to revenue reserves after a resolution to this effect by the Shareholders' Meeting. The company thus has capital and reserves of DM 95.5 m.

*DB Export-Leasing GmbH, Frankfurt am Main*, concluded new agreements with a volume of DM 556 m. in 1992, especially railway and aircraft financings. Balance sheet total rose 7% to DM 2.0 bn. There is a profit transfer agreement between DB Export-Leasing GmbH and Deutsche Bank AG.

Through *Deutsche Immobilien Leasing GmbH, Düsseldorf*, we have been represented in the market since October 1, 1992 by a 100% Group-owned leasing company offering all products in property leasing. The financing and letting of the leasing assets are effected via special property companies.

*Deutsche Gesellschaft für Immobilien-Leasing mbH, Cologne*, achieved net income for the year of DM 1.4 m. from the management of its property stock.

*GEFA Gesellschaft für Absatzfinanzierung mbH, Wuppertal*, recorded growth of 15% in new business to DM 2.8 bn. Despite the tangible slowdown in business activity, the financing demand for commercial vehicles and machinery remained high. In factoring business, too, there was volume growth compared with the previous year.

The incremental income achieved from the volume growth and the slightly higher interest margin led to a rise in operating profit of 39.5%. Following the addition to reserves effected in December 1992, GEFA has capital and reserves of DM 388 m. Under the existing profit transfer agreement with Deutsche Bank AG, DM 20.5 m. was paid over.

*GEFA-Leasing GmbH, Wuppertal*, concluded new leasing agreements for DM 1.5 bn. The emphasis in the leased assets was on vehicles, equipment relating to information technology and machinery. Leased assets increased by 19% to DM 2.7 bn. Operating profit again reached a satisfactory level. DM 7.6 m. was paid over to GEFA Gesellschaft für Absatzfinanzierung mbH under the existing profit transfer agreement.

The business of *EFGEE Gesellschaft für Einkaufs-Finanzierung mbH, Düsseldorf*, was characterized by tight competition against a background of generally

dampened demand for credit among customers. Total credit extended was raised by 5.4%. Operating profit was satisfactory. There is a profit transfer agreement with GEFA Gesellschaft für Absatzfinanzierung mbH.

*Deutsche Credit Corporation, Deerfield/U.S.A.*, offers corporate clients in the U.S.A. financings for durable goods. Special financing programmes are also available for the distribution organizations of domestic and foreign manufacturers. In 1992 the company's range of service products was extended by the setting up of an Automotive Financial Services Division. Balance sheet total expanded 12.4% to U.S.\$ 1.3 bn. (DM 2.1 bn.).

Owing to the incremental income from the volume growth and the slightly higher interest margin, operating profit improved 36% to U.S.\$ 20.0 m. (DM 32.3 m.). Of the net income for the year of U.S.\$ 9.4 m. (DM 15.2 m.), U.S.\$ 6.3 m. was distributed and U.S.\$ 3.1 m. was carried forward to new account. Capital and reserves are reported at U.S.\$ 65.1 m. (DM 105.1 m.).

## Insurance companies

*Lebensversicherungs-AG der Deutschen Bank, Wiesbaden*, continued its growth against the sectoral trend. With newly written endowment and term life insurance policies including supplementary risk insurance in a total amount of DM 6.3 bn., the company's market share was increased. The total contract volume rose to DM 17.3 bn. (+ 42%) with 217,000 policies. There were also supplementary disability insurance policies representing pension benefits with a net present value of DM 4.8 bn.

Total premium income, after doubling in the previous year, increased by almost 80% to roughly DM 600 m. In the financial year there remained a loss of DM 1.5 m., which was withdrawn from the organiza-

tion fund formed to cover start-up losses. A squared balance sheet is therefore reported. Paid-up capital and reserves, including the DM 27.8 m. remaining in the organization fund, amount to DM 67.8 m.

*Firmen-Lebensversicherungs-AG der Deutschen Bank, Wiesbaden*, of which Deutsche Bank holds 70% and Gerling Group 30%, specializes in company retirement pension products. The total contract volume amounted to DM 179 m., with the emphasis on direct insurance and employers' pension liability insurance.

In the first full financial year there were start-up losses of DM 6.7 m., which were withdrawn from the organization fund available for this purpose. Including the amount of DM 7.9 m. remaining in the organization fund, the company has capital and reserves of DM 18.9 m.

The Deutscher Herold insurance group, consolidated for the first time, successfully concluded the 1992 financial year.

Its activities are concentrated on the life insurance business conducted by *Deutscher Herold Lebensversicherungs-AG, Bonn*, and which developed more favourably than on average in the sector. New insurance policies increased compared with the previous year by 15.2% to DM 6.9 bn., which brought the total policy portfolio to DM 43.2 bn. Premium revenue exceeded the pre-year figure by 13.0%.

The administrative cost ratio was reduced further to 3.8%. *Deutscher Herold Lebensversicherungs-AG* is thus one of the most economical life insurers in Germany. Of the total surplus of DM 575.7 m., a direct payment of DM 168.7 m. was made to customers and the sum of DM 392.2 m. added to the provision for premium refunds. The remaining net income for the year of DM 14.8 m. allows an addition to revenue reserves of DM 5.0 m. and payment of an un-

changed dividend of 16%. In addition, a further DM 5.0 m. is to be added to reserves by resolution of the General Meeting. Total capital and reserves amount to DM 97.7 m.

*Deutscher Herold Allgemeine Versicherungs-AG, Bonn*, offers the broad range of insurance products of a composite insurer. In the past financial year it achieved a good result in its market segment. Premium revenue rose 7.1 % to DM 436 m. With a lower operating cost ratio, the profit on insurance business increased to DM 12.0 m. The company is thus performing clearly better than the sector average.

The balance of total income and expenses from capital investments increased to DM 38.4 m. Of net income for the year of DM 16.4 m., DM 7.5 m. was added to revenue reserves. The remainder, together with the profit brought forward and the withdrawal from the reserve for own shares, is to be used for an addition to revenue reserves (DM 10.5 m.) and for payment of an unchanged dividend of 16%. Capital and reserves will then amount to DM 137.5 m.

*Bonnfinanz Aktiengesellschaft für Vermögensberatung und Vermittlung, Bonn*, already firmly established on the market, is integrated into the Herold Group as an advisory and marketing company. The volume of new business acquired was increased by 8% compared with the previous year, with substantial growth in the number of customers.

Commissions received rose 14.4 % to DM 146.4 m. It is proposed to the General Meeting that a dividend of DM 130,000, unchanged on the previous year, be distributed.

### Specialized institutions

In the generally stagnating building savings market, *Deutsche Bank Bauspar-AG, Frankfurt am Main*, increased its new business and expanded its market

shares. Over 90,000 building savings agreements with a total contract value of DM 3.3 bn. (+ 9.4 %) were concluded in the reporting year. The total contract portfolio increased to 430,000 contracts with a total value of DM 13.3 bn. Taken in total, building savings loans for DM 124 m. had been disbursed. Vertriebsgesellschaft mbH der Deutschen Bank für Privatkunden made a substantial contribution to the new business.

With the strong addition of DM 44 m. to the fund for special cover in building savings business, the business policy of reliable allocation of building savings loans is secured. Of the net income for the year of DM 8.0 m., DM 4.0 m. was added to reserves. It is proposed to the General Meeting that a further DM 3.1 m. be added to reserves and that a dividend of DM 5 per DM 50 share be distributed for the first time.

### International financing companies

In the past financial year, *Deutsche Bank Finance N.V., Curaçao*, floated 12 bond issues and raised previously floated bond issues for a total volume of U.S.\$ 1.7 bn. (DM 2.7 bn.). The proceeds from these issues were passed on as refinancing funds to Group companies. A dividend of U.S.\$ 1.7 m. (DM 2.7 m.) is to be paid from net income for the year.

*Deutsche Finance (Netherlands) B.V., Amsterdam*, is involved in the procurement of long-term funding. In 1992 the company floated a total of six bond issues for DM 3.2 bn. and Can\$ 200 m. (DM 254 m.). Balance sheet total rose to Guil 17.6 bn. (DM 15.7 bn.).

By issuing commercial paper and medium-term notes, *Deutsche Bank Financial Inc., New York*, raises funds in the U.S. market which are then passed on to Group companies in the U.S.A. At the end of 1992 the funds taken up totalled U.S.\$ 1.1 bn. (DM 1.8 bn.).

**Other companies**

*Deutsche Immobilien Anlagegesellschaft mbH, Frankfurt am Main*, floated two closed-end property funds with an investment volume of DM 272 m. in 1992. Construction of the German-Japanese Centre in Hamburg was begun - Deutsche Immobilien Anlagegesellschaft has a one-third participating interest in the property company. In the current financial year, numerous projects are planned in the new federal states.

The loss of DM 1.6 m. which arose in the start-up phase will be carried forward to new account. Capital and reserves amounted to DM 33.2 m.

*DB Research GmbH Gesellschaft für Wirtschafts- und Finanzanalyse, Frankfurt am Main*, handles most of Deutsche Bank Group's research activities. A loss of DM 0.4 m. arose in the first financial year. Capital and reserves are reported at DM 5.0 m.

*Deutsche Gesellschaft für Mittelstandsberatung mbH, Munich*, as corporate consulting company, carried out numerous projects in the fields of cost management and market development. In 1992, a total of 650 projects were completed, generating income of DM 23.6 m.

*DEBEKO Immobilien GmbH & Co Grundbesitz OHG, Eschborn*, manages the domestic real estate taken over by Deutsche Bank AG. Activities in the old federal states are concentrated on the completion of ongoing construction measures and on sustaining the value of existing property. Over and above that, the company is realizing income potential and implementing the new utilization concept. In the new federal states, the accent was on conversions and the refurbishment of acquired property. To ensure the availability of a site in a representative location, a property on "Unter den Linden" was purchased in Berlin.

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

*Karl-Johann, P. von Quistorp-Bürohaus KG, Eschborn*, holds shares in Bürohaus Mainzer Landstrasse 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 latest financial year for which statements of accounts were submitted, to DM 2,032.7 m., which corresponds to 3.3‰ 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):

- Alfred Herrhausen Society for International Dialogue mbH, Frankfurt am Main
- Wilh. Ahlmann GmbH, Kiel
- Airport Club für International Executives GmbH, Frankfurt am Main
- ALD AutoLeasing und Dienstleistungs GmbH, Berlin
- ALD AutoRent GmbH, Hamburg
- "Alwa" Gesellschaft für Vermögensverwaltung mbH, Hamburg
- AVA Gesellschaft für Anlagenvermittlung, Vermögensplanung, Allfinanzdienst mbH, Munich
- BACUL Vermietungsgesellschaft mbH, Düsseldorf
- BAMUS Vermietungsgesellschaft mbH, Düsseldorf
- BARIS Vermietungsgesellschaft mbH, Düsseldorf
- BELUS Vermietungsgesellschaft mbH, Düsseldorf
- Beteiligungsgesellschaft für Flugzeugleasing mbH, Frankfurt am Main
- BGB-Gesellschaft Frauenstr. 6 mit Haftungsbeschränkung, Munich
- Bonndata Gesellschaft für Datenverarbeitung mbH, Bonn
- Bonner Akademie für Vermögensberatung GmbH, Bonn
- Bonnfinanz GmbH Berlin Gesellschaft für Vermögensberatung und Vermittlung i. Gr., Berlin

BONUS Vermietungsgesellschaft mbH, Düsseldorf  
 Büroform Beschaffung - Verwaltung Gesellschaft mbH, Bonn  
 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  
 12 property and 13 equity holding companies and 63 sub-holding  
 companies of Deutsche Immobilien Leasing GmbH, Düsseldorf  
 Deutscher Grundstücks-Fonds II v. Quistorp KG, Bad Homburg v. d. H.  
 Deutscher Herold Vereins- und Sport-Service GmbH, Bonn  
 DIA Grundbesitz-Entwicklungs GmbH, Frankfurt am Main  
 Erste DIA Grundbesitz-Entwicklungs GmbH & Co. Lichtenberg KG,  
 Bad Homburg v. d. H.  
 Zweite DIA Grundbesitz-Entwicklungs GmbH & Co. Friedrichshain KG,  
 Bad Homburg v. d. H.  
 Dritte DIA Grundbesitz-Entwicklungs GmbH & Co.  
 Bürozentrum Lichtenberg KG, Bad Homburg v. d. H.  
 DIA Grundstücks-Fonds I Dr. Rühl KG, Bad Homburg v. d. H.  
 DIA Immobilien-Fonds I von Quistorp KG, Bad Homburg v. d. H.  
 DIA Immobilien-Fonds II Dr. Rühl KG, Frankfurt am Main  
 DIA Immobilien-Fonds III v. Quistorp KG, Frankfurt am Main  
 DIA Immobilien-Fonds IV v. Quistorp KG, Kronberg i. T.  
 DIL CONTRACT Projektmanagement GmbH, Düsseldorf  
 DIL Deutsche Baumanagement GmbH, Düsseldorf  
 DIL Grundstücksgesellschaft für Verwaltungs- und Lagergebäude mbH,  
 Düsseldorf  
 DIPLOMA Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf  
 DISCA Grundstücks-Vermietungsgesellschaft mbH, Düsseldorf  
 "Domshof" Beteiligungs-Gesellschaft mbH, Bremen  
 ESG-FDV-Service-Gesellschaft für Hypothekenbanken mbH,  
 Frankfurt am Main  
 MS "Essen" Schifffahrts-Gesellschaft mbH, Bremen  
 FHB Immobilienprojekte GmbH, Frankfurt am Main  
 Finanzmarkt Gesellschaft für Vertrieb und Marketingservice mbH FVM,  
 Munich  
 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 Mobilen-Leasing und Finanzierungs-  
 vermittlung mbH, Berlin  
 Gesellschaft für Immobilienentwicklung mit beschränkter Haftung,  
 Potsdam  
 Golf-Club Margarethenhof am Tegernsee GmbH & Co. KG, Munich  
 Golf-Club Margarethenhof am Tegernsee Verwaltungs GmbH, Munich  
 Grundstücksgesellschaft Grafenberger Allee mbH, Düsseldorf  
 Grundstücksgesellschaft Otto-Hahn-Strasse mbH, Düsseldorf  
 Grundstücks-KG Wieland u. Co. Wilhelmsgalerie, Potsdam  
 Grundstücksvermietungsgesellschaft Wilhelmstrasse mbH, Cologne  
 Grundstücksverwaltungsgesellschaft Objekt Geislingen mbH,  
 Frankfurt am Main  
 Gut Kaden Golf und Land Club GmbH, Frankfurt am Main  
 Haba Beteiligungsgesellschaft mbH, Frankfurt am Main  
 Hypotheken-Verwaltungs-Gesellschaft mbH, Berlin  
 Immobilien-Gesellschaft in Lübeck GmbH, Lübeck  
 Interleasing Dello Hamburg GmbH, Hamburg  
 Interleasing Düsseldorf GmbH, Düsseldorf  
 IZI Bielefeld Informations-Zentrum Immobilien GmbH, Bielefeld  
 IZI Dortmund Informations-Zentrum Immobilien GmbH, Dortmund  
 KABA Beteiligungsgesellschaft mbH, Frankfurt am Main  
 Kapital-Beteiligungs- und Verwaltungsgesellschaft Norden mbH, Lübeck  
 KEBA Beteiligungsgesellschaft mbH, Frankfurt am Main  
 Heinz Langer Versicherungsdienst GmbH, Stuttgart  
 LIBA Beteiligungsgesellschaft mbH, Frankfurt am Main  
 LUPIA Beteiligungsgesellschaft mbH, Düsseldorf  
 Mago Beteiligungsgesellschaft mbH, Frankfurt am Main  
 "modernes Frankfurt" private Gesellschaft für Stadtentwicklung mbH,  
 Frankfurt am Main  
 PBG Pensions-Beratungs-Gesellschaft mbH, Frankfurt am Main  
 Peina Grundstücksverwaltungsgesellschaft mbH, Düsseldorf  
 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  
 Schiffsbetriebesgesellschaft Brunswik mbH, Kiel  
 Schisa Grundstücksverwaltungsgesellschaft mbH, Düsseldorf  
 SFBA Beteiligungsgesellschaft mbH, Frankfurt am Main  
 Sefa Beteiligungsgesellschaft mbH, Frankfurt am Main  
 Selektta Grundstücksverwaltungsgesellschaft mbH, Düsseldorf  
 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  
 WEBA Beteiligungsgesellschaft 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 Vermietungs- und Center-Management GmbH,  
 Cologne  
 Martin Zimmer Vertriebs GmbH, Cologne

