



# Deutsche Bank Resolution Plan Section 1 Public Section

29 June 2012

*Passion to Perform*



## I. Summary of Resolution Plan



# Summary of Resolution Plan

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## Introduction

Deutsche Bank Aktiengesellschaft ("**DBAG**" and, together with its subsidiaries, the "**DB Group**") is pleased to present the public section ("**Public Section**") of its plan for the rapid and orderly resolution of the U.S. operations (the "**U.S. Resolution Plan**") of the DB Group. Under the final regulations implementing Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law by President Obama on July 21, 2010, a "rapid and orderly resolution" means a reorganization or liquidation of a covered company that can be accomplished within a reasonable period of time and in a manner that substantially mitigates the risk that the failure of such company would have serious adverse effects on financial stability in the United States.

In September 2011, pursuant to the Dodd-Frank Act, the Board of Governors of the Federal Reserve System ("**Federal Reserve**") and the Federal Deposit Insurance Corporation ("**FDIC**") issued a final rule that requires bank holding companies with assets of \$50 billion or more, along with companies designated as systemically important by the Financial Stability Oversight Council ("**FSOC**"), to submit to the Federal Reserve, the FDIC and the FSOC a plan for resolution under Chapter 11 of the U.S. Bankruptcy Code (the "**Bankruptcy Code**") in the event of material distress or failure. The DB Group's initial U.S. Resolution Plan submission is due on July 1, 2012, with annual and interim updates due thereafter. The Federal Reserve and the FDIC have each, by rule, through the supervisory process and through meetings with the DB Group, prescribed the assumptions, required approach and scope for the U.S. Resolution Plan. For a foreign-based covered company like the DB Group, the rule only requires the U.S. Resolution Plan to include information with respect to its branches and agencies, and critical operations and core business lines, as applicable, that are domiciled in the United States or conducted in whole or material part in the United States.

Headquartered in Frankfurt am Main, Germany, the DB Group is the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of €2,164 billion as of December 31, 2011. As of that date, the DB Group employed 100,996 people on a full-time equivalent basis and operated in 72 countries out of 3,078 branches worldwide, of which 66% were in Germany. The DB Group offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

The DB Group is a leading global investment bank with a strong and growing private clients franchise. The DB Group considers these to be mutually reinforcing businesses, and taking full advantage of the synergy potential between these businesses is a strategic priority. The DB Group is a leader in Europe, with strong positions in North America, Asia, and key emerging markets. The DB Group takes it as its mission to be the leading global provider of financial solutions, creating lasting value for its clients, its shareholders, its people and the communities in which it operates.

With the onset of the financial crisis in 2008, the banking landscape changed and new long-term challenges for the industry emerged, most notably regulatory changes. The DB Group recognized the

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<sup>1</sup> In January 2012, the FDIC also issued a final rule that requires insured depository institutions ("**IDIs**") with assets of \$50 billion or more to submit periodically to the FDIC a plan (the "**IDI Plan**") for resolution in the event of failure under the Federal Deposit Insurance Act ("**FDIA**"). The DB Group is not required at this time to submit an IDI plan because neither of the DB Group's IDIs has assets of \$50 billion or more.

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underlying need to adapt its strategy and added a fourth chapter to its multi-phased Management Agenda, which was first launched in 2002. The Management Agenda focuses on sustainable profitability in investment banking with renewed risk and balance sheet discipline, a more balanced revenue mix through an increasing share of its Global Transaction Banking ("GTB") and Private Clients and Asset Management businesses, continued growth in Asia and a strong performance culture.

Following the rebound in economic activity levels in 2009 and 2010, macroeconomic conditions worsened throughout 2011 with the increasing intensity of the European sovereign debt crisis, volatile markets and a weakening outlook on global growth. The DB Group has responded by continuing to execute its defined strategic priorities while also addressing emerging new challenges by further de-risking its balance sheet and focusing on its capital, funding and liquidity positions. While its operating environment still presents several significant challenges, the DB Group believes that it is well positioned across its businesses to benefit from industry trends and capture market share. In an environment of capital constraints, the DB Group has demonstrated both capital formation and risk discipline and has continued to strengthen its clients' businesses.

The resolution planning required under the Dodd-Frank Act represents the next sensible step in the DB Group's development of its crisis risk management capabilities, financial resiliency and general risk management capabilities. The DB Group believes that resolution planning provides for a viable resolution approach and the mitigation of risks surrounding "too big to fail" concerns. The strength of the DB Group's U.S. Resolution Plan and Draft Group Resolution Response demonstrate the DB Group's conviction that it is well-placed to face the future with confidence, positioned to perform in recovering markets and possesses both the strength to confront future challenges in the market and a readiness to adapt to a more demanding regulatory environment.

In designing the U.S. Resolution Plan, the DB Group has sought to develop a coordinated resolution strategy that takes into account the DB Group's overall resolution planning in Germany (the "**Draft Group Resolution Response**"). The U.S. Resolution Plan, which will be integrated into the DB Group's Draft Group Resolution Response and overall contingency planning process, and the Draft Group Resolution Response, were developed in consultation with *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**"), DBAG's lead regulator, and the Federal Financial Markets Stabilization Authority of Germany ("**FMSA**"). In addition, the staff of the Federal Reserve has met with BaFin to discuss the Draft Group Resolution Response and the U.S. Resolution Plan. The DB Group will continue to work closely with its U.S. and German regulators to ensure that the U.S. Resolution Plan is consistent and coordinated with the Draft Group Resolution Response. The DB Group believes that its U.S. Resolution Plan and Draft Group Resolution Response satisfy the key goals for planning for a rapid and orderly resolution of the DB Group and its material entities.

