

Germany  
Credit Analysis

**Deutsche Bank AG**

**Ratings**

<b>Foreign Currency</b>	
Long-Term IDR	AA-
Short-Term IDR	F1+
Individual Rating	
Support Rating	B/C
Support Rating Floor	1
<b>Deutsche Bank Securities</b>	
Long-Term IDR	AA-
Short-Term IDR	F1+
Support Rating	1
<b>Deutsche Bank Trust Company Americas</b>	
Long-Term IDR	AA-
Short-Term IDR	F1+
Support Rating	1
<b>Deutsche Bank Trust Corporation</b>	
Long-Term IDR	AA-
Short-Term IDR	F1+
Support Rating	1
<b>Sovereign Risk</b>	
Foreign-Currency Long-Term IDR	AAA
Local-Currency Long-Term IDR	AAA

**Outlooks**

Foreign-Currency Long-Term IDRs <sup>a</sup>	Negative
Sovereign Foreign-Currency	Stable
Long-Term IDR	
Sovereign Local-Currency	Stable
Long-Term IDR	

<sup>a</sup> Deutsche Bank AG and subsidiaries

**Financial Data**

	30 Jun 09	31 Dec 08
Total assets (USDm)	2,449,256	3,065,094
Total assets (EURm)	1,732,873	2,202,423
Total equity (EURm)	35,440.0	31,914.0
Operating profit (EURm)	3,380.0	-6,841.0
Published net income (EURm)	2,255.0	-3,896.0
Comprehensive income (EURm)	3,093.0	-9,583.0
Operating ROAA (%)	0.34	-0.32
Operating ROAE (%)	20.00	-19.36
Eligible capital/weighted risks (%)	10.7	9.5
Tier 1 ratio (%)	11.0	10.1

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**Rating Rationale**

- The ratings of Deutsche Bank AG (DB) are based on its strong position in commercial banking in Germany and its good global international franchise in corporate and investment banking. The IDR benefits from Fitch Ratings' expectation that DB will gain a majority stake in Deutsche Postbank (DPB), which will make it Germany's leading retail bank. Further positive rating factors include revenue diversification, sound liquidity and diversified funding, ongoing risk reduction and improving capitalisation. The ratings also factor in DB's vulnerability to market volatility and risks from corporate/investment banking.
- Business diversification and proactive risk management helped DB to weather the financial market crisis better than many peers, but it still reported a pre-tax loss of EUR5.7bn for FY08, driven by trading losses, costs of exiting exposures, provisions against monoline insurers and reorganisation charges in Q408. With a EUR3.1bn pre-tax profit, DB returned to profitability in H109 on the back of recovered sales and trading revenue, particularly from fixed-income and foreign exchange operations, and despite a high impairment charge. Weak results from its private clients and asset management division, which generally contain more stable businesses, were partly due to non-recurring items, but are also suffering from lower client activity in the financial markets downturn.
- DB acquired part of DPB (rated 'A'), Germany's largest retail deposit-taker, in Q109, and currently holds 25%-30%. Fitch expects DB to gain its planned majority holding in Q112 at the latest, when a bond converts into a 27.4% shareholding. This will bring DB's share of domestic retail deposits to 15%.
- DB has substantially lowered its risk profile by reducing proprietary trading and higher-risk assets, but its remaining exposures to leveraged finance loans, commercial real estate and monoline-insured assets could incur further impairment charges. In Fitch's view, these lag write-downs by some of its peers because DB has reclassified EUR36bn (book value at end-H109) from trading assets into loans since H208, avoiding EUR6bn of negative value adjustments.
- DB's funding structure is broadly diversified; deposits accounted for 40% of non-trading/derivative liabilities at end-H109. Liquidity is strong and supported by a strategic liquidity reserve exceeding short-term wholesale funding. DB's Tier 1 ratio increased to 11% in Q209 due to retained earnings and a net reduction in risk-weighted assets, but lags some of its competitors. Leverage (adjusted in line with US GAAP) reduced to 24 at end-H109 from 38 at end-H108. DB has not taken any government support in terms of guarantees or capital.

**Support**

- In Fitch's view, given DB's importance internationally and domestically, the probability of German government support if needed is extremely high.

**What Could Trigger a Downgrade?**

- The Negative Outlook signals that failure to maintain a reduced risk profile, to strengthen retail business or to contain risks in legacy portfolios would likely result in a downgrade, as would sustained core earnings and capital erosion.

**Profile**

DB is a leading global investment bank and one of Europe's largest commercial banks. Its retail asset management, branded DWS, is the market leader in Germany.

- Germany's largest bank with a broadly diversified business model
- One of the large global players in investment banking
- DPB acquisition will deliver a core retail banking franchise and strengthen DB's business model, reducing dependence on capital markets
- EUR821bn AuM at end-H109 and leading position in German asset management through DWS brand

## Profile

DB is one of the major European banks and a leading global investment bank, with a strong international presence in 72 countries. Despite its EUR3.9bn net loss for FY08 DB has weathered the financial crisis relatively well thus far and had no need for government support, unlike some of its international peers. It has also emerged as the only sizeable German bank that is neither owned by the federal or state governments nor by a foreign investor.

Due to its sizeable corporate and investment banking operations, largely undertaken outside of Germany, DB tends to source the majority of its net revenues from its international operations. Inside and outside Germany, DB has concentrated on organic growth and bolt-on acquisitions since the acquisition of Bankers Trust in 1999 pushed it into the realms of large scale global investment banking.

In Q109 DB acquired a 22.9% shareholding in DPB, in exchange for DB shares worth EUR1.1bn and subsequently increased its stake (still below 30%). DB is expected to control a majority stake by Q112 at the latest when a mandatory convertible bond (cash value about EUR2.7bn) will be converted into a 27.4% shareholding. DB and DPB also granted each other options on 12.1% of DPB's capital maturing between Q112 and Q113. For the call option, DB paid EUR1.1bn in cash collateral. This acquisition will make DB the leading private sector provider of the retail banking business in Europe's largest economy. This gives an important uplift to the DB's ratings, as it balances out the exposure the bank's current business model has to developments in the global capital markets. Global capital markets are in a period of change, with some products falling away and others becoming subject to greater regulatory scrutiny, which could result in lower margins and higher capital charges. At the same time some players have exited or are exiting certain markets, while others may start to compete more strongly. DB has a strong position particularly in debt capital markets and credit derivatives, but its leading position will be subject to challenges during the next few years.

DB's management responded to the financial markets turmoil by adjusting its capacity to reduced client activity and strengthened the bank's funding, liquidity and capital position. Measures to de-risk and reduce the balance sheet included scaling back the trading book in commercial real estate (CRE), leveraged finance and illiquid proprietary trading positions as well as asset-backed and structured securities and non-collateralised counterparty risk. Under US GAAP, DB's balance sheet fell by a third to EUR928bn in the 12 months to end-June 2009, which is half its size under IFRS (the main differences being more netting of derivatives and derecognition of more securitised assets under US GAAP).

DB's corporate structure is organised under two group operating divisions: CIB and PCAM, plus the corporate investments division.

## CIB

CIB consists of the corporate banking and securities (CBS) and global transaction banking (GTB) sub-divisions. CBS is a full-service investment bank, encompassing the global markets (DB's capital markets activities) and corporate finance businesses, which include DB's corporate advisory, corporate lending and commercial real estate businesses. As a result of selective investments and by taking advantage of competitor consolidation DB has gained market share in several business lines. Historically, it has had a strong position in the debt markets, but also developed its equity business within an integrated equity, debt and high-yield unit under global markets. The bank is a market leader in foreign exchange and derivatives businesses, has a strong flow business (FX, money market and rates products) and is increasing its cash equities, commodities and prime brokerage. DB concentrates on customer-driven transactions and has scaled back proprietary trading to a minimum. In global M&A and private equity it also benefited from competitor weakness. In addition to strengthening the bank's position in the US and

retaining its leading role in Europe, DB is expanding into emerging markets, particularly in Asia. Global banking provides worldwide services to multinationals and medium-sized companies (primarily in Germany, but also from other European countries).

Over the past few years, DB has consistently grown its GTB division as a stable profit generator, which can be expected to contribute EUR1bn per year. It includes the group's cash management and clearing activities, securities services and custody operations, and trade finance. Revenues are sourced from Germany (41%), the Americas (22%), the rest of Europe (21%) and Asia Pacific (16%). In 2008, DB won market share partly driven by lower activity of competitors such as Wachovia and UBS, but also benefits from its investments in state-of-the-art systems and its brand name. GTB ranks first in EUR clearing (market share of 19%) and German export letters of credit (23%), while it ranks fifth in USD clearing (10%). In trade finance, DB aims to become one of the leading global banks. GTB is run in collaboration with the corporate finance business as global banking.

### PCAM

PCAM consists of the private and business clients (PBC) and asset and wealth management (AWM) divisions. PBC services DB's private individual and small business clients, mainly in Germany, Italy, Spain, Poland and, on a much smaller scale, in Belgium, Portugal, India and China. Domestically, although DB is one of the leading retail banks (excluding decentralised banking groups), its share in the fragmented German market is relatively small, with the exception of the Berlin region where it gained 15% through the acquisition of Berliner Bank in Q107. Consumer finance activities were strengthened through the acquisition of norisbank in Q406. The bank targets the affluent and mass affluent segments. By reducing back-office operations, DB is enhancing the efficiency of its platform and would benefit from further economies of scale following the DPB acquisition. In contrast to DB, DPB serves the mass market. With 14 million retail clients it runs the largest domestic retail franchise, including 856 branches, access to Deutsche Post's network of more than 5,100 post offices and more than 4,100 mobile sales staff.

DB operates 981 branches in Germany and 1,000 outside Germany, serving 14.6 million clients worldwide. Combined with DPB, DB would have a domestic market share of about 15% in savings deposits (DPB: 9.4%). Given the different type of clientele, DB intends to maintain DPB as a separate brand. As a first step, both banks are cooperating in fund investment business, mortgage loans, savings and loan products, IT and joint purchasing. The cooperation is expected to result in EUR120m-EUR140m synergies after three to four years, split roughly 50/50 between DB and DPB.