Foreign Group companies with an overall balance sheet total – according to the latest available statement of accounts – of DM 411.2 m. (0.7‰ 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:

Bavaria Filmverleih- und Produktions-GmbH, Munich  
Related companies of Roland Berger & Partner Holding GmbH, Munich  
Futura Beteiligungs-GmbH i. L., Bielefeld  
Related companies of Intertractor Aktiengesellschaft, Gevelsberg  
Leasinggesellschaft für Energieinvestitionen mbH, Wuppertal  
Leasinggesellschaft für Kraftwerkanlagen mbH, Wuppertal  
rational einbauküchen GmbH, Melle/Riemsloh, and its 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 capital investments and special provisions as well as the remaining assets and remaining liabilities

of the insurance companies are reported separately in summary items after internal offsetting of claims and liabilities within the Group. The Profit and Loss Account has been extended to include typical life insurance expenses and income in summary form after internal offsetting within the Group; the staff and other operating expenses of the life insurance companies were allocated to the corresponding items in the form for banks.

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. 1992 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 translated 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. The portion of the distributable profit of the companies in the Deutscher He-

old insurance group attributable to Deutsche Bank was also added to this balance.

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 consoli-

dated companies - almost exclusively interest and commissions - has been offset against the respective expenses. Inter-company profits were eliminated.

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

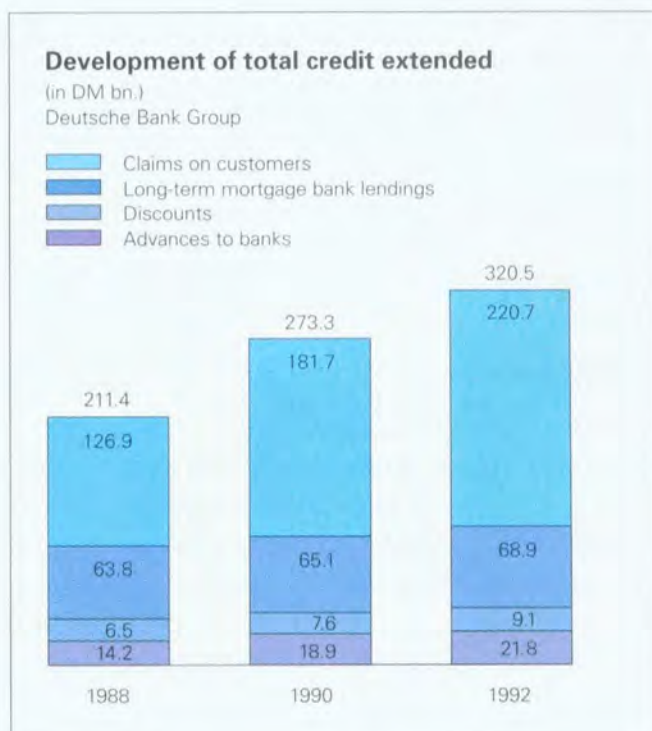
### Balance sheet total

Group balance sheet total reached DM 496.6 bn. The increase of 10.6% was mainly the result of growth at the parent company and at Deutsche Bank Luxembourg S.A. as well as the first-time consolidation of the Deutscher Herold insurance group.

### Total credit extended

Total credit extended (excl. guarantees and letters of credit) rose by DM 20.8 bn. (+ 6.9%) to DM 320.5 bn. Domestic and foreign lending business contributed about equally to the growth.

Claims on customers increased by DM 14.1 bn. to DM 220.7 bn. Short and medium-term claims on customers exceeded the previous year's level by DM 4.6 bn. Long-term loans were in stronger demand. Including mortgage bank lendings, they rose by DM 12.6 bn. to DM 168.2 bn. Lendings to corporate customers were up by DM 10.1 bn. to DM 159.4 bn.; claims



on private customers were DM 4.9 bn. higher at DM 99.0 bn.

The total volume of building loans extended by our mortgage bank subsidiaries, the commercial banks as well as DB Bauspar-AG amounted to DM 76.6 bn.

Total credit extended	End of 1992		End of 1991		Change	
	DM m.	% share	DM m.	% share	DM m.	%
Claims on customers						
short and medium-term	121,490	37.9	116,939	39.0	+ 4,551	= 3.9
long-term	99,212	31.0	89,615	29.9	+ 9,597	= 10.7
	<u>220,702</u>	<u>68.9</u>	<u>206,554</u>	<u>68.9</u>	<u>+14,148</u>	<u>= 6.9</u>
Long-term mortgage bank lendings	68,962	21.5	65,957	22.0	+ 3,005	= 4.6
Discounts	9,099	2.8	8,197	2.7	+ 902	= 11.0
Advances to banks						
short and medium-term	12,743	4.0	10,618	3.6	+ 2,125	= 20.0
long-term	9,042	2.8	8,397	2.8	+ 645	= 7.7
	<u>21,785</u>	<u>6.8</u>	<u>19,015</u>	<u>6.4</u>	<u>+ 2,770</u>	<u>= 14.6</u>
Total credit extended	<u>320,548</u>	<u>100.0</u>	<u>299,723</u>	<u>100.0</u>	<u>+20,825</u>	<u>= 6.9</u>

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

Claims on banks rose by a total of DM 7.9 bn. to DM 112.9 bn. chiefly as a result of deposits placed with domestic banks. DM 11.2 bn. of the claims on foreign banks (DM 92.0 bn.) was attributable to money transactions backed by securities - so-called "repos".

### Capital investments of the insurance companies

Owing to the first-time consolidation of the Deutscher Herold insurance group, the capital invest-

ments of the Group insurance companies are shown separately in the balance sheet in the amount of DM 12.4 bn. This figure includes DM 3.1 bn. in mortgage and land charge claims, DM 5.2 bn. in registered paper and loans and DM 2.5 bn. in securities and other equity shares.

### Securities/Subsidiaries, associated companies and trade investments

The growth of DM 6.7 bn. to DM 32.4 bn. in holdings of bonds and notes is due in particular to increased trading activities. Securities not to be shown elsewhere were more or less unchanged at DM 9.9 bn. All holdings of securities were valued uniformly throughout the Group in accordance with the strict "lower of cost and market" principle.

The shareholdings shown under subsidiaries, associated companies and trade investments were increased by DM 1.6 bn. to DM 6.0 bn. mainly as a result of acquisitions by Deutsche Bank AG.

<i>Funds from outside sources</i>	End of 1992		End of 1991		Change	
	DM m.	% share	DM m.	% share	DM m.	%
<b>Liabilities to banks</b>						
payable on demand .....	30,695	7.0	28,693	7.1	+ 2,002	= 7.0
time deposits .....	83,667	19.0	73,875	18.2	+ 9,792	= 13.3
customers' drawings on other banks .....	54		39		+ 15	= 38.5
	<u>114,416</u>	<u>26.0</u>	<u>102,607</u>	<u>25.3</u>	<u>+11,809</u>	<u>= 11.5</u>
<b>Liabilities to customers</b>						
payable on demand .....	60,914	13.9	59,579	14.7	+ 1,335	= 2.2
time deposits .....	108,640	24.7	101,977	25.1	+ 6,663	= 6.5
savings deposits .....	45,431	10.3	41,647	10.3	+ 3,784	= 9.1
	<u>214,985</u>	<u>48.9</u>	<u>203,203</u>	<u>50.1</u>	<u>+11,782</u>	<u>= 5.8</u>
<b>Bonds and notes .....</b>	<u>37,281</u>	<u>8.5</u>	<u>32,132</u>	<u>7.9</u>	<u>+ 5,149</u>	<u>= 16.0</u>
<b>Long-term mortgage bank liabilities .....</b>	<u>72,867</u>	<u>16.6</u>	<u>67,795</u>	<u>16.7</u>	<u>+ 5,072</u>	<u>= 7.5</u>
<b>Total funds from outside sources .....</b>	<u>439,549</u>	<u>100.0</u>	<u>405,737</u>	<u>100.0</u>	<u>+33,812</u>	<u>= 8.3</u>



Funds from outside sources

In the year under review, Group funds from outside sources grew by DM 33.8 bn. or 8.3% to DM 439.5 bn.

Customers' deposits rose by 5.8% and accounted for DM 215.0 bn. of the total. Time deposits increased by DM 6.7 bn. to DM 108.6 bn., with growth mostly in short-term deposits. Demand deposits amounted to DM 60.9 bn.

Savings deposits grew by DM 3.8 bn. to DM 45.4 bn. Fixed-rate savings schemes played a major part in this, expanding by 34.7% to DM 21.1 bn. Building savings deposits gained in importance. At DM 2.4 bn. they accounted for 5% of total savings deposits.

Liabilities to banks amounted to DM 114.4 bn. at the end of 1992. The growth of DM 11.8 bn. was due to deposits by foreign banks.

Long-term mortgage bank liabilities and own bonds and notes in circulation both rose by DM 5.1 bn. to DM 72.9 bn. and DM 37.3 bn. respectively.

Special provisions in insurance business

The special provisions for life and non-life insurance business are shown separately at DM 12.4 bn. They largely consist of actuarial reserves and provisions for unearned premiums.

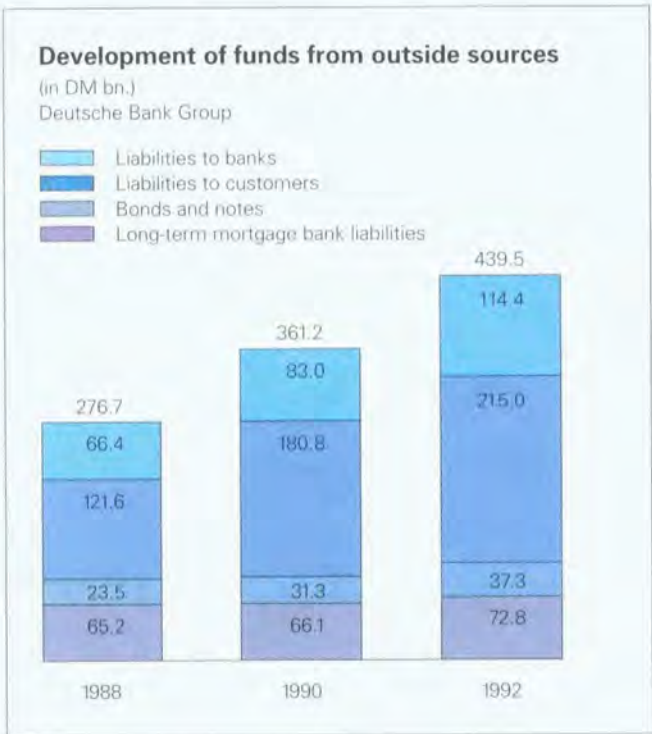
Miscellaneous liabilities

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 229 m. Joint liabilities pursuant to § 24 GmbH Act amounted to DM 69 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 66 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 December 31, 1992.

Funds in the amount of DM 16,863 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 1992, assets and security items provided to us in the sum of DM 3,404 m. were tied up in connection with loans raised. Security was required for the business activities of foreign branches of Deutsche Bank AG in the amount of DM 632 m. pur-



suant to legal stipulations and DM 6 m. in connection with trading in futures contracts. Securities in the amount of DM 115 m. were deposited as collateral for business operations of foreign Group companies.

Securities with a nominal value of DM 290 m. serve as collateral for securities lending operations and for deals on the German Futures and Options Exchange.

DB Investment Management S.A., Luxembourg, has given 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 169 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 companies refer to non-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 from leasing business), rose by 5.1 % to DM 11,156 m.

This increase was attributable mainly to the growth of 10.8% in average balance sheet volume. The overall interest margin fell to 2.30%.

**Net commission income on services business**

Net income from commissions and other service charges received in services business grew by DM 424 m. (+ 11.2 %) to DM 4,196 m. This expansion was largely due to the increased sale of investment fund certificates. Additional income was generated by portfolio and asset management, payment business, as well order business with customers in foreign exchange and foreign note and coin.