The following sections of this Public Summary provide a high-level overview of the DB Group and the U.S. Resolution Plan and Draft Global Resolution Response (to the extent necessary to understanding the U.S. Resolution Plan).

### A. Description of Material Entities

#### 1. Deutsche Bank AG New York Branch

Deutsche Bank AG New York Branch ("**DBAG NY**") is a wholesale branch of DBAG. DBAG NY is licensed by the New York State Department of Financial Services ("**NYSDFS**") and regulated by the

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Federal Reserve and BaFin. It is not insured by the FDIC, and it primarily engages in traditional lending and deposit activities, as well as trading activities dealing with derivatives (primarily interest rate-related derivatives) and cash financial products.

DBAG NY books several types of transactions, including the following:

- extensions of credit (including loans and standby letters of credit);
- clearing activities;
- currency transactions;
- investments in U.S. Treasuries and New York State obligations;
- repurchase agreements (“**Repos**”) and reverse Repos over U.S. Treasuries and New York State obligations;
- derivatives (interest rate derivatives);
- deposits (subject to regulatory limitations); and
- fiduciary transactions.

The following transactions may be booked in DBAG NY, subject to appropriate internal review:

- investments in subsidiaries, service companies and partnerships; and
- investments in eligible debt securities (generally investment-grade corporate debt and asset-backed securities and securities issued by states other than New York), subject to quantitative limitations.

### 2. Deutsche Bank Securities Inc.

Deutsche Bank Securities Inc. (“**DBSI**”), a Delaware corporation, is a wholly owned subsidiary of Deutsche Bank U.S. Financial Markets Holding Corporation, which is a wholly owned subsidiary of Taunus Corporation, which in turn is wholly owned by DBAG. DBSI is registered as a broker-dealer and an investment adviser with the Securities and Exchange Commission (“**SEC**”) and as a futures commission merchant (“**FCM**”) with the Commodity Futures Trading Commission (“**CFTC**”). In addition, DBSI is a member of the Financial Industry Regulatory Authority (“**FINRA**”), the Securities Investor Protection Corporation and the National Futures Association. DBSI is also subject to supervision by the Federal Reserve. It has 22 registered branches throughout the continental United States.

DBSI is one of the largest broker-dealers in the United States measured in terms of asset size (\$240 billion as of December 31, 2011). Its total revenue for the year ended December 31, 2011 was \$4.2 billion. DBSI is a full-service broker-dealer that provides brokerage and investment advisory services, investment banking services and other services. Its primary activities are:

- trade execution services for a broad range of domestic and international clients;
- securities brokerage and investment advisory service to private clients and institutions;
- correspondent clearing services to broker-dealers;
- capital raising;
- market making;
- fixed-income trading;

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- equity sales and trading;
- equity market research; and
- investment banking services to numerous clients.

DBSI's full-service brokerage business includes prime brokerage, margin lending capabilities and retail brokerage. The retail brokerage business accounts for less than 10% of DBSI's revenues. DBSI enters into Repos as seller, both on a "tri-party" basis for the accounts of third-party buyers held with custodians, and on a bilateral, matched-book basis. These transactions are a significant source of funding for DBSI.

### 3. Deutsche Bank Trust Corporation

Deutsche Bank Trust Corporation ("DBTC"), a New York bank holding company regulated by the Federal Reserve and licensed to conduct business in New York, is a wholly owned subsidiary of DBAG. DBTC is registered as a bank holding company under the Bank Holding Company Act of 1956. It has also obtained financial holding company status under the Graham-Leach-Bliley Act. DBTC is the parent company of Deutsche Bank Trust Company Americas ("DBTCA"), Deutsche Bank Trust Company Delaware ("DBTCD"), DB Alex. Brown Holdings Inc. (the holding company for Private Wealth Management's investment and brokerage business), as well as several limited-purpose trust companies and other entities.

There are various legal limitations governing the extent to which certain of DBTC's subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, it or certain of its other subsidiaries. DBTC is directly affected by general economic and market conditions, including fluctuations in volume and price levels of securities, changes in interest rates and demand for investment banking and other services, all of which have an impact on DBTC's consolidated financial statements as well as its liquidity.

### 4. Deutsche Bank Trust Company Americas

DBTCA, a New York corporation, is a wholly owned subsidiary of DBTC. DBTCA is a licensed New York State-chartered bank regulated by the NYSDDFS. DBTCA is also a member of the Federal Reserve Bank System and is an FDIC-insured bank. DBTCA is a registered transfer agent with the SEC.

DBTCA offers a wide variety of financial products including:

- loan origination and other forms of credit;
- accepting deposits;
- commercial banking and financial services, including trust services;
- clearing activities;
- currency transactions;
- fiduciary transactions; and
- custody transactions.

DBTCA provides these services primarily to large corporations, financial institutions and high-net-worth individuals. DBTCA also makes investments in and enters into Repos with respect to U.S. Treasuries and New York State obligations and certain community development investments, subject to restrictions under state and federal law.

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### 5. DB Services Americas, Inc.

DB Services Americas, Inc. ("**DBSA**"), a Delaware corporation, is a wholly owned subsidiary of Deutsche Bank Holdings, Inc., which is a wholly owned subsidiary of DBTC. DBSA provides a variety of administrative and back office infrastructure services to DBTCA, as well as to certain other DB Group affiliates that are not material legal entities for purposes of the U.S. Resolution Plan.