DB's own PBC segment generates relatively stable revenues of more than EUR1.4bn per quarter, largely from investment products, consumer and mortgage finance and deposits and payments. The annual contribution to pre-tax profit amounted to about EUR1bn in 2006-2008. Retail banking products are offered through a range of channels, including cooperation agreements with ADAC, Europe's largest automotive club, and DVAG, a large independent financial advisor network. DB is investing in its core European markets, as well as Poland and Asia (China and India). As well as its branches in Italy and Spain, it distributes consumer loans through the national post office networks.

AWM includes DB's retail and institutional asset management and private banking operations. Asset management is organised along four global product-driven business lines. With assets under management (AuM) and control of EUR821bn at end-H109, DB is one of the world's largest asset managers. DWS, its retail fund subsidiary, leads the German market with a share of about 24% in mutual funds' assets. DB has consolidated its worldwide retail asset management operations under the DWS brand. These include the US mutual fund business, formerly Scudder,

which is being restructured. DB's institutional activities operate under the Deutsche Asset Management (DeAM) brand. RREEF is DB's US-based real estate investment company. In private wealth management, DB has expanded its presence in Asia and the Middle East, as well as Europe via organic growth and the acquisition of the UK wealth manager Tilney Group in Q406. In August 2009, DB announced plans to acquire a capital stake in Sal. Oppenheim jr. & Cie. S.C.A. (SOP), the Luxembourg-based private bank with historic roots, and the majority of its EUR45.4bn assets (at end-2008) in Germany. The shareholding, expected to be 30%-49% initially and a majority holding at a later stage, should enhance DB's high-net-worth customer base, although the benefits of the acquisition are difficult to determine at this stage. SOP's AuM (private wealth and institutional) stood at EUR132bn at end-2008 (DB's private wealth management: EUR171bn).

The corporate investments (CI) division has now largely wound down DB's legacy equities investment portfolio, thus freeing up capital. The market value of the remainder of major industrial holdings shrank to EUR369m at end-H109, with the holding in Daimler AG reduced to just 0.9%. Other corporate investments and alternative investments (largely real estate and private equity) held by CI totalled EUR2.1bn and EUR3.2bn, respectively, at FYE08.

### Presentation of Accounts

Since its listing on the New York Stock Exchange in 2001, the bank has reported under US GAAP. As EU regulations required DB to prepare consolidated financial statements according to IFRS from FY07, it converted to IFRS starting with Q107 financial data. The following analysis is based on FY08 and 1H09 financial data.

### Performance

While DB's profitability was heavily reliant on capital gains from divestments of shareholdings in the early 2000s, its operating performance increased steadily due to higher revenues in all divisions and a leaner and tightly controlled cost base. The bank met or exceeded its target of 25% pre-tax ROE (according to the bank's definition) in the booming capital markets of 2005-2007. In Q307, the financial markets crisis hit hard when the bank took EUR2.2bn of write-downs on leveraged loans, relative value strategies, RMBS and other securitisation products. Market developments in FY08 triggered additional charges of EUR7bn, resulting in an operating loss of EUR6.5bn. This was driven by trading losses, the costs of exiting exposures, additional provisions against CRE exposure and monoline insurers as well as reorganisation charges. Prior to September 2008, the vast majority of DB's exposure to critical asset classes was accounted for in the trading book, with market value adjustments feeding directly into the P&L account. However, in Q308, DB used the option provided by the revised IAS 39 and reclassified assets from trading and available-for-sale (AFS) positions to the loan book. Thus, DB avoided EUR3.3bn negative market price effects and EUR1.8bn negative revaluation reserve with regard to EUR35.9bn of assets in its 2008 financial accounts.

In H109, the bank returned to profitability and reported pre-tax income of EUR3.1bn, benefiting from the very buoyant debt and foreign exchange markets and its good position in these. At 19% its operating ROE was acceptable, although below some of its global banking peers, as it suffered from additional charges of EUR1bn (EUR0.8bn of which related to monoline-insured assets) and EUR500m property impairments. AWM's performance was dented by goodwill impairment on the RREEF investments, totalling EUR230m. DB expects a profit for FY09.

Management still considers a 25% ROE achievable in light of DB's business model despite the reduction in its balance sheet and a lower risk profile. However, DB's results will be more susceptible to further fall-out from the global economic downturn than its global investment banking peers', as these have already taken the hits through fair value accounting of many of the exposed assets and indeed are now seeing some write-backs, while impairment charges on assets no longer in the

- Return to profitability in H109 driven by a rebound in net sales and trading revenues, with CIB becoming the main profit contributor again
- Weak results from PBC and AWM
- No significant gains from fair value on own debt
- Substantial reclassification of assets since Q208 distort comparisons with global investment bank peers

**Table 1: Peer Comparison**

(%)	Deutsche (‘AA-’/Negative, ‘B/C’)			Credit Suisse (CS) (‘AA-’/Negative, ‘B/C’)			Major European Peers <sup>a</sup>		
	H109	2008	2007	H109 <sup>b</sup>	2008 <sup>b</sup>	2007 <sup>b</sup>	H109	2008	2007
Net int. rev./av. earning assets	0.7	0.7	0.6	0.7	0.8	0.7	1.0	0.8	0.6
Cost/income ratio	68.0	149.4	70.0	69.4	193.7	73.4	67.3	69.6	63.6
Pre-impairment ROAE <sup>c</sup>	29.0	-16.3	25.9	24.5	-21.6	16.3	25.5	19.3	26.3
Operating ROAA	0.3	-0.3	0.5	0.9	-1.0	0.7	0.3	0.2	0.6
Operating ROAE <sup>c</sup>	20.0	-19.4	24.2	22.4	-23.2	15.9	9.9	6.8	20.6
Eligible cap./weighted risks	10.7	9.5	11.3	11.7	6.1	10.4	9.8	8.4	7.1
Tier 1 ratio	11.0	10.1	8.6	15.5	13.3	11.1	9.8	8.3	7.2

<sup>a</sup> BNP Paribas (AA/Negative, B), Société Générale (A+, B/C), Barclays (AA, B RWN)

<sup>b</sup> According to US GAAP, all other numbers according to IFRS

<sup>c</sup> Excluding FV on own debt

Source: Bankscope, banks’ annual reports, figures adjusted by Fitch

trading book tend to lag market price declines. However, in this respect, DB will not be out of line with most of its European peers. To adjust the business to different market conditions the bank has efficiency programmes in AM, PWM and is reducing back-office functions in PBC and the global banking sales force. In contrast to several peer banks, DB only uses the fair-value option on its own debt to a limited extent; EUR19m in FY07, EUR360m in FY08 and minus EUR218bn in H109. Fair-value gains on own debt could have boosted the bottom line and capital by an accumulated EUR3bn by end-June 2009 (EUR5.8bn in FY08).

H109 net interest revenue was up on 1H08, benefiting from funding at lower rates, but lower business volumes resulted in net commission income declining by 21% in FY08 and by 13% in H109. Underwriting, advisory and brokerage fees decreased on business volume, while AM also earned lower performance and asset-based fees. FY08 saw a 15% decrease in total non-interest expenses driven by lower performance-related compensation. Expenses included EUR585m goodwill impairment charges on DWS Scudder and on a consolidated investment in AM, classified as non-recurring by Fitch. Excluding insurance-related expenses and severance payments, compensation and benefits accounted for 54% of total expenses in FY08, but returned to earlier levels (63%) in H109 due to bonus accruals bouncing back. The 10% increase in administrative expenses in H109 on H108 reflected litigation charges and provisions of more than EUR400m, largely related to the settlement with Huntsman Corp., a leveraged finance client. Excluding these, administrative costs were stable compared with H108 despite the inclusion of a EUR151m goodwill impairment resulting from DB’s investment in Maher Terminals in the bank’s reported number (excluded in the attached spread sheet.)

As indicated by the 32% credit impairment charge/pre-impairment operating profit ratio, loan impairment charges (LICs) surged to EUR1.5bn in H109 from EUR249m in H108, about half of which were driven by assets reclassified to the loan book from the trading book. Credit risks relating to other segments of the loan book will also be increasingly affected by the ongoing global economic downturn, but DB has hedged many of these risks (see Risk Management section below).

### Divisional Performance

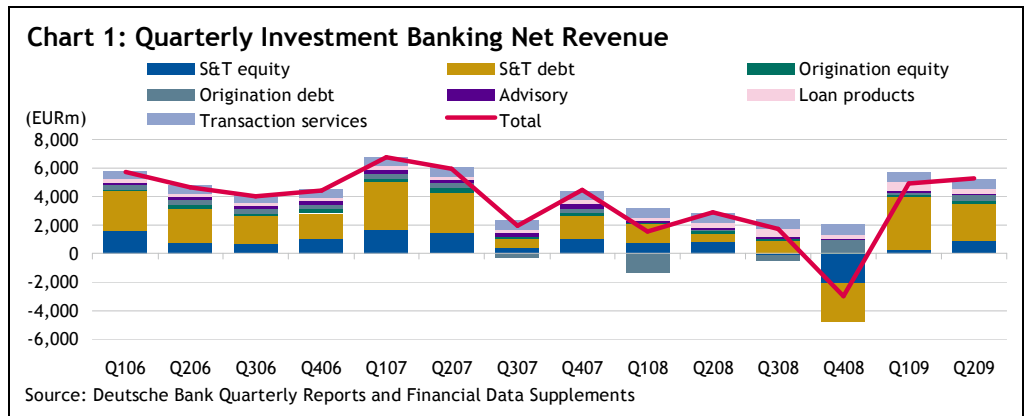
A breakdown of DB’s detailed divisional performance according to internal management reporting standards, is shown in the appendix. Approximately 70% of H109 pre-tax profit was generated by the CBS division, similar to pre-crisis years. However, a number of non-recurring items including severance payments to reduce headcount in retail banking operations dented results from private clients/asset management and transaction banking. ‘Stable’ businesses should increase in significance, particularly once DB acquired the majority of DPB.