Life insurance business registered net income of DM 92 m.

**Staff and other operating expenses**

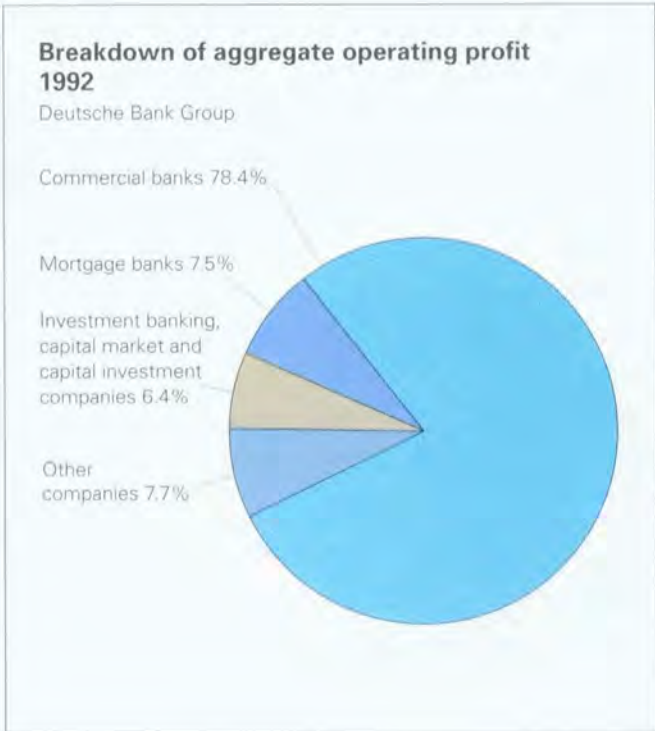
Staff and other operating expenses grew in the year under review by 7.7% or DM 741 m. to DM 10,411 m. The rate of increase was reduced by more than half compared with the preceding year (18.4%). One reason for this was that staff and other operating expenses - translated into D-Marks - declined at a number of subsidiaries owing to parity changes in local currency.

Staff and other operating expenses include staff expenses of DM 6,706 m. (+ 6.6%), general operating expenses of DM 3,118 m. (+ 9.5%), as well as normal depreciation on land and buildings and on office furniture and equipment of DM 587 m. (+ 10.4%).

In addition, there was special depreciation of DM 202 m. on movables and real property, largely pursuant to the Regional Development Act.

**Profits on own-account trading**

At DM 1.1 bn., the Group again registered high income on own-account trading. Higher profits in bond dealing and above all foreign exchange trading were responsible for the good result. Equities turned in lower trading profits than in the same period of the previous year.



## **Operating profit**

In the year under review, the Group recorded operating profit - net income from current business including own-account trading - of DM 6,388 m. This was an improvement of 7.0% or DM 416 m. over the comparable pre-year figure.

## **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 1,855 m. as against DM 1,226 m. in the previous year.

Expenses in 1992 were influenced by the marked rise in provisioning for possible loan losses in domestic lending business. On the other hand, provisioning requirements for foreign lending (including country risks) were lower on balance. Higher write-downs of securities were needed than in the preceding year.

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

After the above offsetting, "Other income" is reported at DM 1,127 m. (1991: DM 868 m.).

## **Taxes**

Taxes on income and assets came to DM 1,831 m. (1991: DM 1,980 m.). This decrease stemmed from the lower tax expense at Deutsche Bank AG.

## **Net income for the year, appropriation of profits**

Net income for 1992 expanded by DM 420 m. or 29.7% to DM 1,830 m.

Including profit brought forward in the amount of DM 14.3 m. and after withdrawals from tied reserves and revenue reserves totalling DM 43.3 m., the addition to reserves of DM 809.4 m. and deduction of minority interests in profit in the amount of DM 35.4 m., consolidated profit came to DM 1,042.7 m. (1991: DM 733.0 m.).

The individual statements of account of Deutsche Bank AG and the Group companies form the basis of our profit appropriation. DM 709.4 m. (1991: DM 700.0 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 342.2 m. is to be added to revenue reserves, stemming in part from profit brought forward.

## **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 capital consolidation in the amount of DM 425.7 m. at the end of 1992. 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 net increase in the balance arising from capital consolidation by DM 131.6 m. is attributable largely to parity changes in foreign currencies, which in turn reduced the capital and reserves of foreign Group companies translated into D-Marks.

Minority interests of DM 549.2 m. include profits of DM 38.8 m.; DM 510.4 m. of this item therefore has equity character.

Total Group capital and reserves were strengthened in 1992 by DM 1,176.2 m. to DM 18,242.9 m. They are made up as follows:

	End of 1992 DM m.	End of 1991 DM m.
Subscribed capital . . . . .	2,316.6	2,294.2
Capital reserve . . . . .	10,516.4	10,067.0
Revenue reserves . . . . .	<u>5,325.2</u>	<u>4,631.2</u>
<i>Capital and reserves of Deutsche Bank AG . . .</i>	18,158.2	16,992.4
Minority interests . . . . .	<u>510.4</u>	<u>368.4</u>
	18,668.6	17,360.8
Assets-side balance arising from capital consolidation . . . . .	<u>425.7</u>	<u>294.1</u>
<i>Total Group capital and reserves . . . . .</i>	<u><u>18,242.9</u></u>	<u><u>17,066.7</u></u>

After the additions to reserves on the basis of resolutions taken by subsidiaries' General Meetings, Group capital and reserves will be DM 18.6 bn. Besides this, there is participatory capital in the amount of DM 2.7 bn., which counts as liable capital pursuant to the Banking Act (KWG).

Frankfurt am Main, March 1993

The Board of Managing Directors

# Assets

# Deutsche Bank Aktiengesellschaft

	in DM 1,000	in DM 1,000	31. 12. 1991 in DM 1,000
Cash on hand . . . . .		2,265,922	1,848,312
Balance with Deutsche Bundesbank . . . . .		5,110,919	6,378,739
Balances on postal giro accounts . . . . .		15,084	38,742
Cheques, matured bonds, interest and dividend coupons, items received for collection . . . . .		607,992	482,742
Bills of exchange . . . . .		2,868,945	3,293,480
including:			
a) rediscountable at Deutsche Bundesbank . . . . . DM thou. 2,061,872			
b) own drawings . . . . . DM thou. 87,908			
Claims on banks			
a) payable on demand . . . . .	25,289,399		21,837,863
b) with original periods or periods of notice of			
ba) less than three months . . . . .	30,927,010		33,128,268
bb) at least three months, but less than four years . . . . .	47,583,783		41,548,906
bc) four years or more . . . . .	<u>9,095,741</u>		<u>8,432,762</u>
including:		112,895,933	104,947,799
used as cover by mortgage banks . . . . . DM thou. 1,164,000			
Treasury bills and discountable Treasury notes			
a) of the Federal and Länder Governments . . . . .	28,143		160,593
b) of other issuers . . . . .	<u>3,541,379</u>		<u>3,995,131</u>
		3,569,522	4,155,724
Bonds and notes			
a) with a life of up to four years			
aa) of the Federal and Länder Governments . . . . . DM thou. 660,350			
ab) of banks . . . . . DM thou. 3,107,767			
ac) of other issuers . . . . . DM thou. 2,664,502	6,432,619		6,373,013
including:			
eligible as collateral for Deutsche Bundesbank advances . . . . . DM thou. 3,339,107			
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. 4,548,828			
bb) of banks . . . . . DM thou. 7,731,600			
bc) of other issuers . . . . . DM thou. 13,649,206	<u>25,929,634</u>		<u>19,300,113</u>
including:		32,362,253	25,673,126
eligible as collateral for Deutsche Bundesbank advances . . . . . DM thou. 9,329,771			
used as cover by mortgage banks . . . . . DM thou. 522,212			
Securities not to be shown elsewhere			
a) shares marketable on a stock exchange and investment fund certificates . .	9,567,695		9,699,880
b) other . . . . .	<u>344,276</u>		<u>305,930</u>
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. 1,094,350		9,911,971	10,005,810
Carried forward		169,608,541	156,824,474



# Consolidated Balance Sheet as of December 31, 1992

## Liabilities

	in DM 1,000	in DM 1,000	in DM 1,000	31. 12. 1991 in DM 1,000
<b>Liabilities to banks</b>				
a) payable on demand		30,694,536		28,693,278
b) with original periods or periods of notice of				
ba) less than three months	27,222,113			
bb) at least three months, but less than four years	37,763,909			
bc) four years or more	<u>18,681,371</u>	83,667,393		73,875,236
including: due in less than four years	DM thou. 14,077,801			39,000
c) customers' drawings on other banks		<u>53,846</u>	114,415,775	102,607,514
<b>Liabilities to customers</b>				
a) payable on demand		60,913,652		59,578,486
b) with original periods or periods of notice of				
ba) less than three months	64,894,319			
bb) at least three months, but less than four years	31,177,080			
bc) four years or more	<u>12,569,238</u>	108,640,637		101,977,305
including: due in less than four years	DM thou. 10,504,438			
c) savings deposits				
ca) subject to legal period of notice	26,577,696			
cb) other	<u>16,497,376</u>	43,075,072		39,926,873
d) building savings deposits		<u>2,355,491</u>		1,719,884
			214,984,852	203,202,548
<b>Bonds and notes with a life of</b>				
a) up to four years		1,189,375		526,081
b) more than four years		<u>36,091,570</u>		31,606,485
including: maturing in less than four years	DM thou. 24,372,502		37,280,945	32,132,566
<b>Bonds issued by mortgage banks</b>				
a) mortgage bonds		30,414,470		28,775,035
including: registered bonds	DM thou. 13,354,854			
b) ship mortgage bonds		17,000		35,000
including: registered bonds	DM thou. 17,000			
c) communal bonds		29,373,164		28,072,795
including: registered bonds	DM thou. 11,807,234			
d) other bonds in accordance with § 5 (1) 4c Mortgage Bank Act		5,506,515		4,072,425
including: registered bonds	DM thou. 20,000			
e) bonds drawn and called for redemption		<u>233,311</u>		259,962
including: maturing or to be taken back in less than four years	DM thou. 36,063,670		65,544,460	61,215,217
further:				
registered mortgage bonds given to lender as security for loans taken up	DM thou. 1,106,663			
registered ship mortgage bonds	DM thou. 879			
and registered communal bonds	DM thou. 872,557			
<b>Bonds to be delivered</b>			1,261,428	915,724
Carried forward			433,487,460	400,073,569

# Assets

# Consolidated Balance Sheet

	in DM 1,000	in DM 1,000	31. 12. 1991 in DM 1,000
Brought forward		169,608,541	156,824,474
Claims on customers with original periods or periods of notice of			
a) less than four years	121,490,586		116,938,883
including:			
used as cover by mortgage banks	DM thou. 2,217,790		
on building savers relating to closing fees	DM thou. 4,483		
b) four years or more	99,211,963		89,614,741
including:		220,702,549	206,553,624
ba) secured by mortgages on real estate	DM thou. 14,917,056		
bb) communal loans	DM thou. 1,978,561		
bc) building loans of the building			
and loan association	DM thou. 124,083		
due in less than four years	DM thou. 46,762,132		
Mortgage bank lendings with original periods of four years or more			
a) mortgages	35,709,365		33,486,131
used as cover	DM thou. 29,697,764		
b) ship mortgages	1,290,927		1,057,145
used as cover	DM thou. 754,389		
c) communal loans	30,721,457		30,250,248
used as cover	DM thou. 30,294,170		
d) other	67,168		67,967
including: to banks	DM thou. 4,092,840	67,788,917	64,861,491
Accrued interest on long-term mortgage bank lendings			
a) pro rata interest	1,119,111		1,031,286
b) interest due after October 31, 1992 and on January 2, 1993	53,179		63,847
c) interest arrears	449		105
Capital investments of the insurance companies		1,172,739	1,095,238
Other assets of the insurance companies		12,427,582	385,017
Recovery claims on Federal and Länder authorities		946,759	59,452
under Currency Reform Acts		76,001	105,010
including:			
used as cover by mortgage banks	DM thou. 4,913		
Loans on a trust basis at third party risk		754,365	1,164,392
Subsidiaries, associated companies and trade investments		5,993,402	4,415,402
including: investments in banks	DM thou. 158,372		
Land and buildings		2,487,001	2,051,580
including: taken over in mortgage bank business	DM thou. 3,633		
Office furniture and equipment		1,394,730	1,244,612
Leasing items			
a) land and buildings	183,271		344,797
b) movables	7,027,324		6,397,492
Bonds and notes issued by consolidated companies		7,210,595	6,742,289
nominal amount	DM thou. 2,721,036	2,783,836	1,690,684
Other assets		2,341,105	1,130,244
Deferred items			
a) difference in accordance with § 250 (3) Commercial Code	137,221		143,097
b) from the mortgage banks' issue			
and loan business	199,688		157,129
c) other	126,822		161,336
Balance arising from capital consolidation		463,731	461,562
		425,686	294,069
<b>Total Assets</b>		<b>496,577,539</b>	<b>449,079,140</b>
Total Assets and the recourse claims from the contingent liabilities shown below the line on the liabilities side include:			
a) claims on related companies		996,072	824,344
b) claims arising from loans falling under § 15 (1) 1-6 and (2) Banking Act, unless included under a)		1,074,059	1,081,901