The support services provided by DBSA primarily include services relating to trust and securities services operations. DBSA does not have any external customers. In providing various back office operations, DBSA acts solely in an agency capacity; DBTCA retains all related risks associated with DBTCA's customers. DBSA employees have the authority to act on behalf of DBTCA only to the extent that such authority is granted by the individual business line units that DBSA supports. DBSA operates under the Umbrella Service Agreement Covering All Statutory Accounting Principle Allocations between and among all DB Group-affiliated legal entities. There are intercompany service agreements that govern the relationships between DBSA and its affiliates, including DBTCA.

### 6. DB Services New Jersey, Inc.

DB Services New Jersey, Inc. ("**DBSNJ**"), a New Jersey corporation, is a wholly owned subsidiary of DBTC. DBSNJ provides a wide variety of administrative and back office infrastructure services to DBTCA, DBSI and DBAG NY, as well as other DB Group affiliates. The support services provided by DBSNJ include services relating to loan operations, private wealth management operations and trust and securities services operations. DBSNJ does not have any external customers. In providing various back office operations, DBSNJ acts solely in an agency capacity—DBTCA and other affiliates retain the risks associated with their customers. DBSNJ employees have the authority to act on behalf of DBTCA and other affiliates only to the extent that such authority is granted by the individual business line units that it supports. DBSNJ operates under the Umbrella Service Agreement Covering All Statutory Accounting Principle Allocations between and among all DB Group-affiliated legal entities. There are intercompany service agreements that govern the relationships between DBSNJ and its affiliates.

### 7. Deutsche Bank Americas Holding Corp.

Deutsche Bank Americas Holding Corp. ("**DBAHC**"), a Delaware corporation, is a wholly owned subsidiary of Taunus Corporation, which is wholly owned by DBAG. DBAHC serves as a holding company for six Americas holding companies: DB Energy Trading LLC, German American Capital Corporation, Deutsche Investment Management Americas Inc., DBAH Capital, LLC, RoPro U.S. Holdings Inc. and Deutsche Bank Trust Company, N.A. DBAHC also employs certain members of U.S. Regional Management who are important to the effective operation of the region.

In addition to being a holding company for a variety of entities, DBAHC is the sponsor for all of the DB Group's U.S. qualified pension plans (the "**DB Pension Plans**"), as well as other benefit plans, including:

- Cash Account Pension Plan (both the defined benefit and cash balance plans);
- DB Matched Savings Plan (401(k));
- post-retirement Welfare Plan covering retiree medical and dental benefits; and
- post-employment plan covering employees on long-term disability and surviving spouses of employees.

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As sponsor of the DB Pension Plans, DBAHC provides the funding for these plans while allocating the costs to the other U.S. legal entities based on headcount. DBAHC's role as sponsor of these plans is the primary reason for designating DBAHC as a material entity for purposes of this Resolution Plan.

### B. Description of Core Business Lines

#### 1. Cash Management Corporates and Cash Management Financial Institutions

The Cash Management Corporates ("**CMC**") business and the Cash Management Financial Institutions ("**CMFI**") business of the DB Group operate across several material entities, including DBTCA and DBAG NY, each of which books client deposits and related payments processing. The Cash Management ("**Cash Management**") business is comprised of the CMC and CMFI business lines, both of which are part of the DB Group's GTB business. The CMC business line is designed to support corporate clients, and the CMFI business line is designed to service commercial banks, central banks, hedge funds, asset managers, broker-dealers and sovereign wealth funds.

The DB Group's Cash Management business provides commercial banking products and services for both corporate clients and financial institutions that deal with the management and processing of domestic and cross-border payments. The services are broadly grouped into Payments and Receivables, Cash Management and Treasury. The Cash Management business is designed to optimize clients' payables and receivables and treasury management transactions, to improve working capital and to maximize liquidity.

#### 2. Foreign Exchange Cash Trading

The Foreign Exchange ("**FX Trading**") business of the DB Group engages in all aspects of the foreign exchange ("**FX**") business, including in standard spot and forward markets and electronic trading. The FX Trading unit possesses a full spectrum product suite. The FX Cash Products Trading ("**FX Cash Trading**") business unit within FX Trading focuses on cash products only, namely spots and forwards.

The FX Cash Trading business operates across several material entities, but mainly through Deutsche Bank AG London branch ("**DBAG London**"), where 95% of all FX trades are booked. All FX trades executed through DBAG NY are booked in DBAG London; however, the majority of collateral is held in the form of USD in non-segregated accounts with DBAG NY. For FX transactions with U.S. clients, most of the traders and sales force are employed by DBAG NY, although some may be employed by DBAG London. In addition, certain support staff are employed by DBSI.

Client transactions in the FX Cash Trading business are executed in six traded instruments and in 17 major currencies.

#### 3. Tri-Party and Bilateral Repurchase Agreements

The bilateral repurchase agreement business ("**Bilateral Repo business**") and tri-party repurchase agreement ("**Tri-Party Repo business**" and, collectively with the Bilateral Repo business, the "**Repo business**") of the DB Group provide short-term secured lending and hedging services to a wide range of clients, including primarily to other DB Group trading desks. By corporate structure, the U.S. Repo business is a part of the global Repo business, which in turn, along with the DB Group's U.S. Money Market Pool Funding Desk ("**U.S. Pool Funding**") and other liquidity and funding businesses of the DB Group, including the Equity Finance desk in charge of the securities lending business, are part of the

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Global Finance (“**GF**”) business line, a component of Global Markets (“**GM**”), which is responsible for funding throughout the DB Group, except for self-funded entities such as DBTCA.