In H109, CIB’s revenue was sourced from sales and trading activities (73%), loan transaction services and other products (16%), origination (9%) and advisory (2%).

**Table 2: Pro Forma Impact of IAS 39 Reclassifications FY08-H109**

(EURm)	
Net impact on pre-tax income	4,205
FV impact on equity <sup>a</sup>	1,874
Book value of reclassified assets at end-H109	35,837

<sup>a</sup> Relating to assets previously classified as AfS  
Source: Deutsche Bank

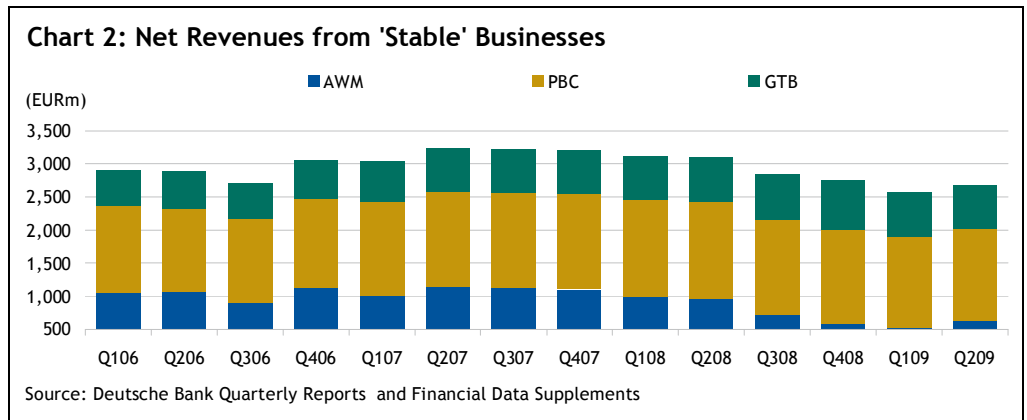


Owing to the market turbulence, which triggered sizeable mark-downs and the breakdown of correlation assumptions, CIB reported a EUR7.4bn pre-tax loss in FY08, but managed to return to a EUR2.5bn pre-tax profit in H109. Demonstrated by the trading losses from equity proprietary, equity derivatives and credit trading in Q408 the performance of the CBS sub-segments sales and trading (S&T) equity, S&T debt and origination and advisory have become more varied. CBS's customised, structured products and the size of positions exposed it to volatility and correlation risk, which have subsequently been reduced. In H109 S&T net revenues recovered strongly, driven by flow products, credit and commodities trading, lower write-downs due to the de-risking of positions and wider margins. Returning client activity in equity derivatives, market share gains in prime brokerage and buoyant issuance activity were additional supporting factors. While, on average, 15% of DB's trading revenues used to be sourced from proprietary trading, management claims that this has now been reduced to a minimum.

Generating EUR1.1bn in pre-tax profit the GTB sub-segment performed well in FY08, but reported weaker results in H109 as low interest rates affected earnings in cash management and costs increased due to continued investment and higher regulatory charges for deposit protection. In trade finance, higher margins offset lower transaction volumes.

PCAM's pre-tax profit in FY08 and H109 was substantially down on the previous two years, reflecting losses from the AWM sub-segment. PBC's net revenues held up well and are largely sourced from loan/deposit business, payment services and brokerage fees. Brokerage and fund management revenues declined due to low client activity and market price declines in invested assets. Costs were well-contained in FY08, but EUR270m of severance expenses booked between Q408 and Q209 burdened H109 results together with increased impairment charges. PBC's depressed EUR262m pre-tax profit could only compensate for AWM's pre-tax loss and, therefore, PCAM did not contribute to DB's EUR3.1bn pre-tax profit in H109.

AWM reported 25% less revenues in FY08 yoy, reflecting lower performance and asset-based fees in asset management as well as private wealth management and lower demand for retail derivatives. In addition, EUR230m in write-downs on seed capital and other investments, EUR150m of injections in money market funds, EUR310m of goodwill impairment relating to DWS Scudder and EUR270m on a RREEF infrastructure investment contributed to the segment's EUR535m FY08 pre-tax loss (FY07: EUR913m pre-tax profit). In PWM, the obligation to repurchase auction rate preferred securities required a EUR98m provision. In H109, AWM continued to underperform due to EUR230m in additional write-downs on real estate assets at RREEF and EUR184m of direct severance costs. AWM's AuM fell by 16% in FY08 to EUR628bn, with 90% of the decline being asset value driven. AM recorded net outflows of EUR22bn in FY08 (H109: EUR3bn), while PWM attracted EUR10bn in net new assets (but EUR1bn of net outflows in H109). At end-June 2009, AuM stood at EUR632bn, which was a 10% decline yoy. Combined with PBC, DB had EUR821bn in AuM and control at end-H109 (see Appendix 3).



In FY08, net revenues in the CI segment included EUR1.2bn of capital gains from the sale of industrial holdings (Daimler, Linde and Allianz) and EUR97m in income from equity method investments (Arcor), classified by Fitch as non-operating income. Fitch also treated H109 book gains of EUR126m on Daimler in the same way. CI's H109 revenues included an at-equity pick-up from the stake in DPB (EUR151m) and gains from the call option on DPB shares (EUR233m).

### Prospects

DB's H109 performance has benefited from the favourable market conditions for investment banking business (high level of debt issuance, wider margins and fewer competitors). Going forward, the bank is well-positioned in several client-driven business segments, including global rates, equity derivatives, forex, prime services and transaction banking. Nevertheless, in view of the prevailing difficult market conditions with lower client activity, clients refraining from structured products and the reduction of positions as well as higher funding costs and the likelihood of higher regulatory capital requirements, Fitch considers management's 25% return on equity expectation to be ambitious, particularly as it seems to be returning to high bonus payouts despite political adversity to this. However, from a rating perspective the question of whether the bank will return to its former risk appetite or demonstrate that it is able to generate adequate but still competitive profitability based on its reduced risk profile will be more important. In Fitch's view, some concentration risk in leveraged finance, remaining CRE, US mortgage and monoline risks expose the bank to potential further valuation adjustments. As at other banks, Fitch expects rising impairment charges from retail and commercial lending activities, although the agency considers DB to be comparably less vulnerable in SME lending due to sound risk management.

DB's pre-tax profit has remained reliant on contributions from investment banking business as its 'stable' businesses were burdened in Q408 and H109 by impairment charges on warehoused real estate and goodwill as well as severance payments. In Fitch's view, business volumes in CIB's former key products, equity and interest rate derivatives and particularly highly structured and securitised products, which were subject to substantial mark-to-market (MTM) losses, are unlikely to return to their pre-crisis levels, while investor appetite for less complex products and more competition on the new paradigm of exchange-traded derivatives will reduce margins as well. Lower market activity and demand in primary market origination, M&A advisory, CRE and leveraged finance is also negatively affecting DB's revenue generation. On the other hand, CBS is benefiting from wider margins in some trading products given the reduced number of banks now actively trading and high corporate demand, and 'flow' trading businesses are seeing solid volumes in 2009. The need for restructuring advice for corporate clients means opportunities for corporate finance business, although advisory revenues and the leveraged loan market remain subdued.

In the medium term, Fitch expects PCAM to be substantially strengthened by the integration of DPB, which will double DB's retail banking franchise and make it the leading retail bank in Europe's largest economy. Fitch also views the acquisition of a stake in SOP, if it goes ahead, could be earnings positive if risks are well managed. Both transactions bear some execution risk but appear to be suited for better balancing the share of CBS revenues.

- Credit risk and volatility arising from asset-backed and structured credit products; commercial real estate and leveraged loans reduced but remain an issue
- Market risk suffering from volatile markets

### Risk Management

DB's integrated legal, risk and capital management function is headed by the chief risk officer, who is a member of the management board. He chairs the capital and risk committee (CaR), which is responsible for the bank's risk profile, capital planning and optimisation of funding, and the risk executive committee (REC), which is in charge of the management and control of all risk types across the group and oversees the implementation of risk policies. The REC has delegated some of its tasks to various sub-committees, one of which is the group reputational risk committee.

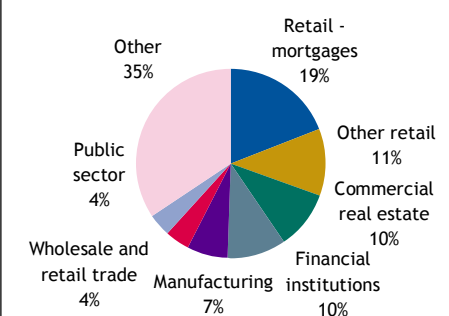
DB uses a comprehensive range of quantitative tools and metrics to monitor and manage risks, which are constantly adjusted. In 2008, DB refined its sophisticated economic capital model with regard to credit risk, which is intended to better capture the effects of rating migration as well as the P&L effects from fair-value accounting. As a result of this model adjustment, economic capital for market risk now includes traded default risk and all assets which are reported at fair value through P&L, adding EUR1bn to economic capital, while EUR1.1bn additional economic capital resulted from recalibrating stress tests. At FYE08, DB's aggregate economic capital usage based on a 99.98% confidence level, including EUR3.1bn relief from diversification effect, amounted to EUR19.3bn (FYE07: EUR13.6bn) or 60% of its total consolidated equity and was split as follows: EUR9bn credit risk; EUR8.8bn market risk (of which EUR5.5bn was trading-related); EUR4.1bn operational risk; and EUR0.5bn business risk. The 42% increase in economic capital usage on FYE07 was driven by the effects of various model refinements and higher market volatility.