**as at December 31, 1992**
**Liabilities**

	in DM 1,000	in DM 1,000	in DM 1,000	31. 12. 1991 in DM 1,000
Brought forward			433,487,460	400,073,569
Loans taken up by mortgage banks, with original periods or periods of notice of four years or more				
a) from banks		768,110		627,469
b) other		<u>2,623,450</u>		<u>2,597,563</u>
including:			3,391,560	3,225,032
with partial liability	DM thou. 11			
due in less than four years	DM thou. 1,194,824			
Accrued interest on bonds issued and loans taken up by mortgage banks				
a) pro rata interest		2,460,901		2,234,674
b) interest due (including interest due on January 2, 1993)		<u>208,542</u>		<u>203,975</u>
			2,669,443	2,438,649
Own acceptances and promissory notes outstanding			5,426,080	8,139,724
Loans on a trust basis at third party risk			754,365	1,164,392
Provisions				
a) for pensions		3,431,258		3,257,691
b) other		<u>6,329,700</u>		<u>6,499,125</u>
			9,760,958	9,756,816
Special provisions in insurance business			12,376,767	350,608
Other liabilities of the insurance companies			848,293	31,877
Other liabilities			1,551,404	1,284,039
Franz Urbig- und Oscar Schlitter-Stiftung				
Endowment assets		7,267		7,186
less investments in securities		<u>6,998</u>		<u>6,998</u>
			269	188
Deferred items				
a) from the mortgage banks' issue and loan business		506,678		403,532
b) other		<u>3,334,520</u>		<u>2,850,980</u>
			3,841,198	3,254,512
Special items with partial reserve character				
a) in accordance with § 6b Income Tax Act		5,250		—
b) in accordance with § 52 (8) Income Tax Act		545		1,087
c) in accordance with § 31 (3) Berlin Promotion Act		9,402		18,805
d) in accordance with § 6 Regional Development Act		—		16,754
e) under foreign law		<u>4,492</u>		<u>4,283</u>
			19,689	40,929
Participatory capital			2,700,000	1,200,000
Subscribed capital (bearer shares)			2,316,559	2,294,227
Conditional capital DM thou. 432,955				
Capital reserve			10,516,459	10,066,997
Revenue reserves				
a) legal reserve		25,000		25,000
b) other revenue reserves		<u>5,300,181</u>		<u>4,606,181</u>
			5,325,181	4,631,181
Minority interests			549,200	393,440
including: from profit	DM thou. 38,776			
Consolidated profit			1,042,654	732,960
<b>Total Liabilities</b>			<b>496,577,539</b>	<b>449,079,140</b>
Own drawings in circulation			66,202	110,825
including: those discounted for borrowers' account	DM thou. 58,559			
Endorsement liabilities on rediscounted bills of exchange			6,010,871	4,620,289
Contingent liabilities from guarantees, including guarantees for bills and cheques, and from indemnity agreements			36,252,302	36,755,444
Total Liabilities, together with contingent liabilities and other commitments shown below the line, include liabilities to related companies of			282,455	367,343

## Expenses

## Consolidated Profit and Loss Account

	in DM 1,000	in DM 1,000	1991 in DM 1,000
Interest and similar expenses . . . . .		22,544,205	20,383,657
Mortgage banks' interest expenses from			
a) mortgage bonds . . . . .	2,121,034		1,965,386
b) ship mortgage bonds . . . . .	2,273		3,087
c) communal bonds . . . . .	2,136,336		2,075,543
d) other bonds in accordance with § 5 (1) 4c Mortgage Bank Act . . . . .	386,736		274,876
e) loans taken up . . . . .	<u>244,565</u>		<u>231,896</u>
		4,890,944	4,550,788
Commissions and similar service charges paid . . . . .		374,833	327,275
Non-recurrent expenses in the mortgage banks' issue and loan business . . . . .		80,287	74,702
Expenses for life insurance business . . . . .		655,072	261,687
Write-downs of and adjustments to claims and securities, transfers to provisions for possible loan losses . . . . .		1,855,023	1,226,144
Salaries and wages . . . . .		5,062,888	4,724,498
Compulsory social security contributions . . . . .		725,239	692,337
Expenses for pensions and other employee benefits . . . . .		918,048	874,129
General operating expenses . . . . .		3,117,726	2,846,865
Depreciation of and adjustments to land and buildings and office furniture and equipment . . . . .		789,449	757,580
Write-downs of and adjustments to subsidiaries, associated companies and trade investments . . . . .		39,108	81,810
Depreciation of leasing equipment . . . . .		2,057,429	1,897,609
Other expenses for leasing business . . . . .		113,450	104,600
Taxes			
a) on income and assets . . . . .	1,830,724		1,979,682
b) other . . . . .	<u>75,093</u>		<u>65,732</u>
		1,905,817	2,045,414
Expenses from assumption of loss . . . . .		915	887
Allocations to Special items with partial reserve character . . . . .		6,500	48,562
Other expenses . . . . .		388,315	590,403
Net income for the year . . . . .		1,829,854	1,410,310
<b>Total Expenses</b>		<b>47,355,102</b>	<b>42,899,257</b>

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 . . . . .	
Allocations to revenue reserves	
a) Deutsche Bank Aktiengesellschaft . . . . .	
b) consolidated companies . . . . .	
Profit attributable to minority interests . . . . .	
Consolidated profit . . . . .	

Frankfurt am Main, March 16, 1993

**Deutsche Bank** Aktiengesellschaft

The Board of Managing Directors

*von Boehm-Bezing Breuer Burgard Cartellieri*

*Craven Endres Kopper Krumnow*

*Krupp Schmitz Schneider-Lenné Weiss Zapp*

Income

	in DM 1,000	in DM 1,000	1991 in DM 1,000
Interest and similar income from lending and money market transactions . . . .		29,007,477	26,967,683
Current income from			
a) fixed-income securities and Government-inscribed debt . . . . .	2,542,803		2,003,355
b) other securities . . . . .	474,732		495,699
c) subsidiaries, associated companies and trade investments . . . . .	<u>548,977</u>		<u>434,810</u>
		3,566,512	2,933,864
Mortgage banks' interest income from			
a) mortgages . . . . .	2,730,521		2,508,741
b) ship mortgages . . . . .	103,034		80,404
c) communal loans . . . . .	<u>2,523,013</u>		<u>2,444,583</u>
		5,356,568	5,033,728
Commissions and other service charges received . . . . .		4,571,021	4,099,410
Non-recurrent income from the mortgage banks' issue and loan business . . . . .		121,935	108,554
Income from life insurance business . . . . .		746,934	335,580
Other income, including income from the writing back of provisions for possible loan losses . . . . .		1,126,997	867,706
Income from leasing business . . . . .		2,510,598	2,318,686
Income from profit-pooling, profit-transfer and partial profit-transfer agreements . . . . .		4,259	4,405
Income from the writing back of provisions, unless it has to be shown under "Other income" . . . . .		315,057	180,877
Income from the writing back of special items with partial reserve character . .		27,744	48,764
<b>Total Income</b>		<b>47,355,102</b>	<b>42,899,257</b>

	1991
in DM 1,000	in DM 1,000
1,829,854	1,410,310
<u>14,263</u>	<u>57,073</u>
1,844,117	1,467,383
8,242	18,872
35,071	25,724
694,000	650,000
<u>115,417</u>	<u>101,960</u>
809,417	751,960
1,078,013	760,019
<u>35,359</u>	<u>27,059</u>
<u>1,042,654</u>	<u>732,960</u>

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

Frankfurt am Main, March 19, 1993

KPMG Deutsche Treuhand-Gesellschaft  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Brackert  
Wirtschaftsprüfer

Dr. Fliess  
Wirtschaftsprüfer

# Figures from the Consolidated Balance Sheet and Profit and Loss Account for the period 1967–1992

– Amounts in DM millions –

## Consolidated Balance Sheet

End of	1992	1991	1990	1989	1988	1987
<b>Assets</b>						
Cash reserve	7,392	8,266	6,541	7,443	4,798	8,189
Bills of exchange	2,869	3,293	2,943	2,710	2,279	2,179
Claims on banks	112,896	104,948	93,530	80,167	68,779	53,167
Treasury bills and discountable Treasury notes	3,570	4,156	3,987	5,169	3,881	3,129
Bonds and notes	32,362	25,673	20,649	15,505	15,761	13,016
Securities not to be shown elsewhere	9,912	10,006	7,182	6,483	5,479	5,282
Claims on customers	220,702	206,554	181,673	146,682	126,943	109,147
short and medium-term	121,490	116,939	102,282	75,891	64,543	54,550
long-term (4 years or more)	99,212	89,615	79,391	70,791	62,400	54,597
Long-term mortgage bank lendings	68,962	65,957	65,126	64,639	63,751	62,230
Capital investments of the insurance companies	12,428	385	120	52	—	—
Loans on a trust basis at third party risk	754	1,164	2,124	582	1,206	1,220
Subsidiaries, associated companies and						
trade investments	5,993	4,415	3,625	4,382	2,853	2,657
Land and buildings	2,487	2,051	1,709	1,518	1,412	1,390
Office furniture and equipment	1,395	1,245	1,024	826	815	828
Leasing equipment	7,211	6,742	5,105	4,355	3,787	2,149
Bonds and notes issued by consolidated companies	2,784	1,691	1,739	1,502	1,661	1,472
Balance arising from capital consolidation	426	294	310	—	—	—
Remaining assets	4,435	2,239	2,773	1,969	1,890	2,286
<b>Balance Sheet Total</b>	<b>496,578</b>	<b>449,079</b>	<b>400,160</b>	<b>343,984</b>	<b>305,295</b>	<b>268,341</b>
<b>Liabilities</b>						
Liabilities to banks	114,416	102,607	82,986	78,878	66,429	55,018
including: time deposits	83,721	73,914	58,659	56,949	48,209	44,286
Liabilities to customers	214,985	203,203	180,759	141,354	121,569	106,031
including: time deposits	108,640	101,977	91,435	67,719	55,804	43,887
savings deposits	45,431	41,647	37,615	32,566	32,293	31,909
Bonds and notes	37,281	32,132	31,280	27,266	23,488	18,826
Long-term mortgage bank liabilities	72,867	67,795	66,126	65,008	65,254	64,141
Own acceptances and promissory notes outstanding	5,426	8,140	8,117	5,149	4,720	3,127
Provisions	9,761	9,757	8,789	7,728	7,356	6,369
for pensions	3,431	3,258	2,832	2,614	2,357	2,208
other	6,330	6,499	5,957	5,114	4,999	4,161
Special provisions in insurance business	12,377	351	105	8	—	—
Participatory capital	2,700	1,200	—	—	—	—
Subscribed capital	2,317	2,294	2,207	1,988	1,773	1,773
Capital reserve	10,516	10,067	9,350	7,445	5,490	5,490
Revenue reserves	5,325	4,631	3,981	3,363	2,913	2,513
Reserve arising from consolidation	—	—	—	1,253	1,110	844
Minority interests (excl. from profits)	511	369	338	318	214	229
Group capital and reserves	18,243*)	17,067*)	15,566*)	14,367	11,500	10,849
Remaining liabilities	7,053	5,800	5,336	3,448	4,287	3,353
Consolidated profit	1,043	733	786	778	692	627
<b>Balance Sheet Total</b>	<b>496,578</b>	<b>449,079</b>	<b>400,160</b>	<b>343,984</b>	<b>305,295</b>	<b>268,341</b>
Endorsement liabilities	6,011	4,620	4,438	4,803	3,970	3,891
Contingent liabilities from guarantees, etc.	36,252	36,755	32,931	27,540	25,259	21,084

\*) after offsetting with assets-side balance arising from capital consolidation

## Consolidated Profit and Loss Account

for the year	1992	1991	1990	1989	1988	1987
Income on business volume (net interest income)	11,156	10,617	9,084	7,619	6,710	6,228
Income on services business*)	4,196	3,772	3,579	2,779	2,421	2,213
Staff and other operating expenses	10,411	9,670	8,165	6,536	6,030	5,664
Taxes	1,906	2,045	1,371	2,193	2,030	971
Net income for the year	1,830	1,410	1,067	1,340	1,203	670
<b>Number of staff at year's end</b>	<b>74,256</b>	<b>71,400</b>	<b>69,272<sup>1)</sup></b>	<b>56,580</b>	<b>54,769</b>	<b>54,579</b>

<sup>1)</sup> from 1990 including temporary staff and skilled labour

1986	1985	1984	1983	1982	1981	1980	1970	1967
6,891	7,956	6,650	5,915	5,972	7,138	8,006	3,021	1,553
2,039	2,210	2,471	2,582	2,127	2,620	3,075	4,332	4,009
51,660	43,741	42,750	40,006	43,261	42,308	33,549	4,317	2,269
2,337	1,985	1,154	1,351	1,162	615	613	409	1,704
15,088	14,445	13,539	11,226	8,395	6,890	6,933	1,803	943
4,921	2,825	3,155	2,793	2,345	2,265	2,174	1,331	1,047
99,441	96,123	100,206	88,112	81,047	79,768	73,050	17,186	9,015
51,319	53,836	61,685	53,814	49,365	44,674	37,833	10,353	6,860
48,122	42,287	38,521	34,298	31,682	35,094	35,217	6,833	2,155
60,459	56,953	53,372	49,443	46,005	41,653	38,148	3,517	—
—	—	—	—	—	—	—	—	—
1,411	1,556	1,235	999	988	1,924	1,727	146	228
4,140	2,522	648	560	556	602	647	302	138
1,120	1,062	1,004	965	945	839	868	407	286
762	647	490	390	352	325	306	133	78
1,645	1,476	1,094	1,006	995	898	865	—	—
1,476	1,848	1,571	1,607	2,101	1,809	1,724	67	—
—	—	—	—	—	—	—	—	—
3,833	1,878	2,937	3,213	2,924	2,759	2,909	1,427	863
257,223	237,227	232,276	210,168	199,175	192,413	174,594	38,398	22,133
57,762	57,450	60,753	56,804	56,812	56,427	53,059	7,598	3,168
45,517	46,346	50,206	47,406	48,274	47,305	44,765	4,526	1,500
100,134	90,331	88,387	78,323	72,791	73,671	65,114	24,460	17,010
46,984	41,889	41,501	35,147	31,681	34,730	27,102	7,976	4,133
27,990	24,773	23,695	23,955	23,912	22,998	22,243	9,030	6,542
13,488	8,474	7,505	5,888	5,592	4,199	4,595	—	—
62,367	59,314	56,362	51,978	48,382	43,074	38,597	3,656	—
2,826	2,197	2,422	2,017	1,473	1,446	1,184	110	15
6,564	5,866	5,244	4,640	3,866	3,417	2,911	626	431
2,059	1,929	1,805	1,669	1,475	1,446	1,312	408	327
4,505	3,937	3,439	2,971	2,391	1,971	1,599	218	104
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
1,624	1,599	1,469	1,356	1,356	1,232	1,114	480	400
4,145	3,904	2,903	2,449	2,448	2,075	1,720	161	41
2,513	2,242	1,863	1,713	1,570	1,566	1,564	719	609
1,431	1,257	1,083	889	851	765	732	45	53
330	390	381	365	267	253	235	57	8
10,043	9,392	7,699	6,772	6,492	5,891	5,365	1,462	1,111
3,345	3,594	3,413	3,292	3,395	3,907	3,476	388	310
694	609	491	454	372	381	293	98	88
257,223	237,227	232,276	210,168	199,175	192,413	174,594	38,398	22,133
4,679	5,487	6,133	5,480	4,849	3,902	3,446	875	143
19,381	20,249	21,626	21,198	20,495	21,470	18,717	4,482	2,222
1986	1985	1984	1983	1982	1981	1980	1970	1967
7,020	5,872	5,765	5,597	4,930	4,295	3,538	1,048	513
1,848	1,609	1,350	1,257	1,020	996	892	274	338
5,088	4,557	4,238	3,952	3,557	3,272	3,052	989	608
1,624	1,684	1,241	1,238	977	818	735	121	139
1,068	1,101	674	654	343	412	457	131	140
50,590	48,851	47,873	47,256	45,618	44,800	44,128	36,957	28,800