### 4. Global Finance: U.S. Pool Funding

The U.S. Pool Funding business provides both recourse and nonrecourse funding to a range of clients, including, primarily, other businesses within the DB Group. In that role, it facilitates borrowing or lending for periods of time up to two years. The U.S. Pool Funding business is a part of the global Money Market Pool Funding Desk (“**Pool Funding**”), which in turn, along with the DB Group’s Repo business and other liquidity and funding businesses of the DB Group, including the Equity Finance desk in charge of the securities lending business, are part of the GF business line. U.S. Pool Funding business personnel also assist DBTCA in managing its separate funding sources and uses.

### 5. Equity Cash Trading

The U.S. Equity Cash Trading (“**Equity Cash Trading**”) business of the DB Group is conducted from within DBSI. The Equity Cash Trading business is a sub-business line that is a part of the Equities business line, which in turn is a component of the DB Group’s GM business. The Equities business line includes the Global Prime Finance and Listed Derivatives (“**LD**”) sub-business lines, in addition to the Equity Cash Trading business.

The principal products traded within the Equity Cash Trading business are equities, with equity futures and exchange-traded funds used as hedges for client and firm positions. The Equity Cash Trading business also engages in securities lending, as well as bona fide market making in equities, with equities (including exchange-traded funds) and futures mostly used as hedges for client and firm positions (for example, DBSI is registered as a NASDAQ Market Maker and Listed Block Positioner). Market making involves executing orders as agent (*i.e.*, executing trades to fill a customer’s trade in the market), engaging in principal transactions and filling a customer order from inventory and building inventory in anticipation of customer demand (*i.e.*, customer facilitations). In a riskless principal transaction, the Equity Cash Trading business acts as principal for two clients and then matches these opposing trades.

### 6. Global Prime Finance

The Global Prime Finance (“**GPF**”) business line of the DB Group provides financing (including synthetic financing) and prime brokerage services to asset managers in a wide range of localities. The Equities business is part of the Corporate and Investment Bank (“**CIB**”) division and falls under the GM business line. The U.S. GPF business maintains the following prime brokerage platforms: (i) enhanced prime brokerage (*i.e.*, arranged financing) and (ii) portfolio margining or traditional (pursuant to Regulation T) prime brokerage. The GPF business is comprised of several businesses, including Prime Brokerage, Complex Prime Brokerage, Synthetic Equity and Securities Lending, as well as a number of ancillary product offerings.

### 7. Listed Derivatives

The U.S. LD business of the DB Group is a joint venture between the Global Finance and Foreign Exchange (“**GFFX**”) and GM Equity (“**GME**”) divisions.

The LD business offers execution clearing and settlement services for a comprehensive range of LD products, including:

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- government bonds;
- commodity;
- currency;
- equity;
- equity options;
- index-equity;
- index-other; and
- interest rate products.

The LD business books into nine main legal entities, with the majority of the activity occurring in the branches of DBAG in Frankfurt and London, and DBSI in New York. The LD business has 450 employees in 30 countries, offering execution and clearing across more than 70 exchanges. As an agency business, it derives 65% of its revenues from client commissions. The LD business also acts as a utility service executing and clearing LD on behalf of other business lines, especially DB Group's Global Equity Derivatives and GFFX businesses. Customer commissions are derived by providing clearing and execution services for clients on all exchanges, especially Eurex, Chicago Mercantile Exchange Inc. ("CME"), London International Financial Futures and Options Exchange ("LIFFE") and Intercontinental Exchange ("ICE"). Globally, client transaction volumes are in excess of one million contracts per day.

### 8. Interest Rate Over-the-Counter Derivatives

The U.S. Over-the-Counter Interest Rate Derivatives ("U.S. OTC Rates") business of the DB Group is part of the global OTC Rates business and provides a comprehensive range of over-the-counter ("OTC") derivatives products, including a full range of vanilla and exotic interest rate, fund and inflation products. The U.S. OTC Rates business allows clients to execute large trades in these products as well as the ability to structure, execute and risk manage complex transactions. The U.S. OTC Rates business is a business line that is a part of the Core Rates business line, which in turn is a component of the DB Group's GM business.

The U.S. OTC Rates business operates across several material entities, including DBAG NY and DBSI. DBAG NY is the primary client-facing entity and the majority of U.S. dollar-denominated interest rates derivative transactions are booked in DBAG NY. DBSI, which is registered as an FCM with the CFTC, acts as the clearing broker for those dollar-denominated OTC trades that are centrally cleared, including for transactions in which DBAG NY acts as the executing broker with CME. As clearing broker, DBSI houses the credit risk to clients as discussed further below.

The U.S. OTC Rates business covers a wide variety of products focusing on OTC derivatives, split broadly into vanilla and exotic products, such as:

- interest rate swaps;
- interest rate options;
- hybrids;
- inflation products;
- longevity products; and
- fund of funds products.



## 9. Rates Cash Treasury

The U.S. Rates Cash Treasury Trading (“**Rates Cash Treasury**”) business of the DB Group provides trading services with respect to a comprehensive range of treasury securities products and operates mainly within DBSI. The Treasury Rates business is a sub-business line that is a part of the Core Rates business line, which in turn is a component of the DB Group’s GM business. The Core Rates business line trades a comprehensive range of fixed-income securities products, including government agencies, municipals, and OTC rate derivatives.