### Credit Risk

Credit decisions are largely decentralised, but credit policies and guidelines are reviewed by the group credit policy committee, a sub-committee of the REC. DB's credit risk management uses a sophisticated range of tools. The bank calculates the expected loss for credit and operational risks based on a statistical average of DB's historical loss data and external data, taking into account up-to-date credit ratings (26 rating classes), collateral and maturities. Of DB's total credit exposure of EUR547.7bn at FYE08 about half related to its loan book, with the remainder stemming from commitments, contingent liabilities and OTC derivatives. The growth in loans and derivatives in FY08 was partly due to the reclassification of EUR34.4bn in assets under IAS 39 and interest rate moves, respectively.

Some 30% of DB's total on-balance-sheet loan portfolio of EUR271bn consisted of retail loans (including loans to small businesses) at FYE08, of which EUR42bn was German residential property lending. The majority of foreign loan exposure (79% of the total loan book) relates to corporates and financial institutions.

**Chart 3: End-2008 Loan Portfolio**



Source: DB annual report

**Table 3: Critical Asset Net Exposure**

(EURm)	FYE08	H109
CDO US subprime trading <sup>a</sup>	485	303
CDO US Alt-A trading <sup>a</sup>	54	22
CDO US subprime AFS <sup>a</sup>	86	41
US RMBS <sup>a</sup>	1,259	1,224
Monoline exposure US res. mortgages <sup>b</sup> (notional)	1,735 (7,799)	1,933 (6,305)
Other monoline exposure <sup>b</sup> (notional)	4,388 (27,922)	3,576 (27,329)
CRE exposure <sup>c</sup>	11,377	10,889
Leveraged finance exposure <sup>d</sup>	14,913	13,055

<sup>a</sup> FV after hedging and other protection purchased

<sup>b</sup> FV after hedging and credit valuation adjustments (CVAs)

<sup>c</sup> Including EUR6.6bn reclassified loans acc. to IAS 39 and EUR2.1bn loans relating to asset sales, excluding CMBS portfolio actively traded in the secondary market and loans booked as HTM since inception

<sup>d</sup> Including EUR 7.8bn reclassified loans acc. to IAS 39 and EUR5.7bn loans relating to asset sales at FYE08 and EUR6.8bn reclassified loans acc. to IAS 39 and EUR5.7bn loans relating to asset sales at end-H109

Source: Deutsche Bank's 2008 financial report, Q109 and H109 interim reports

CBS's businesses relating to credit structuring, US residential mortgages, CRE and leveraged finance have been heavily affected by the global credit crisis. Net CDO exposures relating to subprime (mainly warehousing facilities) and Alt-A exposures are relatively small. US RMBS has been reduced, with a large portion being hedged. However, like other banks, DB to some extent remains exposed to further deteriorating market prices and basis risk from hedging. Hedges include single-name CDS, index-based contracts and protection provided by monoline insurers. Monoline risk was partly mitigated by CDS protection and EUR2.1bn in impairment reserves at end-H109. A high share of underlying Alt-A assets remain 'AAA' rated. According to the bank, these assets, as well as the protection bought from monolines, continue to benefit from significant levels of subordination. Impairments on underlying assets have not reached levels that give rise to any claims on the monolines to-date. DB's EUR3.9bn exposure to non-investment grade monolines was 46% covered by reserves at end-H109, with underlying US RMBS being 82% covered. Unlike US banks, DB does not value its monoline exposure using CDS spreads. It calculates the fair value of the monoline exposure as the difference between the notional value and the market value of the underlying asset, and then takes an impairment charge ("credit valuation adjustment") based on the bank's internal rating of the monoline insurer.

Securitising and selling CRE loans has become increasingly difficult and fair-value accounting resulted in EUR1.1bn of cumulative mark-downs (including hedges) in FY08. At end-H109, EUR6.6bn of CRE loans were classified as loans and receivables (LaR) and EUR2.1bn related to a structured transaction called Exmoor, which served to sell subordinated risk to investors. DB's once sizeable leveraged finance exposure (EUR36bn at FYE07) was reduced by write-downs, sales or cancellation of commitments (EUR12bn in Q408) to EUR13bn at end-June 2009. It included EUR6.8bn of loans reclassified to LaR and EUR5.7bn of retained risks in special purpose entities. Fitch views the remaining exposure as still substantial and notes some concentrations within the leveraged loan book, in particular one large impaired exposure. Assets reclassified to LaR were the main driver of DB's LICs in H209, accounting for EUR727m or close to half of LICs. LICs also continue to show an upward trend due to negative rating migration. The portion of investment-grade loans in the corporate loan book was 66% at FYE08, compared with 70% at FYE07 and 65% at FYE06.

Concerns about DB's commercial loan quality are mitigated extensive hedging of corporate loans with credit default swaps (CDS), synthetic CLOs and credit-linked notes by its loan exposure management group. A comparatively high 32% of CIB's corporate loan exposure at FYE08 was at least partly hedged, with 50% of its 25 largest German mid-cap limits, 64% of its top 25 international limits and 58% of exposures rated 'BBB' and below.

**Table 4: Peer Comparison**

(%)	Deutsche Bank			Credit Suisse (CS)			Major European peers <sup>a</sup>		
	H109	2008	2007	H109	2008	2007	H109	2008	2007
Loan impairment charge/gross loans (av.)	1.13	0.47	0.32	0.39	0.31	0.10	1.19	0.69	0.41
Credit impairment charges/pre-impairment op. profit	31.10	-18.66	6.47	8.50	-5.00	2.58	69.62	46.11	17.42
Impaired loans gross/loans gross	2.52	1.36	1.32	0.98	1.08	0.70	3.83	3.55	3.06
Loan impairment/gross impaired loans	46.46	52.63	64.46	62.65	61.14	64.44	60.89	51.17	51.83
Impaired loans less reserves for impaired loans/equity	10.17	5.46	2.39	1.92	2.33	1.19	17.08	5.72	3.37
IFRS impaired loans (EURm)	6,731	3,682	2,645	2,514	2,725	1,946			

<sup>a</sup> BNP Paribas, Société Générale, Barclays

Source: Bankscope, Banks' annual reports, figures adjusted by Fitch

IFRS impaired loans rose to EUR6.7bn at end-H109 from EUR3.7bn at end-FY08 and were 46% covered by reserves, which is below the coverage ratio of many international peers. Excluding reclassified loans it stood at 58%. In the previous economic downturn in FY02-FY04, DB did not see large losses from its SME lending activities. The asset quality indicators of European banks (see Table 4) clearly show the deterioration in asset quality owing to the financial and economic crisis.

DB is highly active in the interbank markets. DB had pledged EUR94bn of assets as collateral for repurchase agreements and securities borrowing agreements and for margin purposes on OTC derivatives at FYE08. It provides prime brokerage services to hedge funds, primarily trading activity, and monitors these by assessing performance and net asset values monthly. All business is conducted on a collateralised basis with low margin thresholds. In spite of an increase in the frequency of margin calls over the past 18 months due to market volatility, any losses have been insignificant.

DB is also very active in the derivatives markets. The positive market value of its derivatives, mainly interest rate, currency and credit derivative contracts, after netting agreements and cash collateral stood at a high EUR130bn at FYE08 or around 4.4x eligible group capital. Including netting and additional risk mitigants (non-cash collateral, sovereign counterparties and hedges) it was EUR61bn. Of these, 85% were rated investment grade. As well as being one of the largest global credit derivatives traders, DB is an active buyer of credit protection for cash assets, e.g. bonds or leveraged loans. The widening of credit spreads has led to a strong increase in CDS present values without a corresponding increase on the liability side (the offset was the fall in cash asset values). This was reflected in the 2.6x increase in the net market value to EUR34bn at FYE08. Non-derivative trading assets declined by 54% in Q208-Q408 and by a further 8% in H109 to EUR228bn in line with DB's efforts to deleverage. At FYE08 these included government securities (24%), FIs and corporates (38%), equities (18%) and traded loans (13%).

### Market Risk

The REC, supported by the market risk management function, is responsible for managing all market risk, whether it arises from trading or non-trading activities. DB has a sophisticated market risk monitoring system, including a Monte Carlo-based VaR approach with a 99% confidence interval, a one-day holding period (10 days for regulatory purposes) and a 261 trading day history with equal weighting. Its VaR model has been recognised by the German authorities in calculating the full market risk component of its capital adequacy ratio (CAR) and continues to be refined. The bank conducts regular back-testing and stresses trading portfolios under extreme market scenarios not covered by the VaR model.

The biggest trading market risk component continues to be interest rate risk (including spread risk), followed by equity risk (including derivatives and arbitrage) and, to a lesser extent, forex and commodity price risks. DB's average VaR increased to EUR122m in FY08 (+42% yoy) and EUR143m in H109 (+17% compared with H108) due to higher market volatility and to model refinements carried out in

**Table 5: VaR<sup>a</sup> of Trading Units (EURm)**

	H109	FY08	FY07
Average	143	122	86
Maximum	180	173	119
Minimum	117	98	67

<sup>a</sup> One-day holding period, 99% confidence level, including diversification effect

Source: DB's annual and interim reports

2008. To accommodate the impact of observed market data, CIB's overall trading VaR limit was raised to EUR155m from EUR105m in FY08. Accordingly, the limit for group-wide trading positions was amended to EUR160m from EUR110m. Given the extreme market conditions the VaR trading limit was exceeded for short periods. In FY08, DB observed 35 back-testing outliers (compared with 12 in FY07), which are hypothetical buy-and-hold trading losses exceeding the VaR estimate. The regulatory capital requirements for market risk were adjusted by the regulator by materially increasing the multiplier used in Q209 (as was the case for other banks). Along with the more volatile data used in the VaR calculation this has resulted in EUR6bn of additional RWAs.

Market risk in the banking book is measured using stress testing procedures, which consider large historically observed market price movements and the liquidity of each asset class. Economic capital usage for corporate investments totalled EUR3.2bn at FYE08 versus EUR1.7bn at FYE07, but remains relatively modest for the bank's size. The increase reflects the reduction in market values, AM's interest in an infrastructure asset and a number of alternative assets such as real estate and the larger size of the private equity portfolio in Global Markets.