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②

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

	D: declaration of backing see p. 40	Share of capital				Capital and reserves millions	Result thousands	
		total	of which indirect (\$ 16 (4) JSCA)					
<b>A. Banks and financing companies</b>								
<b>1. Consolidated</b>								
(*=for the first time)								
ALD AutoLeasing D GmbH, Hamburg	D	51	%	51	%	DM	95.6	14,823
Bain & Company Ltd., Sydney	D	51	% <sup>2)</sup>	51	%	A\$	67.5	12,126
Banca d'America e d'Italia S.p.A., Milan	D	99.67	%	—	%	Lit	1,069,977.2	67,806,650
BAI Factoring S.p.A., Milan		100	%	100	%	Lit	12,204.5	2,015,256
BAI Leasing S.p.A., Milan		100	%	100	%	Lit	9,669.5	191,221
BAI Società di Intermediazione Mobiliare S.p.A., Milan*		97	%	97	%	Lit	8,172.5	169,691
Banco Comercial Transatlántico, S.A., Barcelona	D	99.64	%	—	%	Pta	35,598.9	1,801,624
Deutsche Bank Credit, S.A., Madrid		100	%	100	%	Pta	1,966.7	94,371
DB Inmuebles y Patrimonio, S.A., Barcelona		100	%	100	%	Pta	4,685.4	– 304,384
DB Securities Sociedad de Valores y Bolsa, S.A., Madrid*		100	%	100	%	Pta	1,052.6	74,870
DB Vida Compañía de Seguros y Reaseguros, S.A., Madrid*		100	%	100	%	Pta	1,641.6	130,314
Leasing Bancotrans Sociedad de Arrendamiento Financiero, S.A., Barcelona		100	%	100	%	Pta	1,272.9	234,989
H. Albert de Bary & Co. N. V., Amsterdam	D	100	%	—	%	Guil	190.7	8,445
Deutsche Bank (Asia Pacific) Ltd., Singapore	D	100	%	—	%	S\$	66.6	13,394
Deutsche Bank Australia Ltd., Melbourne	D	100	%	0.01	%	A\$	130.1	– 4,031
Deutsche Bank (Austria) Aktiengesellschaft, Vienna	D	100	%	—	%	AS	369.5	10,304
Deutsche Bank Bauspar-Aktiengesellschaft, Frankfurt am Main	D	98	%	—	%	DM	40.3	8,003
Deutsche Bank (Canada), Toronto	D	100	%	—	%	Can\$	85.1	27,166
Deutsche Bank Finance N. V., Curaçao/Netherlands Antilles	D	100	%	—	%	U.S.\$	6.7	1,662
Deutsche Bank Financial Inc., Dover/U.S.A. (Domiciled in New York)	D	100	%	—	%	U.S.\$	1.5	345
Deutsche Bank France S.N.C., Paris*	D	100	%	0.01	%	FF	142.8	– 7,247

	D: declaration of backing see p. 40	Share of capital				Capital and reserves millions	Result thousands	
		total	of which indirect (\$ 16 (4) JSCA)					
Deutsche Bank de Investimento, S.A., Lisbon .....	D	100	%	—		Esc	9,976.1	546,518
DB Leasing – Sociedade de Locação Financeira Mobiliária, S.A., Lisbon* .....		100	%	100	%	Esc	756.8	6,806
Deutsche Bank Lünebeck Aktiengesellschaft vormals Handelsbank, Lünebeck .....	D	92.97	%	—		DM	179.8	17,590
Deutsche Bank Luxembourg S.A., Luxembourg .....	D	100	%	0.01 %		LF	28,334.0	5,421,192
Deutsche Bank North America Holding Corp., Dover/U.S.A. (Domiciled in New York)* .....	D	100	%	—		U.S.\$	248.9	- 193
C. J. Lawrence Inc., New York .....		100	%	100	%	U.S.\$	36.6	1,947
Deutsche Bank Capital Corporation, New York .....		100	%	100	%	U.S.\$	114.7	1,659
Deutsche Bank Financial Products Corporation, Wilmington/U.S.A. (Domiciled in New York) .....		100	%	100	%	U.S.\$	- 0.2	- 1,723
Deutsche Bank Government Securities, Inc., New York .....		100	%	100	%	U.S.\$	89.4	6,511
DBCC Asset Management Ltd., Dublin* .....		100	%	100	%	U.S.\$	5.0	3,033
Deutsche Credit Corporation, Dover/U.S.A. (Domiciled in Deerfield/U.S.A.) .....		100	%	100	%	U.S.\$	71.4	9,363
German American Capital Corporation, Baltimore/U.S.A. (Domiciled in New York) .....		100	%	100	%	U.S.\$	50.8	- 1,728
Deutsche Bank Saar AG, Saarbrücken .....	D	69.24	%	—		DM	114.0	12,000
Deutsche Bank (Suisse) S.A., Geneva .....	D	100	%	0.01 %		SF	129.5	9,535
DB (Belgium) Finance S. A./N. V., Brussels .....	D	100	%	0.01 %		BF	2,759.6	170,489
DB Export-Leasing GmbH, Frankfurt am Main .....	— <sup>1)</sup>	100	%	—		DM	0.05	- 295,494
DB Finanziaria S.p.A., Milan .....	D	100	%	—		Lit	17,589.8	737,822
DB Investment Management S. A., Luxembourg .....	D	100	%	100	%	DM	180.9	60,552
DB Investments (GB) Ltd., London .....	D	100	%	0.01 %		£	887.7	26,519
DBMG Futures & Options Ltd., London .....	D	100	%	100	%	£	6.6	2,610
DB U.K. Finance p.l.c., London .....	D	100	%	0.01 %		£	30.8	3,773
Deutsche Capital Management Australia Ltd., Melbourne .....	D	100	%	100	%	A\$	0.5	18

	D: declaration of backing see p. 40	Share of capital					Capital and reserves millions	Result thousands
		total	of which indirect (\$ 16 (4) JSCA)					
Deutsche Capital Markets Australia Ltd., Sydney . . . .	D	100	%	100	%	A\$	11.9	- 1
Deutsche Centralbodenkredit-Aktiengesellschaft, Berlin - Cologne . . . . .	D	93.58	%		—	DM	928.2	75,240
Deutsche Finance (Netherlands) B.V., Amsterdam . . .	D	100	%		—	Guil	10.6	5,371
Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt am Main . . . . .	D	100	%	100	%	DM	39.3	9,219
Deutsche Gesellschaft für Immobilien-Leasing mbH, Cologne . . . . .	D	100	%	100	%	DM	9.5	1,418
DWS Deutsche Gesellschaft für Wertpapiersparen mbH, Frankfurt am Main . . . . .	D	93	%	0.50	%	DM	233.1	63,985
Deutsche Grundbesitz-Investmentgesellschaft mbH, Frankfurt am Main . . . . .	D	60	%		—	DM	24.4	173
Deutsche Immobilien Leasing GmbH, Düsseldorf* . . . . .	— <sup>1)</sup>	100	%		—	DM	50.0	1,455
EFGEE Gesellschaft für Einkaufs-Finanzierung mbH, Düsseldorf . . . . .	— <sup>1)</sup>	100	%	100	%	DM	21.0	1,850
Europäische Hypothekenbank S.A., Luxembourg . . . .	D	100	%	73.33	%	DM	45.9	681
Frankfurter Hypothekenbank Aktiengesellschaft, Frankfurt am Main . . . . .	D	94.26	%		—	DM	969.0	82,256
GEFA Gesellschaft für Absatzfinanzierung mbH, Wuppertal . . . . .	— <sup>1)</sup>	100	%		—	DM	388.0	20,468
GEFA-Leasing GmbH, Wuppertal . . . . .	— <sup>1)</sup>	100	%	100	%	DM	100.0	7,562
Grunelius KG Privatbankiers, Frankfurt am Main . . . .	D	82.87	%		—	DM	36.2	—
Lübecker Hypothekenbank Aktiengesellschaft, Lübeck . . . . .	D	100	%	75	%	DM	315.8	28,805
McLean McCarthy Inc., Toronto . . . . .	D	100	%	1.55	%	Can\$	15.5	- 1,919
Morgan Grenfell Group plc, London - Group - . . . . .						£	395.0	56,491
Morgan Grenfell Group plc, London . . . . .	D	100	%	86.05	%	£	408.1	26,512 <sup>1)</sup>
DB Morgan Grenfell GmbH, Frankfurt am Main . . .		100	%	100	%	DM	2.3	—

	D: declaration of backing see p. 40	Share of capital					Capital and reserves millions	Result thousands
		total		of which indirect (\$ 16 (4) JSCA)				
Morgan Grenfell Asia Holdings Pte. Ltd., Singapore		100	%	100	%	S\$	62.9	—
Morgan Grenfell Asset Management Ltd., London		100	%	100	%	£	0.1	—
Morgan Grenfell (C.I.) Ltd., St. Helier/Jersey		100	%	100	%	£	99.5	—
Morgan Grenfell & Co. Ltd., London		100	%	100	%	£	303.4	—
Morgan Grenfell Development Capital Ltd., London		100	%	100	%	£	0.01	—
Schiffshypothekenbank zu Lübeck Aktiengesellschaft, Lübeck (Domiciled in Hamburg)	D	100	%	—		DM	123.5	19,527
<b>2. Unconsolidated Group companies</b>								
ComCo Datenanlagen GmbH & Co. KG, Berlin	—	52	%	52	%	DM	3.9	1,883
Deutsche Bank (Austria) Kapitalanlagegesellschaft m. b. H., Vienna	D	100	%	100	%	AS	10.2	214
Deutsche Bank Gestion S.A., Paris	D	100	%	0.12	%	FF	0.6	11
DB Capital Markets (Deutschland) GmbH, Frankfurt am Main	— <sup>1)</sup>	100	%	—		DM	0.1	92
Deutsche Vermögensbildungsgesellschaft mbH, Bad Homburg v.d.H.	D	100	%	100	%	DM	6.3	659
P.T. DB Leasing Indonesia, Jakarta	D	75	%	—		Rp	12,026.2	1,536,563
Süddeutsche Bank GmbH, Frankfurt am Main	D	100	%	—		DM	4.4	166
<b>3. Majority-owned, not under uniform direction</b>								
Deutsche Bank Capital Markets (Asia) Ltd., Hong Kong	D	54.54	% <sup>4)</sup>	—		Yen	8,122.2	517,593
<b>4. Holding between 20 % and 50 %</b>								
AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main	—	26.90	%	0.21	%	DM	234.0	21,000
Banco de Montevideo, Montevideo	—	29.40	%	—		U.N\$	58,468.3	3,913,008

	D: declaration of backing see p. 40	Share of capital			Capital and reserves millions	Result thousands
		total	of which indirect (\$ 16 (4) JSCA)			
Banque de Luxembourg S.A., Luxembourg .....	—	28.95 %	28.95 %	LF	4,270.6	785,993
Bausparkasse Mainz AG, Mainz .....	—	33.50 %	33.50 %	DM	116.9	4,506
Gesellschaft zur Finanzierung von Industrieanlagen mbH, Frankfurt am Main .....	—	27.10 %	0.21 %	DM	5.1	600
ILV Immobilien-Leasing Verwaltungsgesellschaft Düsseldorf mbH, Düsseldorf .....	—	50 %	—	DM	49.3	13,044
Vermietungsgesellschaft MITTE für SEL-Kommunikationsanlagen mbH, Stuttgart ..	—	50 %	—	DM	2.7	385
Westfälische Hypothekenbank AG, Dortmund .....	—	25 %	25 %	DM	438.4	34,380
Zürich Investmentgesellschaft mbH, Frankfurt am Main .....	—	20 %	—	DM	8.8	167

## B. Other enterprises

### 1. Consolidated

(\*—for the first time)

Alma Beteiligungsgesellschaft mbH, Düsseldorf .....	—	100 %	—	DM	35.9	13,118
Deutsche Asset Management GmbH, Frankfurt am Main .....	D	100 %	—	DM	26.6	10,056
Deutsche Bank Gilts Ltd., London* .....	D	100 %	100 %	£	7.8	– 2,151
DB Holdings Canada Inc., Toronto .....	D	100 %	100 %	Can\$	1.0	6,726
DB Research GmbH Gesellschaft für Wirtschafts- und Finanzanalyse, Frankfurt am Main* .....	D	100 %	—	DM	5.0	– 362
DEBEKO Immobilien GmbH, Eschborn .....	D	100 %	—	DM	6.3	972
DEBEKO Immobilien GmbH & Co Grundbesitz Berlin OHG, Berlin .....	D	100 %	76.78 %	DM	62.8	3,269
DEBEKO Immobilien GmbH & Co Grundbesitz OHG, Eschborn .....	D	100 %	0.10 %	DM	732.6	– 95,726
DEUBA Verwaltungsgesellschaft mbH, Frankfurt am Main .....	—	100 %	—	DM	22.3	– 18,589
Deutsche Gesellschaft für Mittelstandsberatung mbH, Munich .....	—	100 %	—	DM	4.3	472