The U.S. Rates Cash Treasury business is a primary dealer of U.S. Treasury securities. The U.S. Rates Cash Treasury business also provides a broker service for the DB Group’s retail branches to route orders through the U.S. Rates Cash Treasury business to the applicable exchanges to execute transactions on their behalf.

## 10. Flow Credit Trading Business

The U.S. Flow Credit Trading (“**Flow Credit Trading**”) business of the DB Group is a global franchise within the Core Rates and Credit Trading businesses, which are part of the DB Group’s GM business. Flow Credit Trading is an integrated cash and credit-default swap (“**CDS**”) trading business. The U.S. Flow Credit Trading business operates across several entities, including DBAG London and DBSI. Securities transactions conducted within the U.S. Flow Credit Trading business are predominantly booked in DBSI. Non-securities transactions, including CDS transactions, are booked in DBAG London. DBSI also acts as a swaps clearing broker.

The U.S. Flow Credit Trading business is comprised of five desks: investment grade, high yield, par loan, index relative value and distressed products, which span the spectrum of corporate credit quality. The U.S. Flow Credit Trading business’s primary role is to act as market maker for clients in corporate cash instruments, credit derivatives, indices and index options. U.S. Flow Credit traders are supported by an integrated desk analyst team, which manages and analyzes credit risks and generates trade ideas.

## C. Summary Financial Information – Deutsche Bank AG Group

### 1. Balance Sheet Information

DBAG’s Annual Report on Form 20-F (“**Form 20-F**”) includes detailed financial information. The following is DBAG’s consolidated balance sheet from DBAG’s Form 20-F, which summarizes the balance sheet and capital position for DBAG as of December 31, 2011. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). The footnotes contained in DBAG’s Form 20-F are an integral part of DBAG’s balance sheet. For a more detailed discussion regarding any line item on the balance sheet, please refer to DBAG’s Annual Report on Form 20-F.

	Dec 31, 2011 Eur mm	Dec 31, 2010 Eur mm
Cash and Due From Banks	15,928	17,157
Interest Earning Deposits with Banks	162,000	92,377
Central Bank Funds Sold, Securities Purchased Under Resale Agreements and Securities Borrowed	57,110	49,281
Trading Assets	240,924	271,291

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	Dec 31, 2011 Eur mm	Dec 31, 2010 Eur mm
Positive Market Values from Derivative Financial Instruments	859,582	857,780
Financial Assets Designated at Fair Value Through Profit or Loss <sup>1</sup>	180,293	171,926
Loans	412,514	407,729
Brokerage and Securities-Related Receivables	122,810	103,423
Remaining Assets	112,942	134,666
<b>Total Assets</b>	<b>2,164,103</b>	<b>1,905,630</b>
Deposits	601,730	533,984
Central Bank Funds Purchased, Securities Sold Under Resale Agreements and Securities Loaned	43,401	31,198
Trading Liabilities	63,886	68,859
Negative Market Values from Derivative Financial Instruments	838,817	647,195
Financial Liabilities Designated at Fair Value Through Profit or Loss <sup>2</sup>	118,318	130,154
Other Short-Term Borrowings	65,356	64,990
Long-Term Debt	163,416	169,660
Brokerage and Securities-Related Payables	139,733	116,146
Remaining Liabilities	74,786	93,076
<b>Total Liabilities</b>	<b>2,109,443</b>	<b>1,855,262</b>

(1) Includes securities purchased under resale agreements designated at fair value through profit or loss of Eur 117,284 million and Eur 108,912 million and securities borrowed designated at fair value through profit or loss of Eur 27,261 million and Eur 27,887 million as of December 31, 2011 and December 31, 2010, respectively.

(2) Includes securities sold under repurchase agreements designated at fair value through profit or loss of Eur 93,606 million and Eur 107,999 million as of December 31, 2011 and December 31, 2010, respectively.

### Changes in Assets

As of December 31, 2011, total assets were €2,164 billion. The increase of €258 billion or 14% compared to December 31, 2010 was primarily related to derivatives as well as interest-earning deposits with banks. The shift in foreign exchange rates, and in particular between the U.S. dollar and the euro, contributed €43 billion to the overall increase of the balance sheet during 2011. The increase of positive market values from derivatives by €202 billion was primarily driven by changing U.S. dollar, euro and pound sterling yield curves, as well as €19 billion relating to currency translation effects. Interest-earning deposits with banks increased by €70 billion from €92 billion as at year-end 2010 to €162 billion as at year-end 2011, primarily to strengthen the liquidity reserve. Non-derivative trading assets decreased by €30 billion during 2011, with debt securities contributing to more than half of the decrease. The loan book has slightly increased by €5 billion during the year, from €408 billion as at December 31, 2010 to €413 billion at year-end 2011.

### Changes in Liabilities

Total liabilities were up by €254 billion to €2,109 billion as of December 31, 2011. The increase in total liabilities occurred mainly in negative market values from derivatives, which were up by €192 billion, mainly driven by changing yield curves and currency translation effects, similar to positive values from derivatives. Also, deposits increased significantly by €68 billion, with 70% relating to deposits from banks and 30% to deposits from non-bank customers. As of December 31, 2011, DBAG's leverage ratio according to its target definition was 21X, decreased from 23X at the end of 2010, and below its target leverage ratio of 25X.