### Operational and Legal Risk

The operational risk management committee, a sub-committee of the REC, is the main decision-making committee for all operational risk management matters and approves group standards for operational risk management. DB uses a number of techniques to manage this risk, including self-assessment, collection of loss data, and monitoring of quantitative and qualitative risk indicators. DB's operational risk measurement was approved for the advanced measurement approach under Basel II by the regulator (BaFin) in 2007.

DB is involved in a number of litigation proceedings in and outside Germany and is subject to regulatory and judicial investigations. At FYE08, DB had reserved EUR762m for potential litigation losses. Since FY02, Mr Kirch, personally and acting on behalf of subsidiaries of the former Kirch Group has initiated several legal actions against DB and Mr Breuer, a former head of the bank, alleging that a statement in a TV interview resulted in financial damage to and the insolvency of group entities. In DB's view, the causality and scope of EUR3.3bn of total claims has not been sufficiently substantiated. With regard to auction-rate securities (ARS), DB reached a settlement with the US authorities in 2008. The bank agreed to buy back ARS from US retail investors and pay USD15m in fines to resolve regulatory investigations into possible mis-selling practices. Other legal proceedings involve the distribution of tax-related products, mortgage pass-through certificates and other products in the US. Investigations regarding the much publicised spying allegations are ongoing.

### Funding and Capital

#### Funding

DB derives 31% of its unsecured funding from retail customers, 26% from corporate/institutional depositors, 29% from the capital markets, 10% from banks/central banks and 5% from commercial paper. At end-H109, loans were 138% covered by customer deposits. The acquisition of DPB, Germany's largest retail bank, will increase DB's share of domestic retail deposits to 15% from 5%. DB has diversified its funding into more stable sources. Of its EUR479bn of unsecured funding at end-H109, 86% (end-H107: 70%) was sourced from deposits and long-term capital markets, of which 30% was in retail deposits. The remainder was short-term, wholesale in nature and more than covered by cash and liquidity reserves.

A large share of assets (positive market values of derivatives and securities purchased under resale agreements) do not require funding by the bank's treasury as they are largely counterbalanced by respective liabilities.

- Increased liquidity and funding reserves
- Tier 1 ratio and Fitch's eligible capital ratio improved at end-H109; leverage was lower
- Capital raised and hybrid Tier 1 instrument placed in difficult markets

An advanced “funding matrix”, comprising the maturity profile of all assets and liabilities, enables management of open liquidity exposures and forms the basis for DB’s capital market issuance plan. In response to deteriorating market conditions, DB diversified its unsecured funding into more stable sources. It increased its capital market issuance to EUR45bn in FY07 and EUR54bn in FY08 from EUR21bn in FY06. The FY09 funding plan, including EUR16bn capital markets issuance and EUR17bn retail deposits, has been completed by mid-September 2009. DB has also diversified its funding base by issuing its first mortgage Pfandbrief in June 2009. The EUR1bn seven-year covered bond was priced at 55bp over the mid swap rate and more than five times oversubscribed. DB plans to issue Pfandbriefe amounting to EUR1bn-EUR2bn per year. DB has not required or received any government guarantee for its issuances.

Liquidity management is sophisticated. The bank determines the liquidation profiles of its asset classes in the various regions, taking haircuts on assets that may be less fungible. Cash flows are tracked on a daily basis over an 18-month horizon by location, currency, product and division. This includes liquidity risks from off-balance-sheet transactions. DB has built up a so-called strategic liquidity reserve to raise funds at very short notice under stressed market conditions. This amounted to EUR59bn at end-H109 compared with EUR10bn at FYE07 and includes own credit portfolios, which DB transformed into central bank pledgeable securities. Within 30 days, DB would have been able to generate EUR115bn in liquidity through unencumbered, liquid assets and securing trading assets funded unsecured at end-H109. By undertaking a liquidity stress test on a monthly basis, DB is able to respond to changes in the balance sheet and specific exposures in a timely manner. The test aims to estimate the net cash position under various stress scenarios during an eight-week period, in which no changes to the business are necessary. In the case of negative cash flows beyond this timeframe the bank would have to shrink its assets, eg by not rolling over loans. During the financial crisis, DB has proved its ability to issue capital markets debt, launch retail deposit campaigns and reduce trading assets within a relatively short timeframe.

### Capital

Along with funding and liquidity management, capital management is a primary focal point for DB and is undertaken by treasury as part of the legal, risk and capital division, in line with the capital strategy developed by the CaR. In view of the market turmoil the bank intends to keep its Tier 1 capital ratio above 10%. The ratio increased to 11% at end-H109 from 10.1% at FYE08 due to a reduction in RWAs (predominantly trading securities, reverse repos/securities borrowed and brokerage related receivables) and retained earnings. DB has not required government support and has demonstrated its ability to raise capital despite difficult market conditions. In Q308 and Q109, DB raised EUR2.2bn and EUR958m in capital, respectively, relating to the DPB transaction. In August 2009, DB successfully placed a EUR1.3bn hybrid Tier 1 instrument in the market. Nevertheless, in light of the uncertain market environment, the bank’s higher risk asset positions and capitalisation levels of peer banks, Fitch does not consider DB’s capitalisation to be overly comfortable. Upcoming additional regulatory capital requirements for securitisations and credit risk in trading assets will increase the minimum capital the regulators expect DB to retain. Regulators also seem set to apply more stringent requirements on the quality of capital, placing more emphasis on core capital and demoting hybrid capital, which is a direction Fitch would view as helpful to senior credit investors. DB has a considerable amount of hybrid capital, and on a core capital only basis its Tier 1 ratio at end-June 2009 would fall from 11% to 7.8%. Fitch’s eligible capital recognised EUR9.5bn of hybrid capital as equity at end-H109, marginally capped by Fitch’s internal limit of 30% of eligible capital.

DB’s risk-weighted positions fell by 8% in Q108 due to the effect of Basel II but subsequently increased due to the impact of reclassifications (EUR3.2bn in FY08), currency effects (EUR8bn in Q109) and the acquisition of the DPB shareholding

(EUR12bn in Q109) as well as loan growth (partly offset by risk reductions). Tier 1 capital was supported by the reduction in treasury shares and the conversion of USD2.9bn and EUR1bn of contingent capital (Upper Tier 2 subordinated notes) securities into Tier 1 capital. In Q209, RWAs decreased by 7% to EUR295bn due to several factors, including MTM and exchange rate effects, higher impairments, asset sales and improved netting and collateral recognition.

Due to its extensive trading and derivative activities, DB had a high leverage ratio, which has fallen below its target of 25x (24x at end-H109) if adjusted for certain items in line with US GAAP, which allows netting of derivative positions.

## Appendix 1

### Divisional Performance FY08-FY07 (According to Management Reporting Standards)

#### Private Clients and Asset Management

Divisional performance (EURm)	Private & business clients		Asset and wealth management	
	FY08	FY07	FY08	FY07
Net revenues	5,777	5,755	3,264	4,374
Loan impairment charge <sup>a</sup>	653	501	15	1
Total non-interest expenses	4,178	4,108	3,794 <sup>a</sup>	3,453
<b>Income/loss before income taxes</b>	<b>945</b>	<b>1,146</b>	<b>-525</b>	<b>913</b>
Average active equity	3,445	3,430	4,870	5,109
Total risk position	37,482	69,722	16,051	15,864
Cost/income ratio (%)	72	71	116	79
Pre-tax return on av. active equity (%)	27	33	-11	18

<sup>a</sup> Including EUR580m goodwill impairment  
Source: Fitch

#### Corporate and Investment Bank

Divisional performance (EURm)	Corporate banking & securities		Global transaction banking	
	FY08	FY07	FY08	FY07
Net revenues	304	16,507	2,774	2,585
Loan impairment charge	402	102	5	7
Total non-interest expenses	8,427	12,169	1,663	1,633
<b>Income/loss before income taxes</b>	<b>-8,476</b>	<b>4,202</b>	<b>1,106</b>	<b>945</b>
Average active equity	19,181	19,619	1,081	1,095
Total risk position	234,344	218,663	15,400	18,363
Cost/income ratio (%)	n.m.	74	60	63
Pre-tax return on av. active equity (%)	-44	21	102	86

Source: Fitch

#### Corporate Investments

Divisional performance (EURm)	FY08	FY07
Net revenues	1,290	1,517
Loan impairment charge	-1	3
Total non-interest expenses	95	220
<b>Income/loss before income taxes</b>	<b>1,194</b>	<b>1,299</b>
Average active equity	403	473
Total risk position	2,677	4,891
Cost/income (%)	7	15
Pre-tax return on av. active equity (%)	n.m.	n.m.