	D: declaration of backing see p. 40	Share of capital				Capital and reserves millions	Result thousands	
		total	of which indirect (§ 16 (4) JSCA)					
Deutsche Grundbesitz-Anlagegesellschaft mbH, Frankfurt am Main .....	—	60	%	—	DM	3.3	50	
Deutsche Immobilien Anlagegesellschaft mbH, Frankfurt am Main* .....	D	100	%	—	DM	33.2	– 1,614	
Deutsche Bank Realty Advisors, Inc., New York* ..		100	%	100	%	U.S.\$	2.1	641
Deutscher Herold Aktiengesellschaft, Bonn and Berlin*	D	65.31	%	—	DM	264.0	5,934	
Bonnfinanz Aktiengesellschaft für Vermögens- beratung und Vermittlung, Bonn* .....		100	%	100	%	DM	2.4	123
Deutscher Herold Allgemeine Versicherungs- Aktiengesellschaft, Bonn* .....		100	%	100	%	DM	139.1	16,350
Deutscher Herold Lebensversicherungs- Aktiengesellschaft, Bonn* .....		100	%	100	%	DM	102.5	14,800
Elektro-Export-Gesellschaft mbH, Nürnberg .....	—	100	%	100	%	DM	1.3	63
Firmen-Lebensversicherungs-Aktiengesellschaft der Deutschen Bank, Frankfurt am Main (Domiciled in Wiesbaden) .....	D	70	%	70	%	DM	18.9	– 6,724
Hessische Immobilien-Verwaltungs-Gesellschaft mbH, Eschborn .....	— <sup>1)</sup>	100	%	5	%	DM	3.5	– 3,208
JoWi Beteiligungs Aktiengesellschaft, Frankfurt am Main* .....	—	100	%	—	DM	0.1	– 0.03	
KCB-Beteiligungs-Aktiengesellschaft, Duisburg .....	—	100	%	100	%	DM	749.0	37,870
Klößner Industriebeteiligungsgesellschaft mbH, Duisburg .....	--	58.28	%	58.28	%	DM	174.0	– 26
Lebensversicherungs-Aktiengesellschaft der Deutschen Bank, Frankfurt am Main (Domiciled in Wiesbaden) .....	D	100	%	100	%	DM	67.8	– 1,518
Matura Vermögensverwaltung mbH, Düsseldorf .....	—	100	%	—	DM	1.4	50	
McLeanco Holdings Ltd., Toronto .....	—	100	%	100	%	Can\$	0.5	– 3
Mebrö Beteiligungs AG, Frankfurt am Main .....	—	100	%	100	%	DM	0.09	– 2
NIBA Beteiligungs Aktiengesellschaft, Frankfurt am Main* .....	—	100	%	—	DM	0.1	– 0.09	
OFBA Beteiligungs Aktiengesellschaft, Frankfurt am Main* .....	—	100	%	—	DM	0.1	– 0.2	
Karl-Johann, P. von Quistorp Bürohaus KG, Eschborn	—	100	%	0.10	%	DM	86.9	– 11,174

	D: declaration of backing see p. 40	Share of capital				Capital and reserves millions	Result thousands
		total	of which indirect (\$ 16 (4) JSCA)				
STEBA Beteiligungs Aktiengesellschaft, Frankfurt am Main* .....	—	100	%	—	DM	0.1	– 0.03
Süddeutsche Vermögensverwaltung GmbH, Frankfurt am Main .....	—	100	%	—	DM	5.9	514
Trinitas Vermögensverwaltung GmbH, Frankfurt am Main .....	— <sup>1)</sup>	100	%	—	DM	1.0	4,199
<b>2. Unconsolidated Group companies</b>							
Bürohaus Mainzer Landstrasse 16-28 GbR, Eschborn	—	99	%	99	%	DM	123.1 – 28,631
CGT Canada Grundbesitz Treuhand GmbH, Frankfurt am Main .....	—	55	%	55	%	DM	0.1 5
DB Gestion Sociedad de Gestora de Instituciones de Inversion Colectiva, S.A., Madrid .....	—	100	%	100	%	Pta	251.5 200,666
De Bary Securities N.V., Amsterdam .....	D	100	%	100	%	Guil	46.7 2,747
Deutsche Canada-Grundbesitzverwaltungs- gesellschaft mbH, Frankfurt am Main .....	—	55	%	55	%	DM	0.1 4
Deutsche Gesellschaft für Netzwerkdienste mbH, Eschborn .....	—	100	%	—		DM	0.05 1
Deutsche Grundbesitz-Anlagegesellschaft mbH & Co Löwenstein Palais, Eschborn .....	—	100	%	0.33	%	DM	30.0 —
Deutsche Wirtschaftsdatenbank GmbH, Frankfurt am Main .....	—	100	%	—		DM	1.0 15
Essener Grundstücksverwertung Dr. Ballhausen, Dr. Bruens, Dr. Möller KG, Essen .....	—	99	%	—		DM	1.5 592
Gesellschaft für Finanzmarketing mbH (GEFM), Stuttgart .....	—	100	%	—		DM	2.7 5
Immobilien-gesellschaft der Deutschen Bank mbH, Frankfurt am Main .....	D	100	%	—		DM	7.3 1,008
Immobilien-Holding Martin Zimmer GmbH, Cologne	—	75	%	75	%	DM	3.6 2,493
Immobilien Winter GmbH & Co. KG, Heidelberg ....	—	100	%	100	%	DM	2.9 469
JG Japan Grundbesitzverwaltungsgesellschaft mbH, Frankfurt am Main .....	—	100	%	100	%	DM	0.1 2
Nordwestdeutscher Wohnungsbau-träger GmbH, Braunschweig .....	— <sup>1)</sup>	100	%	—		DM	0.2 33

	D: declaration of backing see p. 40	Share of capital					Capital and reserves millions	Result thousands
		total	of which indirect (§ 16 (4) JSCA)					
Promotora de Edificios para Oficinas, S.A., Barcelona	—	100	%	100	%	Pta	1,329.9	27,102
Vertriebsgesellschaft mbH der Deutschen Bank für Privatkunden, Frankfurt am Main	D	100	%	63	%	DM	0.5	3
WINWE Beteiligungsgesellschaft mbH, Frankfurt am Main	—	100	%	—	—	DM	10.3	1,879
Martin Zimmer Immobilien GmbH, Cologne	— <sup>1)</sup>	100	%	100	%	DM	0.5	5,041

### 3. Majority-owned, not under uniform direction

Allgemeine Verwaltungsgesellschaft für Industriebeteiligungen mbH, Munich	—	55.35	%	—	—	DM	366.1	14,859
“Alwa” Gesellschaft für Vermögensverwaltung mbH & Co. Grundstücksvermietung KG, Düsseldorf	—	96.99	%	1.25	%	DM	– 5.5	– 26,681
AV America Grundbesitzverwaltungsgesellschaft mbH, Frankfurt am Main	—	55	%	55	%	DM	0.1	20
Bavaria Filmkunst GmbH, Munich	—	54.24	%	—	—	DM	7.3	321
Roland Berger & Partner Holding GmbH, Munich	—	75.07	%	—	—	DM	37.0	18,847
Deutsche Beteiligungsgesellschaft mbH, Frankfurt am Main	—	92.50	%	—	—	DM	5.3	1,767
Deutsche Gesellschaft für Anlageverwaltung mbH, Frankfurt am Main	—	75	%	—	—	DM	197.0	4,971
Deutsche Gesellschaft für Immobilienanlagen “America” mbH, Bad Homburg v.d.H.	—	55	%	55	%	DM	0.5	20
Deutscher Beteiligungsfonds I GbR, Frankfurt am Main	—	92.50	%	—	—	DM	359.2	27,016
GFI-Industriemontagen GmbH & Co. Leasing und Service OHG, Düsseldorf	—	75	%	75	%	DM	18.8	3,327
Intertractor Aktiengesellschaft, Gevelsberg	—	99.50	%	99.50	%	DM	22.0	– 11,911
Tipperary Institutional Investments Ltd., Dublin	—	56.96	%	0.29	%	U.S.\$	69.7	5,356

### 4. Holding between 20% and 50%

AIH Agrar-Industrie-Holding GmbH, Mannheim	—	25	%	—	—	DM	154.5	926
ALSTER Beteiligungsgesellschaft mbH & Co KG, Frankfurt am Main	—	45	%	—	—	DM	54.0	4,229
Bavaria Film GmbH, Geiseltal	—	20	%	20	%	DM	37.2	12
Consortia Versicherungs-Beteiligungsgesellschaft mbH, Frankfurt am Main	—	30	%	—	—	DM	50.5	957



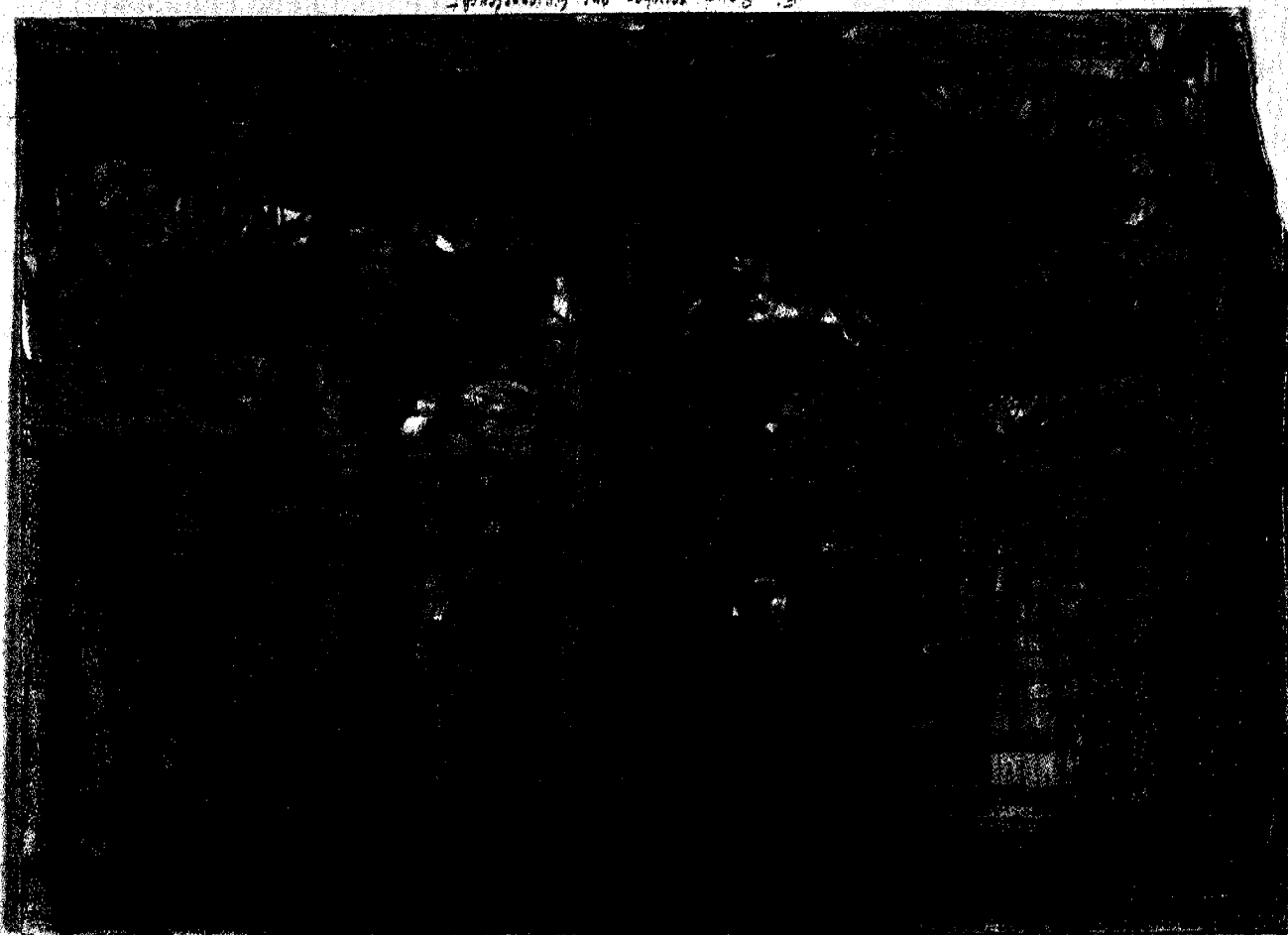
	D: declaration of backing see p. 40	Share of capital			Capital and reserves millions	Result thousands
		total	of which indirect (\$ 16 (4) JSCA)			
Daimler-Benz AG, Stuttgart .....	—	28.19 %	—	DM	13,711.0	1,194,000
Deutsche Beteiligungs AG Unternehmens- beteiligungsgesellschaft, Königstein/Ts. ....	—	46.32 % <sup>3)</sup>	—	DM	113.6	5,084
Deutsche Eisenbahn-Consulting GmbH, Frankfurt am Main .....	—	26 %	26 %	DM	15.4	494
DPE Deutsche Projektentwicklungs-Gesellschaft für Grundvermögen mbH, Frankfurt am Main .....	—	50 %	50 %	DM	1.5	387
Energie-Verwaltungs-Gesellschaft mbH, Düsseldorf	—	25 % <sup>5)</sup>	—	DM	530.6	32,205
Gerling-Konzern Versicherungs- Beteiligungs-AG, Cologne .....	—	30 % <sup>6)</sup>	—	DM	352.9	40,099
Groga Beteiligungsgesellschaft mbH, Frankfurt am Main .....	—	50 %	—	DM	23.5	1,226
Philipp Holzmann AG, Frankfurt am Main .....	—	30.03 %	—	DM	966.5	38,938
Horten AG, Düsseldorf .....	—	25.08 %	25 %	DM	458.5	25,000
HOSTRA Beteiligungsgesellschaft mbH, Düsseldorf	—	33.33 %	—	DM	342.1	15,519
Hutschenreuther AG, Selb .....	—	25.09 %	25.09 %	DM	66.5	4,650
Jaspers Industrie Assekuranz GmbH & Co. KG, Frankfurt am Main .....	—	20 %	—	DM	—	— <sup>8)</sup>
Karstadt AG, Essen .....	—	25.08 %	—	DM	2,187.4	145,800
Klöckner Haus- und Verwaltungs-AG & Co, Duisburg	—	37.21 %	—	DM	112.3	5,043
Klöckner-Humboldt-Deutz AG, Cologne .....	—	41.13 %	41.13 %	DM	383.8	5,000
Limerick Institutional Investments Ltd., Dublin .....	—	46.67 %	0.13 %	U.S.\$	75.4	2,723
MFG Flughafen-Grundstücksverwaltungs- gesellschaft mbH & Co. BETA KG, Grünwald .....	—	25.03 %	—	DM	2.3	– 34,714
“moderne Stadt” Gesellschaft zur Förderung des Städtebaues und der Gemeindeentwicklung mbH, Cologne .....	—	50 %	—	DM	16.2	13,867
NINO AG, Nordhorn .....	—	23.93 %	—	DM	46.3	4,346
Rhein-Neckar Bankbeteiligung GmbH, Stuttgart .....	—	49.07 % <sup>4)</sup>	—	DM	204.8	8,004
Société Luxembourgeoise de Centrales Nucléaires S.A. (SCN), Luxembourg .....	—	25 %	—	DM	164.6	12,947