### 2. Major Funding Sources

#### Funding Operations

The DB Group's GF business line, a component of the Capital Markets Group, coordinates external wholesale funding, including access to the interbank market, central bank tender participation, capital market and retail funding and issues its own short-term DB Group commercial paper. Different parts of the GF business line facilitate different aspects of short-term funding, including accessing the money markets, entering into bilateral and tri-party repurchase transactions, as well as securities lending agreements. The Private and Business Client business ("PBC"), Private Wealth Management business ("PWM") and GTB provide access to retail, corporate and financial institution deposits.

Longer-term funding (maturities of two years and above) is separately issued by Treasury. To ensure the additional diversification of DBAG's refinancing activities, DB Group has a *Pfandbrief* license, which permits the issuance of mortgage *Pfandbriefe* (a form of covered bonds).

Generally, all funding sources—with the exception of Repo and securities lending, which are directly booked to the businesses using them—feed into DB Group Pool Funding, regardless of whether the source of funding is short-term unsecured funding sourced by GF, longer term debt issuances sourced by Treasury or deposits provided by PWM, PBC and GTB.

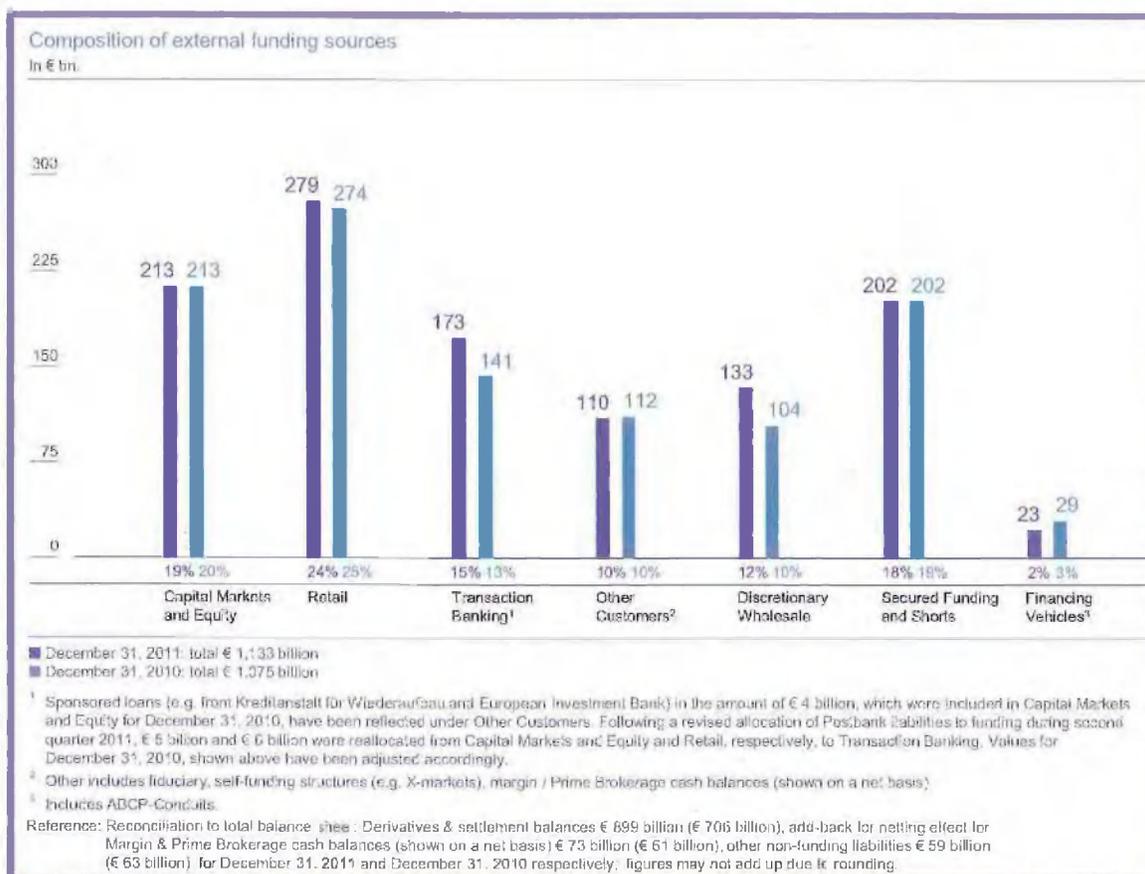
The global Pool Funding desks, which are part of GF, are responsible for overall funding allocation from the Global Funding Pool. This funding is performed at the legal entity level, and, in most cases, funding is shared across legal entities. Certain legal entities are managed separately due to local regulation.

#### Liquidity Policy

Besides funding, Treasury also sets and oversees liquidity policy for the entire DB Group globally at the DB Group level and locally in each region via the concept of a central liquidity pool to ensure that risk management controls are maintained under an expanding, global and multi-divisional business model.

An important element of the DB Group's liquidity risk management framework is diversification of funding profile in terms of investor types, regions, products and instruments. The DB Group's core funding resources come from retail clients, long-term capital markets investors and transaction banking clients. Customer deposits and borrowing from wholesale clients are additional sources of funding. The DB Group uses wholesale deposits primarily to fund liquid assets. The following chart shows the composition of the DB Group's external funding sources (on a consolidated basis) that contribute to the liquidity risk position as of December 31, 2011 and December 31, 2010, both in euro billion and as a percentage of the DB Group's total external funding sources, and demonstrates the DB Group's funding profile sourced from stable sources.