Source: Fitch

#### Total Group

(EURm)	FY08	FY07
Net revenues	13,408	30,738
Loan impairment charge	1,075	613
Total non-interest expenses	19,787	-17,642
<b>Income/loss before income taxes</b>	<b>-5,756</b>	<b>8,505</b>
Average active equity	28,979	29,725
Total risk position	305,953	327,503
Cost/income (%)	135	70
Pre-tax return on av. active equity (%)	-20	29

Source: DB's annual report

**Revenue Sources of CIB**

(EURm)	FY08	FY07	FY06
Origination	-377	1,575	2,091
Equities	336	861	760
Debt	-713	714	1,331
Sales and trading	-506	13,020	13,055
Equities	-630	4,613	4,039
Debt and other	124	8,407	9,016
Advisory	589	1,089	800
Loan products	1,260	974	946
Transaction services	2,774	2,585	2,228
Other products	-661	-151	-318
<b>Total</b>	<b>3,078</b>	<b>19,092</b>	<b>18,802</b>

Source: Fitch

**Revenue Sources of PCAM**

(EURm)	FY08	FY07	FY06
Portfolio/fund mgt.	2,457	3,017	3,041
Loan/deposit products	3,251	3,145	2,814
Brokerage	1,891	2,172	1,895
Payments, accounts & remaining financial services	1,066	1,039	907
Other products	376	756	658
<b>Total</b>	<b>9,041</b>	<b>10,129</b>	<b>9,315</b>

Source: DB's annual reports

## Appendix 2

### Divisional Performance H109-H108 (According to Management Reporting Standards)

#### Private Clients and Asset Management

Divisional performance (EURm)	Private & business clients		Asset and wealth management	
	H109	H108	H109	H108
Net revenues	2,795	2,931	1,133	1,963
Loan impairment charge	382	269	9	1
Costs	2,152	2,030	1,387	1,533
Goodwill impairment	-	-	-	-
Restructuring expenses	-	-	-	-
<b>Income/loss before inc. taxes</b>	<b>262</b>	<b>632</b>	<b>-258</b>	<b>431</b>
Average active equity	3,718	3,295	4,606	4,620
Total risk position	138,457	138,350	43,872	55,890
Cost/income ratio (%)	77	69	122	78
Pre-tax return on av. active equity (%)	14	38	-11	19

Source: Fitch

#### Corporate and Investment Bank

Divisional performance (EURm)	Corporate banking & securities		Global transaction banking	
	H109	H108	H109	H108
Net revenues	8,904	3,123	1,319	1,331
Loan impairment charge	1,127	-22	9	2
Costs	5,639	5,071	908	796
Goodwill impairment	5	5	-	-
Restructuring expenses	-	-	-	-
<b>Income/loss before inc. taxes</b>	<b>2,152</b>	<b>-1,915</b>	<b>402</b>	<b>533</b>
Average active equity	19,686	19,539	1,169	1,052
Total risk position	1,549,223	1,832,123	47,140	37,265
Cost/income ratio (%)	63	162	69	60
Pre-tax return on av. active equity (%)	22	-20	69	101

Source: Fitch

#### Corporate Investments

Divisional performance (EURm)	H109	H108
Net revenues	813	1,001
Loan impairment charge	0	-1
Costs	373	48
Goodwill impairment	151	-
Restructuring expenses	-	-
<b>Income before inc. taxes</b>	<b>441</b>	<b>955</b>
Average active equity	3,767	249
Total risk position	29,312	8,778
Cost/income ratio (%)	46	5
Pre-tax return on av. active equity (%)	23	n.m.

Source: Fitch

### Total Group

(EURm)	H109	H108
Net revenues	15,181	10,068
Loan impairment charge	1,526	249
Costs	10,524	9,431
Goodwill impairment	157	5
Restructuring expenses	-	-
<b>Income/loss before inc. taxes</b>	<b>3,131</b>	<b>388</b>
Average active equity	33,965	31,316
Total risk position	1,732,873	1,990,740
Cost/income ratio (%)	69	94
Pre-tax return on av. active equity (%)	19	3

Source: DB's H109 interim report

### Revenue Sources of CIB

(EURm)	H109	FY08	FY07
Origination	874	-377	1,575
Equity	298	336	861
Debt	576	-713	741
Sales and trading	7,504	-506	13,020
Equity	1,178	-630	4,613
Debt and other	6,327	124	8,407
Advisory	201	589	1,089
Loan products	968	1,260	974
Transaction services	1,319	2,774	2,585
Others	-644	-661	-151
<b>Total</b>	<b>10,223</b>	<b>3,078</b>	<b>19,092</b>

Source: Fitch

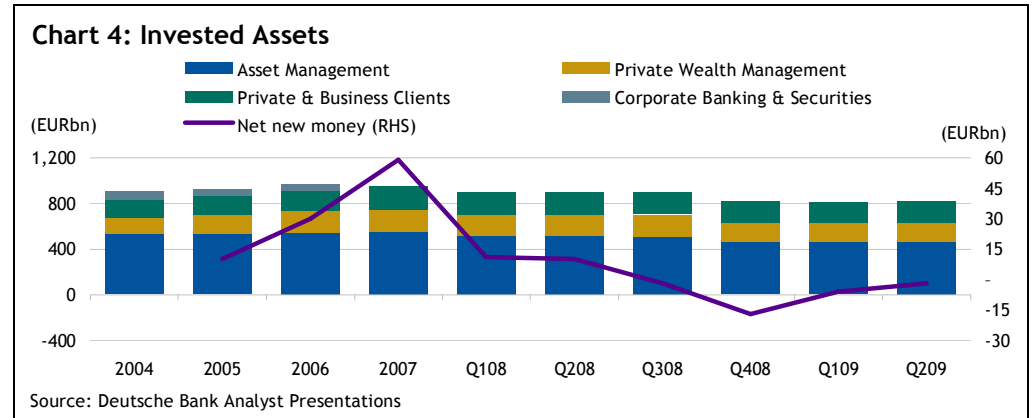
### Revenue Sources of PCAM

(EURm)	H109	FY08	FY07
Portfolio/fund mgt.	945	2,457	3,017
Loan/deposit products	1,715	3,251	3,145
Brokerage	754	1,891	2,172
Transaction services	496	1,066	1,039
Other	19	376	756
<b>Total</b>	<b>3,928</b>	<b>9,041</b>	<b>10,129</b>

Source: DB's annual reports and H109 interim report

**Appendix 3**

**DB's Invested Assets by Segments**



**DEUTSCHE BANK AG**

**Income Statement**

	30 Jun 2009				31 Dec 2008		31 Dec 2007		31 Dec 2006	
	6 Months - Interim	6 Months - Interim	As % of	Average	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	EURm	Earning Assets	EURm	EURm	Earning Assets	EURm	Earning Assets	EURm	Earning Assets
	Original	Original	Original	Original	Original	Original	Restated	Restated	Original	Original
<b>Income Statement</b>										
1. Interest Income on Loans	22,656.9	16,030.0	1.77	35,133.5	54,237.0	2.91	64,475.0	4.04	56,803.0	4.18
2. Other Interest Income	n.a.	n.a.	-	n.a.	0.0	0.00	0.0	0.00	0.0	0.00
3. Dividend Income	n.a.	n.a.	-	n.a.	312.0	0.02	200.0	0.01	207.0	0.02
<b>4. Gross Interest and Dividend Income</b>	<b>22,656.9</b>	<b>16,030.0</b>	<b>1.77</b>	<b>35,289.5</b>	<b>54,549.0</b>	<b>2.92</b>	<b>64,675.0</b>	<b>4.05</b>	<b>57,010.0</b>	<b>4.20</b>
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	13,015.0	0.70	17,371.0	1.09	n.a.	-
6. Preferred Dividends Paid & Declared	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
7. Other Interest Expense	13,318.5	9,423.0	1.04	19,252.0	29,081.0	1.56	38,455.0	2.41	50,002.0	3.68
<b>8. Total Interest Expense</b>	<b>13,318.5</b>	<b>9,423.0</b>	<b>1.04</b>	<b>25,759.5</b>	<b>42,096.0</b>	<b>2.26</b>	<b>55,826.0</b>	<b>3.50</b>	<b>50,002.0</b>	<b>3.68</b>
<b>9. Net Interest Income</b>	<b>9,338.4</b>	<b>6,607.0</b>	<b>0.73</b>	<b>9,530.0</b>	<b>12,453.0</b>	<b>0.67</b>	<b>8,849.0</b>	<b>0.55</b>	<b>7,008.0</b>	<b>0.52</b>
10. Net Gains (Losses) on Trading and Derivatives	6,302.4	4,459.0	0.49	-14,685.0	-33,829.0	-1.81	3,918.0	0.25	8,868.0	0.65
11. Net Gains (Losses) on Other Securities	-699.6	-495.0	-0.05	-577.0	-659.0	-0.04	793.0	0.05	499.0	0.04
12. Net Gains (Losses) on Assets at FV through Income Statement	718.0	508.0	0.06	11,992.5	23,477.0	1.26	3,238.0	0.20	-16.0	0.00
13. Net Insurance Income	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
14. Net Fees and Commissions	6,252.9	4,424.0	0.49	7,086.5	9,749.0	0.52	12,289.0	0.77	11,195.0	0.82
15. Other Operating Income	-350.5	-248.0	-0.03	160.0	568.0	0.03	1,286.0	0.08	389.0	0.03
<b>16. Total Non-Interest Operating Income</b>	<b>12,223.1</b>	<b>8,648.0</b>	<b>0.96</b>	<b>3,977.0</b>	<b>-694.0</b>	<b>-0.04</b>	<b>21,524.0</b>	<b>1.35</b>	<b>20,935.0</b>	<b>1.54</b>
17. Personnel Expenses	8,643.0	6,115.0	0.68	7,860.5	9,606.0	0.52	13,122.0	0.82	12,498.0	0.92
18. Other Operating Expenses	6,009.8	4,252.0	0.47	6,108.0	7,964.0	0.43	8,147.0	0.51	7,136.0	0.53
<b>19. Total Non-Interest Expenses</b>	<b>14,652.8</b>	<b>10,367.0</b>	<b>1.15</b>	<b>13,968.5</b>	<b>17,570.0</b>	<b>0.94</b>	<b>21,269.0</b>	<b>1.33</b>	<b>19,634.0</b>	<b>1.45</b>
20. Equity-accounted Profit/ Loss - Operating	25.4	18.0	0.00	32.0	46.0	0.00	353.0	0.02	328.0	0.02
<b>21. Pre-Impairment Operating Profit</b>	<b>6,934.2</b>	<b>4,906.0</b>	<b>0.54</b>	<b>-429.5</b>	<b>-5,765.0</b>	<b>-0.31</b>	<b>9,457.0</b>	<b>0.59</b>	<b>8,637.0</b>	<b>0.64</b>
22. Loan Impairment Charge	2,156.9	1,526.0	0.17	1,301.0	1,076.0	0.06	612.0	0.04	298.0	0.02
23. Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
<b>24. Operating Profit</b>	<b>4,777.3</b>	<b>3,380.0</b>	<b>0.37</b>	<b>-1,730.5</b>	<b>-6,841.0</b>	<b>-0.37</b>	<b>8,845.0</b>	<b>0.55</b>	<b>8,339.0</b>	<b>0.61</b>
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	0.0	0.00	124.0	0.01	131.0	0.01
26. Non-recurring Income	178.1	126.0	0.01	725.5	1,325.0	0.07	0.0	0.00	92.0	0.01
27. Non-recurring Expense	221.9	157.0	0.02	371.0	585.0	0.03	115.0	0.01	223.0	0.02
28. Change in Fair Value of Own Debt	-308.1	-218.0	-0.02	71.0	360.0	0.02	19.0	0.00	n.a.	-
29. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
<b>30. Pre-tax Profit</b>	<b>4,425.4</b>	<b>3,131.0</b>	<b>0.35</b>	<b>-1,305.0</b>	<b>-5,741.0</b>	<b>-0.31</b>	<b>8,749.0</b>	<b>0.55</b>	<b>8,339.0</b>	<b>0.61</b>
31. Tax expense	1,238.1	876.0	0.10	-484.5	-1,845.0	-0.10	2,239.0	0.14	2,260.0	0.17
<b>32. Net Income</b>	<b>3,187.2</b>	<b>2,255.0</b>	<b>0.25</b>	<b>-820.5</b>	<b>-3,896.0</b>	<b>-0.21</b>	<b>6,510.0</b>	<b>0.41</b>	<b>6,079.0</b>	<b>0.45</b>
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
34. Change in Value of AFS Investments	408.5	289.0	0.03	-2,114.0	-4,517.0	-0.24	428.0	0.03	456.0	0.03
35. Currency Translation Differences	459.4	325.0	0.04	-422.5	-1,170.0	-0.06	-1,690.0	-0.11	-760.0	-0.06
36. Remaining OCI Gains/(losses)	316.6	224.0	0.02	n.a.	n.a.	-	n.a.	-	n.a.	-
<b>37. Fitch Comprehensive Income</b>	<b>4,371.7</b>	<b>3,093.0</b>	<b>0.34</b>	<b>-3,245.0</b>	<b>-9,583.0</b>	<b>-0.51</b>	<b>5,248.0</b>	<b>0.33</b>	<b>5,775.0</b>	<b>0.43</b>
38. Memo: Profit Allocation to Non-controlling Interests	-31.1	-22.0	0.00	-41.5	-61.0	0.00	36.0	0.00	9.0	0.00
39. Memo: Net Income after Allocation to Non-controlling Interests	3,218.3	2,277.0	0.25	-779.0	-3,835.0	-0.21	6,474.0	0.41	6,070.0	0.45
40. Memo: Common Dividends Paid & Declared in the Period	n.a.	n.a.	-	n.a.	268.0	0.01	2,274.0	0.14	2,005.0	0.15