Note: 1 A\$ = DM 1.112; 100 BF = DM 4.8/2; 100 Esc = DM 1.11; 100 FF = DM 29.36; 100 Guil = DM 89.05; 1000 Rp = DM 0.78; 1 Can\$ = DM 1.2/2;  
1000 Lit = DM 1.0945; 100 LF = DM 4.872; 100 AS = DM 14.213; 100 Pra = DM 1.41; 1£ = DM 2.441; 100 SF = DM 110.38; 100 S\$ = DM 98.325;  
100 UN\$ = DM 0.046; 1 U.S.\$ = DM 1.614; 100 Yen = DM 1.296

<sup>1)</sup> Profit and loss transfer agreement; <sup>2)</sup> our share of the voting capital 100%; <sup>3)</sup> our share of the voting capital 77.08%; <sup>4)</sup> our share of the voting capital 50%; <sup>5)</sup> our share of the voting capital 35.75%; <sup>6)</sup> our share of the voting capital 24.93%; <sup>7)</sup> figures for subsidiary companies omitted pursuant to § 286 (3) sentence 1 (2) Commercial Code;

<sup>8)</sup> figures omitted pursuant to § 286 (3) sentence 2 Commercial Code

Ein Baum, dessen auf Linienfeld



## Contemporary Art at Deutsche Bank

### Our concept

Contemporary art at the bank gives staff, customers and visitors an opportunity to encounter art in a business environment, prompting them to look closely at form and content. That is why Deutsche Bank acquires and displays modern art on its premises.

The bank's art concept also extends to the design of its annual reports, each featuring the work of one selected artist. This year's report contains art works by Gerhard Altenbourg from the bank's collection. Starting at the General Meeting, an exhibition of his works will be touring 30 branches.

### Gerhard Altenbourg

Altenbourg was born in 1926 as Gerhard Ströch in Rödichen-Schnepfenthal near Friedrichroda (Thuringia) and grew up in Altenbourg. After service and injury in the war and his first tentative efforts at writing and journalism he took up the study of architecture and art at the Hochschule für Baukunst und bildende Künste in Weimar in 1948. One year later he produced his first lithographs in the university's atelier. He began intensive and innovative work on prints and serial works - later to be joined by wood and drypoint engravings (from 1959 and 1981 respectively) - and this remained a major part of his work from then on. In Weimar he also studied literature, the humanities and science, subjects he remained true to for the rest of his life and frequently alluded to in the titles of his works. "I know of no more fanatic a reader among the artists of today than Gerhard Altenbourg", wrote Peter Sager in 1984. After his years in Weimar the painter returned to his home town in 1959 where he led a secluded and simple life at his parents' home (known as Hügel-Klause or "refuge on the hill").

Altenbourg's personality and artistic intentions did not fit in with the ideology and realities of the former GDR. He was defamed and repeatedly interrogated

by the police. "Life and limb were at stake, total annihilation" (Altenbourg). Whereas hardly any exhibitions were permitted in East Germany, the artist's work was on display as early as 1952 at Galerie Springer in Berlin, at "documenta 2" in 1959 and regularly after 1964 at Galerie Brusberg in Hanover and Berlin. In the years that followed, numerous honours and prizes were bestowed on him in West Germany. A first retrospective was held in 1969 and a second followed in 1988 in Bremen, Tübingen, Hanover and Berlin. Only two years previously Gerhard Altenbourg had been allowed to hold his first major exhibitions in Leipzig, Dresden and East Berlin. On December 30, 1989, shortly after the Berlin Wall had finally been torn down, the artist was killed in a car accident on his way to Dresden.

Altenbourg's drawings have certain unmistakable features: luminous colours produce a harmony of light, unexpected shades of grey crop up from nowhere, minute dots and strokes rhythmically unite to form lines and spaces that are covered with scrawls and swirls and buried under layers of new symbols. The multi-layered approach closely mirrors the many nuances of hidden meaning. Referred to by Erhart Kästner as the "James Joyce of landscape painting", Altenbourg's prints are "books full of riddles and dreams", by turns meditative, analytical, surrealistic, critical or ironic - or all of these at once. His huge, early paintings on brown packing paper reflect what he experienced in the war. Human heads along with hills and typical scenes from the Thuringian landscape weave their way through all his works, so closely intertwined, as Kästner sees it, that "the faces are landscapes and the landscapes faces". He may also take us on a trip to the centre of the earth or to marvel at geological formations, caves and roots. Later in his drypoint engravings Gerhard Altenbourg narrowed down the abundance of forms and the sweeping contours of hills are reduced to very fine lines which virtually seem to grow out of the handmade paper.



# List of works depicted:

## Cover

Hill in the Making, 1979,  
mixed media,  
27.5 x 48.5 cm

## Page 2

Fort on Coloured Rocks, 1953,  
gouache, chalk and aquatint,  
51 x 69 cm

## Page 10

King's Tomb, 1951,  
aquatint and lithochalk,  
89.5 x 64 cm

## Page 14

Group of Three, 1960,  
wood engraving (unique specimen),  
64 x 73 cm

## Page 43

Craggy Landscape, 1951,  
aquatint and chalk,  
42 x 59 cm

## Page 45

Promise, Almond by Night, 1977,  
aquatint, watercolour, chalk and opaque white,  
65.5 x 50 cm

## Page 80

Countryside near Weimar, 1949,  
chalk,  
c. 39 x 32 cm

## Page 90

Space Woven by Luminous Lines, 1948,  
grease chalk and coloured pencil  
on waxed tissue paper,  
21 x 29 cm

## Page 92

Hilly Country, 1963,  
aquatint, red chalk, chalk and pencil,  
30 x 111 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 1992
- ☐ French Annual Report for 1992
- ☐ Spanish Annual Report for 1992
- ☐ Japanese Annual Report for 1992  
(distribution scheduled for 2nd half)
- ☐ Directory of Deutsche Bank Offices

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Town/Country

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stamp

Reply Card

**Deutsche Bank AG**

OuB/Wertpapierdienste

Depotadministration

Postfach 52 23

Alfred-Herrhausen-Allee 16-24

D-6236 Eschborn 1

Germany

**Dear Shareholders,**

With respect to our General Meeting on May 19, 1993 in Frankfurt, several shareholders have announced counter-proposals.

Mr. Leonhard Knoll, Mainbernheim, wishes to propose

not ratifying the acts of management of the Board of Managing Directors (agenda item 3).

He explains his proposal as follows:

"The Spokesman of the Board of Managing Directors, Kopper, and the member of the Board of Managing Directors Burgard sit - the former as Chairman (!) - on the Supervisory Board of Daimler-Benz Aktiengesellschaft and thus share in the responsibility for the information policy of this company concerning the envisaged conversion of Mercedes shares into Daimler shares. This information policy has for months made insider trading possible to the detriment of unsuspecting small shareholders. Trading in the shares was not even suspended when the decision was announced. This led to substantial distortions to the detriment of market participants informed later, and to redistributions amounting to many millions. The damage to Germany as a business location is incalculable."

Dr. Inge Bartke-Anders, Berlin, Dr. Bettina Lang, Bonn, and Mr. Klaus Milke, Hamburg, wish to propose

not ratifying the acts of management of the Board of Managing Directors and the Supervisory Board (agenda items 3 and 4).

Dr. Bartke-Anders explains her proposal as follows:

"Africa urgently needs debt relief. Deutsche Bank has only small outstanding claims on the sub-Saharan countries. Above-average provisioning has been made for these claims. It would be a simple matter to write off the debts of all these countries. Deutsche Bank did not do so last year, and thus did not fulfil a humanitarian obligation."

Explanation of Dr. Lang:

"In May 1992 at the RIO Conference Deutsche Bank signed a code of conduct on the environment and sustained development. It was to be hoped that the bank would itself then announce to the public exemplary measures in this respect to prove the seriousness of these intentions. This did not happen. The Board of Managing Directors and Supervisory Board are not doing enough to satisfy the global challenges, and are thus also damaging the long-term interest of the bank."

Explanation of Mr. Milke:

"Once again in 1992, Deutsche Bank did not put forward any new initiatives for the solution of the debt crisis. The memory of the debt relief activities of the Honorary President of the Supervisory Board, Hermann Josef Abs, for the young Federal Republic of Germany at the London Debt Conference 1952/53 and the initiatives of Alfred Herrhausen call for a substantially stronger commitment. The high level of loan loss provisioning - the adjustments have in part appeared in the balance sheet since 1982 - is an obligation to make tangible debt write-offs in the interest of the poorest strata of society. The Board of Managing Directors and the Supervisory Board have damaged the bank's interests by not helping to stabilize the young democracies or to eliminate the reasons why people are fleeing their homes worldwide."

Mr. Leonhard Knoll, Mainbernheim, has announced the proposal not to ratify the acts of management of the Supervisory Board (agenda item 4).

He is of the opinion that the Supervisory Board has selected an unsuitable Chairman of the Supervisory Board in the person of Dr. Christians, and that its acts of management should therefore not be ratified.

Mr. Knoll also wishes to make the following proposal:

instead of Dr. Hermann Oskar Franz, whose election as a replacement member of the Supervisory Board is proposed, to elect Mr. Dieter Berg to the Supervisory Board (agenda item 6).

Explanation:

"Franz is highly unsuited to be a member of the Supervisory Board of a joint stock corporation. According to a



report in Der Spiegel dated March 22, 1993, the Board of Managing Directors of Siemens, of which he is a member, urged the banks to use their proxy votes against the interests of the small shareholders to defend scandalous privileges of the Siemens family. At the General Meeting of the company headed by him, he looked on calmly as an unrestrained chairman cut off a discussion on the family privileges by switching off the microphone, and damaged the reputation of Siemens AG worldwide. The Börsenzeitung called the incident 'grotesque'; other well-known organs of the press spoke of 'éclat', 'disgrace', 'catastrophe for shareholder democracy'."

The Board of Managing Directors will, where necessary, make statements on the counter-proposals at the General Meeting.

Yours faithfully,

**Deutsche Bank**

Aktiengesellschaft

The Board of Managing Directors

Frankfurt am Main, April 1993

**Dear Shareholders,**

With the notice published in the Bundesanzeiger No. 65 of April 3, 1993, the

**Ordinary General Meeting**

of Deutsche Bank AG

has been convened for Wednesday, May 19, 1993, 10 a.m. in the Festhalle, Messe Frankfurt, Ludwig-Erhard-Anlage 1, 6000 Frankfurt am Main 1.

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

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**Agenda**

1. Presentation of the established Annual Statement of Accounts and the Management Report for the 1992 financial year with the Report of the Supervisory Board  
  
Presentation of the Consolidated Statement of Accounts and the Report of the Group for the 1992 financial year.
2. Resolution on the appropriation of distributable profit  
  
The Board of Managing Directors and the Supervisory Board propose that the distributable profit of DM 694,967,835 be used to distribute a dividend of DM 15 per share of DM 50 par value.
3. Ratification of the acts of management of the Board of Managing Directors for the 1992 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 1992 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 1993 financial year  
  
The Supervisory Board proposes that KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed auditor for the 1993 financial year.
6. New election of the Supervisory Board  
  
Pursuant to §§ 96 (1) and 101 (1) Joint Stock Corporation Act and § 7 (1) Sentence 1 No. 3 Co-determination Act of May 4, 1976, the Supervisory Board consists of ten members elected by the shareholders and ten members elected by the employees.  
  
In electing the shareholders' representatives, the General Meeting is not bound by any election proposals.  
  
The Supervisory Board proposes that the following shareholders' representatives be elected to the Supervisory Board for the next term of office:
  1. Dr. Marcus Bierich, Stuttgart  
Chairman of the Board of Management of Robert Bosch GmbH
  2. Dr. Horst Burgard, Frankfurt am Main  
Member of the Board of Managing Directors of Deutsche Bank AG
  3. Dr. F. Wilhelm Christians, Düsseldorf  
Former Member of the Board of Managing Directors of Deutsche Bank AG
  4. Dr.-Ing. E.h. Hermann Oskar Franz, Munich  
Chairman of the Supervisory Board of Siemens AG
  5. Dr. Wilfried Guth, Frankfurt am Main  
Former Member of the Board of Managing Directors of Deutsche Bank AG
  6. Louis R. Hughes, Glattbrugg/Zurich  
Executive Vice President of General Motors Corporation and President of General Motors Europe AG
  7. Dr. Klaus Liesen, Essen  
Chairman of the Board of Management of Ruhrgas AG

8. Dr. Michael Otto, Hamburg  
Chairman of the Board of Management of Otto-Versand (GmbH & Co.)
9. Dr. Henning Schulte-Noelle, Munich  
Chairman of the Board of Management of Allianz AG
10. Dipl.-Ing. Albrecht Woeste, Düsseldorf  
Chairman of the Supervisory Board and Shareholders' Committee of Henkel KGaA and proprietor of R. Woeste & Co. GmbH & Co. KG

The persons named under 1, 3, 5 and 8 are currently members of the Supervisory Board and are proposed for re-election.