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The DB Group's focus has been on increasing its stable core funding components while maintaining access to short-term wholesale funding markets, albeit on a relatively low level. The volume of discretionary wholesale funding is well diversified across products (e.g., certificates of deposit, commercial paper as well as term, call and overnight deposits) and tenors. DB Group's liquidity risk profile arises from activities of the DB Group's business divisions, which result in an aggregated funding demand and funding supply, coupled with the risk tolerance limits that Treasury manages on a group-wide level.

### 3. Capital

Treasury implements DB Group's capital strategy, which strategy, including the issuance and repurchase of shares, is developed by the Capital and Risk Committee ("CaR") and approved by the Management Board. The DB Group is committed to maintaining its sound capitalization. Overall capital demand and supply are constantly monitored and adjusted, if necessary, to meet the need for capital from various perspectives. These include book equity based on IFRS accounting standards, regulatory capital and economic capital.

Regional capital plans covering the capital needs of the DB Group's branches and subsidiaries are prepared on a semiannual basis and presented to the DB Group's Investment Committee. Most of the DB Group's subsidiaries are subject to statutory and regulatory capital requirements. Local asset and liability committees attend to those needs under the stewardship of regional Treasury teams.

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Furthermore, they safeguard compliance with requirements such as restrictions on dividends allowable for remittance to DBAG or on the ability of its subsidiaries to make loans or advance to the parent bank. In developing, implementing and testing the DB Group's capital and liquidity, the DB Group takes such statutory and regulatory requirements into account.

### a. Regulatory Capital Adequacy

	Dec 31, 2011 Basel 2.5 <sup>1</sup> Eur mm	Dec 31, 2010 Basel 2 Eur mm
Credit risk	262,460	285,218
Market risk	68,091	23,660
Operational risk	50,695	37,326
<b>Total risk-weighted assets</b>	<b>381,246</b>	<b>346,204</b>
Core Tier 1 capital	36,313	29,972
Additional Tier 1 capital	12,734	12,593
Tier 1 capital	49,047	42,565
Tier 2 capital	6,179	6,123
Tier 3 capital	-	-
<b>Total regulatory capital</b>	<b>55,226</b>	<b>48,688</b>
Core Tier 1 capital ratio	9.5%	8.7%
Tier 1 capital ratio	12.9%	12.3%
Total capital ratio	14.5%	14.1%

(1) Basel 2.5. In the wake of the recent global financial crisis, in mid-2010 the Basel Committee on Banking Supervision (the "Basel Committee") finalized new rules regarding the capital requirements applicable to trading activities. These rules, which took effect on December 31, 2011 and are commonly referred to as "Basel 2.5", have significantly increased the capital requirements applicable to the DB Group's trading book by introducing new risk measures, including by applying the rules applicable to assets held in the banking book to securitizations held for trading and by mandating specified capital treatment for other identified asset classes.

Starting with December 31, 2011, the calculation of the DB Group's regulatory capital incorporates the amended capital requirements for trading-book and securitization positions following Basel 2.5. Total regulatory capital (Tier 1 and Tier 2 capital) reported under Basel 2.5 was €55.2 billion at the end of 2011 compared to €48.7 billion at the end of 2010 reported under Basel 2. Tier 1 capital reported under Basel 2.5 increased to €49.0 billion at the end of 2011 versus €42.6 billion at the end of 2010 as reported under Basel 2, reflecting primarily the retained earnings of 2011, the development of foreign currency rates and reduced capital deduction items. As of December 31, 2011, Core Tier 1 capital reported under Basel 2.5 increased to €36.3 billion from €30.0 billion at the end of 2010 as reported under Basel 2.

The Core Tier 1 capital ratio, which excludes hybrid instruments, was 9.5% at the end of 2011 (subsequent to introduction of the Basel 2.5 framework), above the European Banking Authority threshold of 9% required by June 30, 2012, and was 8.7% at year-end 2010. The latter was calculated under Basel 2 and the comparative Core Tier 1 capital ratio for year-end 2011 would have been 10.8%. The internal capital adequacy ratio, signifying whether the total capital supply is sufficient to cover the capital demand determined by the DB Group's risk positions, increased to 159% as of December 31, 2011, compared to 147% as of December 31, 2010. Risk-weighted assets increased by €35 billion to €381 billion at the end of 2011, mainly driven by an increase of €54 billion due to the introduction of Basel 2.5, and a €13 billion increase in risk-weighted assets from operational risk. These increases were partially offset by reductions in credit and market risk-weighted assets, principally as a result of the DB Group's de-risking efforts.

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### b. Internal Capital Adequacy

As the primary measure of its Internal Capital Adequacy Assessment Process the DB Group assesses the internal capital adequacy based on a “going concern approach” as the ratio of the DB Group’s total capital supply divided by total capital demand as shown in the table below. During 2011, the capital supply definition for deferred tax assets, fair value adjustments and noncontrolling interests in accordance with regulatory guidance was tightened. The prior year comparison information has been adjusted accordingly.

Capital Supply	Dec. 31, 2011 (Eur mm)	Dec. 31, 2010 (Eur mm)
Adjusted Active Book Equity <sup>1</sup>	52,818	48,304
Deferred Tax Assets	(8,737)	(8,341)
Fair Value Adjustments <sup>2</sup>	(3,323)	(3,612)
Dividend Accruals	697	697
Noncontrolling Interests <sup>3</sup>	694	590
Hybrid Tier 1 Capital Instruments	12,734	12,593
Tier 2 Capital Instruments <sup>4</sup>	12,044	12,610
<b>Capital Supply</b>	<b>66,927</b>	<b>62,841</b>
<b>Capital Demand</b>		
Economic Capital Requirement	26,377	27,178
Intangibles	15,802	15,594
<b>Capital Demand</b>	<b>42,179</b>	<b>42,772</b>
<b>Internal Capital Adequacy Ratio</b>	<b>159%</b>	<b>147%</b>

(1) Active Book Equity adjusted for unrealized net gains (losses) on financial assets available for sale, net of applicable tax, and fair value gains on own credit-effect on own liabilities.