Exchange Rate

USD1 = EUR 0.7075

USD1 = EUR 0.7186

USD1 = EUR 0.6793

USD1 = EUR 0.7593

**DEUTSCHE BANK AG**  
**Assets & Off-Balance Sheet Items**

	30 Jun 2009				31 Dec 2008		31 Dec 2007		31 Dec 2006	
	6 Months - Interim	6 Months - Interim	As % of	Average	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	EURm	Assets	EURm	EURm	Assets	EURm	Assets	EURm	Assets
	Original	Original	Original	Original	Original	Original	Restated	Restated	Original	Original
<b>A. Loans</b>										
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	52,453.0	2.38	45,540.0	2.37	n.a.	-
2. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	n.a.	-	-	-	n.a.	-
3. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	58,798.0	2.67	41,459.0	2.15	n.a.	-
4. Other Loans	378,244.8	267,612.0	15.44	213,790.0	159,968.0	7.26	113,598.0	5.90	182,961.0	11.64
5. Less: Reserves for Impaired Loans/ NPLs	4,419.7	3,127.0	0.18	2,532.5	1,938.0	0.09	1,705.0	0.09	1,670.0	0.11
<b>6. Total Loans Net of Reserves</b>	<b>373,825.1</b>	<b>264,485.0</b>	<b>15.26</b>	<b>266,883.0</b>	<b>269,281.0</b>	<b>12.23</b>	<b>198,892.0</b>	<b>10.33</b>	<b>181,291.0</b>	<b>11.53</b>
7. Memo: Gross Loans	378,244.8	267,612.0	15.44	269,415.5	271,219.0	12.31	200,597.0	10.42	182,961.0	11.64
8. Memo: Impaired Loans included above	9,513.6	6,731.0	0.39	5,206.5	3,882.0	0.17	2,645.0	0.14	2,717.0	0.17
9. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
<b>B. Other Earning Assets</b>										
1. Loans and Advances to Banks	64,397.7	45,562.0	2.63	55,150.5	64,739.0	2.94	21,615.0	1.12	19,199.0	1.22
2. Trading Securities	322,928.3	228,475.0	13.18	237,968.5	247,462.0	11.24	553,920.0	28.78	486,982.0	30.98
3. Derivatives	1,087,868.7	769,678.0	44.42	997,085.5	1,224,493.0	55.60	506,967.0	26.34	375,218.0	23.87
4. Available for Sale Securities	28,211.6	19,960.0	1.15	22,397.5	24,835.0	1.13	42,294.0	2.20	35,271.0	2.24
5. Held to Maturity Securities	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
6. At-equity Investments	10,757.4	7,611.0	0.44	4,926.5	2,242.0	0.10	3,366.0	0.17	3,389.0	0.22
7. Other Securities	256,602.7	181,549.0	10.48	184,213.5	186,878.0	8.49	373,085.0	19.38	291,788.0	18.56
<b>8. Total Securities</b>	<b>1,706,368.8</b>	<b>1,207,273.0</b>	<b>69.67</b>	<b>1,446,591.5</b>	<b>1,685,910.0</b>	<b>76.55</b>	<b>1,479,632.0</b>	<b>76.86</b>	<b>1,192,648.0</b>	<b>75.88</b>
9. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	6,675.0	0.30	7,435.0	0.39	n.a.	-
10. Investments in Property	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
11. Insurance Assets	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
12. Other Earning Assets	n.a.	n.a.	-	n.a.	0.0	0.00	0.0	0.00	0.0	0.00
<b>13. Total Earning Assets</b>	<b>2,144,591.6</b>	<b>1,517,320.0</b>	<b>87.56</b>	<b>1,768,625.0</b>	<b>2,019,930.0</b>	<b>91.71</b>	<b>1,700,139.0</b>	<b>88.32</b>	<b>1,393,138.0</b>	<b>88.64</b>
<b>C. Non-Earning Assets</b>										
1. Cash and Due From Banks	33,322.5	23,576.0	1.36	21,334.5	19,093.0	0.87	22,229.0	1.15	21,273.0	1.35
2. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Fixed Assets	3,782.3	2,676.0	0.15	3,194.0	3,712.0	0.17	2,409.0	0.13	3,241.0	0.21
4. Goodwill	14,136.9	10,002.0	0.58	8,767.5	7,533.0	0.34	7,232.0	0.38	8,612.0	0.55
5. Other Intangibles	n.a.	n.a.	-	n.a.	2,344.0	0.11	2,151.0	0.11	n.a.	-
6. Current Tax Assets	13,667.7	9,670.0	0.56	6,591.0	3,512.0	0.16	2,428.0	0.13	6,473.0	0.41
7. Deferred Tax Assets	n.a.	n.a.	-	n.a.	8,470.0	0.38	4,777.0	0.25	0.0	0.00
8. Discontinued Operations	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
9. Other Assets	239,754.9	169,629.0	9.79	153,729.0	137,829.0	6.26	183,638.0	9.54	139,031.0	8.85
<b>10. Total Assets</b>	<b>2,449,255.8</b>	<b>1,732,873.0</b>	<b>100.00</b>	<b>1,967,648.0</b>	<b>2,202,423.0</b>	<b>100.00</b>	<b>1,925,003.0</b>	<b>100.00</b>	<b>1,571,768.0</b>	<b>100.00</b>
<b>D. Off-Balance Sheet Items</b>										
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Liquidity Lines to SPEs	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	72,105.0	51,015.0	2.94	36,760.0	22,505.0	1.02	22,444.0	1.17	38,473.0	2.45
4. Acceptances Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	148,779.5	105,263.0	6.07	87,389.5	69,516.0	3.16	94,190.0	4.89	130,565.0	8.31
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
<b>7. Total Business Volume</b>	<b>2,670,140.4</b>	<b>1,889,151.0</b>	<b>109.02</b>	<b>2,091,797.5</b>	<b>2,294,444.0</b>	<b>104.18</b>	<b>2,041,637.0</b>	<b>106.06</b>	<b>1,740,806.0</b>	<b>110.75</b>
<b>8. Memo: Total Weighted Risks</b>	<b>417,090.9</b>	<b>295,096.0</b>	<b>17.03</b>	<b>301,414.0</b>	<b>307,732.0</b>	<b>13.97</b>	<b>328,818.0</b>	<b>17.08</b>	<b>275,459.0</b>	<b>17.53</b>
Exchange Rate		USD1 = EUR 0.7075			USD1 = EUR 0.7186		USD1 = EUR 0.6793		USD1 = EUR 0.7593	