Dr. Horst Burgard (64) studied business administration in Bonn and Cologne. After joining Deutsche Bank AG in 1956, he worked at various branches of the bank until 1968, after which he spent a year in the U.S.A. He was appointed Executive Vice President at the bank's Central Office in Düsseldorf in 1970 and became a Deputy Member of the Board of Managing Directors in 1971. Dr. Burgard has been full Member of the Board of Managing Directors since 1974 and, after being responsible for personnel for many years, subsequently assumed overall responsibility for credit control throughout the bank; he also has regional responsibility for the bank's business in Belgium, France and the Netherlands. In Germany he is responsible for the Frankfurt Branch region.

Dr.-Ing. E.h. Hermann Oskar Franz (64) joined Siemens-Schuckertwerke AG in 1957. After a number of positions in Germany and abroad - among others, as manager of the Siemens company in Tehran and as head of the International Regional Administration - he was appointed Member of the Managing Board of Siemens AG in 1980. In 1985 he became responsible for the Electrical Installations Group (later renamed Electrical Installations and Automotive Systems Group) and in 1988 also took over responsibility for the Corporate Planning and Development Division. In 1989 Dr. Franz was elected to the Corporate Executive Office of Siemens AG. Since March 1993 he has been Chairman of the Supervisory Board of Siemens AG. Dr. Franz is a member of various committees and supervisory boards of German companies.

Louis R. Hughes (44) was born in Cleveland, Ohio. He graduated in mechanical engineering and received an MBA at Harvard University. After senior positions in the Treasurer's Office of General Motors Corporation and at GM Canada, Mr. Hughes was appointed Vice President Finance of General Motors Europe in Zurich in 1987. From 1989 to 1992 he was Chairman of the Board of Management of Adam Opel AG in Rüsselsheim before he returned to Zurich in April 1992 as President of General Motors Europe. Since April 1992 he has been Chairman of the Supervisory Board of Saab Automobile AB. Besides his duties in Europe, Mr. Hughes was appointed Executive Vice President responsible for all international group operations outside North America in November 1992. In these positions, Mr. Hughes is one of the five members of the Executive Committee of General Motors Corporation.

Dr. jur. Klaus Liesen (62) studied law and, after a short period of industrial training, entered the Federal Ministry of Economic Affairs in 1960. In 1963 he joined Ruhrgas AG and in 1970 became a member of the company's Board of Management; since 1976 he has been the Chairman of this board. Dr. Liesen is chairman or member of the supervisory board of a number of other German companies and of various bodies concerned with the promotion and self-regulation of research and the sciences.

Dr. Henning Schulte-Noelle (50) joined Allianz in 1975. He was in charge of the General Secretariat at the Head Office in Munich from 1979 to 1983 and the regional office for North Rhine-Westphalia in Cologne from 1984 to 1987. He was appointed full Member of the Board of Management of Allianz Versicherungs-AG and Allianz Lebensversicherungs-AG with responsibility for sales and marketing in 1988. In 1991 he became Chairman of the Board of Management of Allianz Lebensversicherungs-AG and at the same time Member of the Board of Management of Allianz AG Holding, of which he has been Chairman since October 1991. Dr. Schulte-Noelle is a member of the supervisory board of a number of other German companies.

Dipl.-Ing. Albrecht Woeste (57) is an entrepreneur and proprietor of R. Woeste & Co. GmbH & Co. KG, Düsseldorf/Velbert. After graduating in business studies and engineering at the Technische Universität Berlin, he joined

the firm in 1963 and has been sole proprietor of this metal-working company since 1976. He has been a member of the Shareholders' Committee of Henkel KGaA since 1972 and has been Chairman of this committee and Chairman of the Supervisory Board of Henkel KGaA since December 1990. For many years Mr. Woeste was Chairman of the Employers' Association of the Iron and Metalworking Industry and the Entrepreneurs' Association in Düsseldorf and since December 1991 has been President of the Chamber of Industry and Commerce in Düsseldorf.

Furthermore, the Supervisory Board proposes that the following gentlemen be elected as substitute members who will replace shareholders' representatives prematurely leaving the Supervisory Board in the order in which they are named and will become substitute members again when the General Meeting holds a new election for a prematurely leaving Supervisory Board member who has been replaced by the substitute member:

- a) Dieter Berg, Stuttgart, Head of the Legal Department of Robert Bosch GmbH
- b) Dr. Peter Waskönig, Stuttgart, Head of the Secretariat of the Board of Management of Daimler-Benz AG

#### 7. Creation of authorized capital and amendment of Articles of Association

The Board of Managing Directors and the Supervisory Board propose the following resolution:

- a) § 4 (7) of the Articles of Association, which contains the authorization for the Board of Managing Directors to increase the share capital with the consent of the Supervisory Board once or more than once by up to a total of DM 220,000,000 on or before April 30, 1993 through the issue of new shares against cash payment, be annulled. Subparagraphs 8 to 10 become subparagraphs 7 to 9.
- b) The Board of Managing Directors be authorized to increase the share capital with the consent of the Supervisory Board once or more than once by up to a total of DM 500,000,000 on or before April 30, 1998 through the issue of new shares against cash payment. At such time(s), pre-emptive rights shall be granted to the shareholders; the Board of Managing Directors is, how-

ever, authorized to except fractions from the shareholders' pre-emptive rights and also to exclude the pre-emptive rights insofar as is necessary to provide the holders of the warrants and convertible bonds issued by Deutsche Bank Aktiengesellschaft and its subsidiaries with such pre-emptive rights to new shares as they would be entitled to upon exercising the option or conversion rights.

- c) The following new subparagraph 10 be added to § 4 of the Articles of Association:

"(10) The Board of Managing Directors is authorized to increase the share capital with the consent of the Supervisory Board once or more than once by up to a total of DM 500,000,000 on or before April 30, 1998 through the issue of new shares against cash payment. At such time(s), pre-emptive rights shall be granted to the shareholders; the Board of Managing Directors is, however, authorized to except fractions from the shareholders' pre-emptive rights and also to exclude the pre-emptive rights insofar as is necessary to provide the holders of the warrants and convertible bonds issued by Deutsche Bank Aktiengesellschaft and its subsidiaries with such pre-emptive rights to new shares as they would be entitled to upon exercising the option or conversion rights."

#### 8. Authorization to issue participatory certificates with warrants and bonds with warrants, amendment of Articles of Association

The Board of Managing Directors and the Supervisory Board propose the following resolution:

- a) The Board of Managing Directors be authorized to issue once or more than once bearer participatory certificates on or before April 30, 1998. The participatory certificates shall comply with the provisions of the Banking Act, pursuant to which the capital paid in for the granting of participatory rights is treated as liable capital. Bearer warrants may be attached to each participatory certificate entitling the holder, in accordance with the Conditions of Warrants, to subscribe for shares of Deutsche Bank Aktiengesellschaft of DM 50 par value each.

Shareholders who deposit their shares with one of the depositaries listed below by Wednesday, May 12, 1993 at the latest 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 it with other banks until conclusion of the General Meeting.

#### Depositaries

##### in Germany:

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

##### in Austria:

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

##### in Belgium:

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

##### in France:

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

##### in Luxembourg:

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

##### in the Netherlands:

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

##### in Switzerland:

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

##### in the United Kingdom:

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

The shares may also be deposited with a German notary or with a collective security deposit bank. In these cases 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) corresponds at present to a nominal amount of DM 116,755,545 = 2,335,110 shares of DM 50 par value each.

Yours sincerely,

**Deutsche Bank**  
Aktiengesellschaft

The Board of Managing Directors

Frankfurt am Main, March 1993

Furthermore, the Board of Managing Directors be authorized to issue bearer bonds with warrants, instead of or in addition to participatory certificates, once or more than once on or before April 30, 1998 and to attach to each bond bearer warrants entitling the holder, in accordance with the Conditions of Warrants, to subscribe for shares of Deutsche Bank Aktiengesellschaft of DM 50 par value each. The bonds with warrants are to be subordinated and shall comply with the conditions for treatment as liable capital stipulated by the Banking Act. They may also be issued by directly or indirectly wholly-owned subsidiaries of Deutsche Bank Aktiengesellschaft and, apart from in DM, may be issued in U.S.\$ or another officially quoted legal currency of an OECD country or in European Currency Units (ECU).

The total nominal amount of the participatory certificates and the bonds with warrants to be issued under this authorization may not exceed DM 2,000,000,000. If they are issued in another currency, the corresponding equivalent, calculated at the official middle rate on the Frankfurt Stock Exchange on the day of the resolution to issue bonds with warrants or at the value of the European Currency Unit published by the EC Commission on that day, shall apply.

When the participatory certificates and the bonds with warrants are issued, the shareholders be entitled to the statutory pre-emptive rights; the Board of Managing Directors is, however, authorized to except fractions from the shareholders' pre-emptive rights and also to exclude the pre-emptive rights insofar as is necessary to provide the holders of the warrants and convertible bonds issued by Deutsche Bank Aktiengesellschaft and its subsidiaries with such pre-emptive rights to new participatory certificates and bonds with warrants as they would be entitled to upon exercising the option or conversion rights.

The life of the option rights may not exceed 10 years. The nominal amount of the shares to be subscribed for under each participatory certificate or bond may not exceed 15% of the nominal amount of the participatory certificate or bond.

The subscription price to be fixed in each case for one share of DM 50 par value shall either be not lower than

80% of the average of the officially determined quotations for the shares of Deutsche Bank Aktiengesellschaft on the Frankfurt Stock Exchange on the 10 stock exchange trading days preceding the day of the resolution by the Board of Managing Directors to issue the participatory certificates or the bonds with warrants, or shall correspond to the average, rounded up to the next whole Deutsche Mark, of the officially determined quotations for the shares of Deutsche Bank Aktiengesellschaft on the Frankfurt Stock Exchange during the days on which the rights are traded on the Frankfurt Stock Exchange except for the last two stock exchange trading days on which the rights are traded; in the latter case, an addition or deduction of not more than 20%, which is to be announced in the rights offer, may be made to this average price.

The subscription price fixed in each case shall be reduced pursuant to an anti-dilution clause if, during the life of the option rights, Deutsche Bank Aktiengesellschaft either increases its capital or creates conversion or option rights, granting a pre-emptive right to its shareholders, and no pre-emptive right is granted to the holders of the warrants. § 9 (1) of the Joint Stock Corporation Act applies notwithstanding.

The Board of Managing Directors be authorized to determine all further details relating to the issue and to the terms and conditions of the participatory certificates and the bonds with warrants as well as the warrants to be attached.

- b) The share capital of Deutsche Bank Aktiengesellschaft be increased conditionally by up to DM 200,000,000 by the issue of up to 4,000,000 bearer shares of DM 50 par value each in order to grant option rights, in accordance with the Conditions of Warrants, to the holders of the warrants from the participatory certificates with warrants and the bonds with warrants issued. The shares will be issued at the subscription price determined in each case in accordance with a). The conditional capital increase will be effected only to the extent that participatory certificates with warrants and bonds with warrants are issued and holders of the warrants exercise their rights to subscribe for shares. The new shares will be entitled to participate in profits from the beginning

of the financial year in which they are issued by virtue of the exercise of option rights.

c) The following new subparagraph 11 be added to § 4 of the Articles of Association:

"(11) The share capital is increased conditionally by a further DM 200,000,000 divided into 4,000,000 bearer shares of DM 50 par value each. The conditional capital increase shall be effected only to the extent that holders of warrants from the participatory certificates with warrants and the bonds with warrants to be issued on or before April 30, 1998 by Deutsche Bank Aktiengesellschaft exercise their option rights. The new shares shall be entitled to participate in profits from the beginning of the financial year in which they are issued by virtue of the exercise of option rights."

## Report to the General Meeting

pursuant to §§ 186 (4) Sentence 2, 203 (2) and 221 (3) and (4) Joint Stock Corporation Act

The authorizations requested under items 7 and 8 of the Agenda are intended to maintain and broaden the bank's capital base.

Adequate capital resources are the basis of the bank's business development. § 10 of the new Banking Act that entered into force on January 1, 1993 divides a bank's capital into core capital and supplementary capital. Core capital comprises share capital and reserves. Supplementary capital can be formed primarily from participatory capital, subordinated debt and revaluation reserves.

Although the bank has adequate capital resources at present, also according to the new criteria stipulated by the Banking Act, it must ensure nonetheless that it is able, if necessary, to obtain equity capital at any time and in line with prevailing market conditions.

The Annual General Meeting on May 11, 1988 had approved an authorized capital in the amount of DM 500,000,000 until April 30, 1993. The authorization requested under item 7 of the Agenda is intended to create an authorized capital in this amount again. This will also enable the bank to offer shares for subscription to its shareholders in the future. The

bank will be able to treat the proceeds from a capital increase for cash as core capital.

Furthermore, the bank also wishes in future to use the possibilities for raising supplementary capital provided by the legislator. With the authorization requested under item 8 of the Agenda, the bank may issue participatory certificates with or without option rights to Deutsche Bank shares. Alternatively or in addition to that, the bank may, under this authorization, also raise supplementary capital by issuing bonds with a subordination clause and with option rights to Deutsche Bank shares. At the same time, the bank is to be enabled to tap the German or, through its affiliates, the international capital market, depending on prevailing market conditions, and to issue the bonds in U.S. dollars, other OECD currencies or in European Currency Units (ECU) as well as in DM. In all cases, shareholders will be granted pre-emptive rights. Shareholders will therefore also have the opportunity in future to acquire shares, participatory certificates and bonds with warrants of Deutsche Bank AG through pre-emptive rights.

The exception of pre-emptive rights for fractions allows the authorizations requested to be utilized with round sums. This facilitates the settlement of shareholders' pre-emptive rights. The exception of pre-emptive rights in favour of holders of warrants and convertible bonds has the advantage that, in the event of the authorizations being utilized, the warrant price or conversion price according to the existing Warrant Conditions or Conversion Conditions need not be reduced.

The conditional capital (DM 200 m.) is required in order to issue option rights to Deutsche Bank shares with bonds and, if necessary, also with participatory certificates. Option rights to a maximum of three shares can be granted for each DM 1,000 bond or participatory certificate. The subscription price for one share is not to be lower than 80% of the average stock exchange quotation for the shares on the 10 stock exchange trading days preceding the day of the resolution on the issue. In addition, it shall be possible to determine the subscription price for one share on the basis of the average stock exchange quotation for the shares during the first days on which the rights are traded. This will enable the terms and conditions of the issue to be matched closely to prevailing market conditions.