**DEUTSCHE BANK AG**

**Liabilities and Equity**

	30 Jun 2009				31 Dec 2008		31 Dec 2007		31 Dec 2006	
	6 Months - Interim	6 Months - Interim	As % of	Average	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	EURm	Assets	EURm	EURm	Assets	EURm	Assets	EURm	Assets
	Original	Original	Original	Original	Original	Original	Restated	Restated	Original	Original
<b>E. Interest-Bearing Liabilities</b>										
1. Customer Deposits - Current	520,885.9	368,532.0	21.27	273,222.5	177,913.0	8.08	174,536.0	9.07	143,893.0	9.15
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	65,159.0	2.96	47,339.0	2.46	231,403.0	14.72
3. Customer Deposits - Term	n.a.	n.a.	-	n.a.	152,481.0	6.92	236,071.0	12.26	36,620.0	2.33
<b>4. Total Customer Deposits</b>	<b>520,885.9</b>	<b>368,532.0</b>	<b>21.27</b>	<b>382,042.5</b>	<b>395,553.0</b>	<b>17.96</b>	<b>457,946.0</b>	<b>23.79</b>	<b>411,916.0</b>	<b>26.21</b>
5. Deposits from Banks	78,134.6	55,281.0	3.19	71,199.0	87,117.0	3.96	188,306.0	9.78	123,374.0	7.85
6. Other Deposits and Short-term Borrowings	66,688.8	47,183.0	2.72	44,757.0	42,331.0	1.92	n.a.	-	n.a.	-
<b>7. Total Deposits, Money Market and Short-term Funding</b>	<b>665,709.3</b>	<b>470,996.0</b>	<b>27.18</b>	<b>497,998.5</b>	<b>525,001.0</b>	<b>23.84</b>	<b>646,252.0</b>	<b>33.57</b>	<b>535,290.0</b>	<b>34.06</b>
8. Long-term Borrowing	190,542.9	134,811.0	7.78	130,232.5	125,654.0	5.71	118,557.0	6.16	116,065.0	7.38
9. Subordinated Borrowing	n.a.	n.a.	-	n.a.	8,202.0	0.37	8,146.0	0.42	10,950.0	0.70
10. Other Funding	127,316.9	90,078.0	5.20	87,029.0	83,980.0	3.81	53,410.0	2.77	196,921.0	12.53
<b>11. Total Long Term Funding</b>	<b>224,889.8</b>	<b>224,889.0</b>	<b>12.98</b>	<b>221,362.5</b>	<b>217,836.0</b>	<b>9.89</b>	<b>180,113.0</b>	<b>9.36</b>	<b>323,936.0</b>	<b>20.61</b>
12. Derivatives	1,032,540.9	730,533.0	42.16	956,075.0	1,181,617.0	53.65	512,436.0	26.62	392,060.0	24.94
13. Trading Liabilities	77,036.4	54,504.0	3.15	61,336.0	68,168.0	3.10	357,649.0	18.58	125,745.0	8.00
<b>14. Total Interest Bearing Liabilities</b>	<b>2,093,146.4</b>	<b>1,480,922.0</b>	<b>85.46</b>	<b>1,736,772.0</b>	<b>1,992,622.0</b>	<b>90.47</b>	<b>1,696,450.0</b>	<b>88.13</b>	<b>1,377,031.0</b>	<b>87.61</b>
<b>F. Non-Interest Bearing Liabilities</b>										
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	1,939.2	1,372.0	0.08	1,395.0	1,418.0	0.06	1,295.0	0.07	2,182.0	0.14
4. Current Tax Liabilities	8,521.4	6,029.0	0.35	4,191.5	2,354.0	0.11	4,221.0	0.22	6,358.0	0.40
5. Deferred Tax Liabilities	n.a.	n.a.	-	n.a.	3,784.0	0.17	2,380.0	0.12	0.0	0.00
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
9. Other Non-interest Bearing Liabilities	281,648.3	199,269.0	11.50	179,935.5	160,602.0	7.29	174,997.0	9.09	148,457.0	9.45
<b>10. Total Liabilities</b>	<b>2,385,255.3</b>	<b>1,687,592.0</b>	<b>97.39</b>	<b>1,924,186.0</b>	<b>2,160,780.0</b>	<b>98.11</b>	<b>1,879,343.0</b>	<b>97.63</b>	<b>1,534,028.0</b>	<b>97.60</b>
<b>G. Hybrid Capital</b>										
1. Pref. Shares and Hybrid Capital accounted for as Debt	13,909.3	9,841.0	0.57	9,785.0	9,729.0	0.44	6,345.0	0.33	4,771.0	0.30
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
<b>H. Equity</b>										
1. Common Equity	54,190.0	38,340.0	2.21	36,947.0	35,554.0	1.61	36,846.0	1.91	29,850.0	1.90
2. Non-controlling Interest	1,573.1	1,113.0	0.06	1,162.0	1,211.0	0.05	1,422.0	0.07	717.0	0.05
3. Securities Revaluation Reserves	-838.2	-593.0	-0.03	-737.5	-882.0	-0.04	3,635.0	0.19	3,207.0	0.20
4. Accumulated Other Comprehensive Income	-4,833.9	-3,420.0	-0.20	-3,694.5	-3,969.0	-0.18	-2,588.0	-0.13	-805.0	-0.05
<b>5. Total Equity</b>	<b>50,091.2</b>	<b>35,440.0</b>	<b>2.05</b>	<b>33,677.0</b>	<b>31,914.0</b>	<b>1.45</b>	<b>39,315.0</b>	<b>2.04</b>	<b>32,969.0</b>	<b>2.10</b>
<b>6. Total Liabilities and Equity</b>	<b>2,449,255.8</b>	<b>1,732,873.0</b>	<b>100.00</b>	<b>1,967,648.0</b>	<b>2,202,423.0</b>	<b>100.00</b>	<b>1,925,003.0</b>	<b>100.00</b>	<b>1,571,768.0</b>	<b>100.00</b>
7. Memo: Fitch Core Capital	31,348.0	22,179.0	1.28	21,361.5	20,544.0	0.93	30,845.0	1.60	24,357.0	1.55
8. Memo: Fitch Eligible Capital	44,782.8	31,684.3	1.83	30,516.4	29,348.5	1.33	37,076.0	1.93	29,128.0	1.85
Exchange Rate		USD1 = EUR 0.7075			USD1 = EUR 0.7186		USD1 = EUR 0.6793		USD1 = EUR 0.7593	

**DEUTSCHE BANK AG**

**Summary Analytics**

	30 Jun 2009	31 Dec 2008	31 Dec 2007	31 Dec 2006
	6 Months - Interim	Year End	Year End	Year End
	EURm	EURm	EURm	EURm
	Original	Original	Restated	Original
<b>A. Interest Ratios</b>				
1. Interest Income on Loans/ Average Net Loans	11.91	23.79	33.97	32.03
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	3.04	3.96	n.a.
3. Interest Income/ Average Earning Assets	1.79	2.92	4.05	4.20
4. Interest Expense/ Average Interest-bearing Liabilities	1.06	2.49	4.02	5.31
5. Net Interest Revenue/ Average Earning Assets	0.74	0.67	0.55	0.52
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.57	0.61	0.52	0.49
<b>B. Other Operating Profitability Ratios</b>				
1. Non-interest Income/ Gross Revenues	56.69	-5.90	70.87	74.92
2. Non-Interest Expense/ Gross Revenues	67.96	149.42	70.03	70.26
3. Pre-impairment Op. Profit/ Average Equity	29.03	-16.31	25.91	28.22
4. Pre-impairment Op. Profit/ Average Total Assets	0.49	-0.27	0.52	0.55
5. Credit Impairment Charges/ Pre-impairment Op. Profit	31.10	-18.66	6.47	3.45
6. Operating Profit/ Average Equity	20.00	-19.36	24.23	27.24
7. Operating Profit/ Average Total Assets	0.34	-0.32	0.48	0.54
8. Taxes/ Pre-tax Profit	27.98	32.14	25.59	27.10
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	13.34	-11.02	17.84	19.86
2. Net Income/ Average Total Assets	0.23	-0.18	0.36	0.39
3. Fitch Comprehensive Income/ Average Total Equity	18.30	-27.11	14.38	18.87
4. Fitch Comprehensive Income/ Average Total Assets	0.31	-0.45	0.29	0.37
5. Net Income/ Av. Total Assets plus Av. Managed Assets	n.a.	n.a.	n.a.	n.a.
<b>D. Capitalization</b>				
1. Fitch Eligible Capital/ Regulatory Weighted Risks	10.74	9.54	11.28	10.57
2. Tangible Common Equity/ Tangible Assets	1.48	1.01	1.56	1.56
3. Tier 1 Regulatory Capital Ratio	11.00	10.10	8.60	8.50
4. Total Regulatory Capital Ratio	12.50	12.20	11.60	12.50
5. Fitch Eligible Capital/ Tier 1 Regulatory Capital	97.46	94.39	130.92	123.74
6. Equity/ Total Assets	2.05	1.45	2.04	2.10
7. Cash Dividends Paid & Declared/ Net Income	n.a.	-6.88	34.93	32.98
8. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	-2.80	43.33	34.72
9. Net Income - Cash Dividends/ Total Equity	n.a.	-13.05	10.77	12.36
<b>E. Loan Quality</b>				
1. Growth of Total Assets	n.a.	14.41	22.47	n.a.
2. Growth of Gross Loans	n.a.	35.21	9.64	n.a.
3. Impaired Loans(NPLs)/ Gross Loans	2.52	1.36	1.32	1.49
4. Loan Impairment Reserves/ Gross loans	1.17	0.71	0.85	0.91
5. Reserves for Impaired Loans/ Impaired Loans	46.46	52.63	64.46	61.46
6. Impaired Loans less Reserves for Imp Loans/ Equity	10.17	5.46	2.39	3.18
7. Loan Impairment Charges/ Average Gross Loans	1.13	0.47	0.32	0.17
8. Net Charge-offs/ Average Gross Loans	0.22	0.34	0.28	0.25
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	n.a.	n.a.	n.a.
<b>F. Liquidity</b>				
1. Loans/ Customer Deposits	72.62	68.57	43.80	44.42
2. Loans/ Deposits and Short-term Funding	56.82	51.66	31.04	34.18
3. Liquid Assets/ Total Assets	13.18	11.24	28.78	30.98
4. Liquid Assets/ Wholesale Funding	67.91	73.20	101.80	107.16
5. Wholesale Funding/ Total Funding and Capital	42.28	39.65	44.25	44.44

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