(2) Includes fair value adjustments for assets reclassified in accordance with IAS 39 and for banking book assets where no matched funding is available.

(3) Includes noncontrolling interest up to the economic capital requirement for each subsidiary.

(4) Tier 2 capital instruments excluding items to be partly deducted from Tier 2 capital pursuant to Section 10 (6) and (6a) KWG, unrealized gains on listed securities (45% eligible) and certain haircut amounts that only apply under regulatory capital assessment.

A ratio of more than 100% signifies that the total capital supply is sufficient to cover the capital demand determined by the risk positions. This ratio was 159% as of December 31, 2011, compared to 147% as of December 31, 2010. This increase was driven by higher adjusted active book equity and a decrease in capital demand.

### D. Description of Derivative and Hedging Activities

Derivatives contracts used by the DB Group include swaps, futures, forwards, options and other similar types of contracts. In the normal course of business, the DB Group enters into a variety of derivative transactions for both trading and risk management purposes. The DB Group’s objectives in using derivative instruments are to meet customers’ risk management needs and to manage the DB Group’s exposure to risks.

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### Risk Management

The DB Group uses derivatives to reduce its exposure to market risks as part of its asset and liability management. This is achieved by entering into derivatives that hedge specific portfolios of fixed-rate financial instruments and forecast transactions, as well as strategic hedging against overall balance sheet exposures. The DB Group actively manages interest rate risk through, among other things, the use of derivative contracts. Utilization of derivative financial instruments is modified from time to time within prescribed limits in response to changing market conditions, as well as in response to changes in the characteristics and mix of the related assets and liabilities.

### Hedge Accounting

For accounting purposes, there are three possible types of hedges: (1) hedges of changes in the fair value of assets, liabilities or unrecognized firm commitments (fair value hedges); (2) hedges of the variability of future cash flows from highly probable forecast transactions and floating rate assets and liabilities (cash flow hedges); and (3) hedges of the translation adjustments resulting from translating the functional currency financial statements of foreign operations into the presentation currency of the parent (hedges of net investments in foreign operations).

When hedge accounting is applied, the DB Group designates and documents the relationship between the hedging instrument and the hedged item as well as its risk management objective and strategy for undertaking the hedging transactions and the nature of the risk being hedged. This documentation includes a description of how the DB Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedge item's fair value or cash flows attributable to the hedged risk. Hedge effectiveness is assessed at inception and throughout the term of each hedging relationship. Hedge effectiveness is always assessed, even when the terms of the derivative and hedged item are matched.

Hedging derivatives are reported as other assets and other liabilities. In the event that a derivative is subsequently de-designated from a hedging relationship, it is transferred to financial assets/liabilities at fair value through profit or loss. Subsequent changes in fair value are recognized in net gains or losses on financial assets/liabilities at fair value through profit or loss.

For fair-value hedges, the change in the fair value of the hedge asset, liability or unrecognized firm commitment, or a portion thereof, attributable to the risk being hedged is recognized in the consolidated statement of income, along with changes in the fair value of the derivative. When hedging interest rate risk, any interest accrued or paid on both the derivative and the hedged item is reported as interest income or expense, and the unrealized gains and losses from the hedge accounting fair value adjustments are reported in other income. When hedging the FX risk of an available-for-sale security, the fair value adjustments related to the security's FX exposures are also recorded in other income. Hedge ineffectiveness is reported as other income and is measured as the net effect of changes in the fair value of the hedging instrument and changes in the fair value of the hedged item arising from changes in the market rate or price related to the risk(s) being hedged.

If a fair value hedge of a debt instrument is discontinued prior to the instrument's maturity because the derivative is terminated or the relationship is de-designated, any remaining interest-rate-related fair-value adjustments made to the carrying amount of the debt instruments (basis adjustments) are amortized to interest income or expense over the remaining term of the original hedging relationship. For other types

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of fair-value adjustments and whenever a fair-value hedge asset or liability is sold or otherwise derecognized, any basis adjustments are included in the calculation of the gain or loss on derecognition.

### E. Memberships in Material Payment, Clearing and Settlement Systems

As an essential part of facilitating financial transactions in the U.S. for clients and customers, legal entities of the DB Group are members of various financial market utilities ("FMUs"), such as exchanges, payment systems, clearinghouses and depositories. These memberships provide the DB Group access to the systems necessary to service its clients and customers. Below is a list of certain FMUs of which legal entities within the DB Group are members:

Legal Entity	FMU
DBAG NY	Fedwire Funds
	CHIPS
DBSI	NYSE
	ARCA
	AMEX
	NASDAQ
	BTRADE
	NYSE LIFFE
	LCH.Clearnet
	CME
	Chicago Board of Trade
	New York Mercantile Exchange
DBTCA	ICE Futures USA; ICE Clear LLC
	Fedwire
	CHIPS
	EPN

Fedwire Funds Service ("**Fedwire Funds**") is a real-time gross settlement system owned and operated by the Federal Reserve and provides wire transfer services. Payments are continuously settled on an individual, order-by-order basis and are not netted. Fedwire Funds processes transactions, including the purchase and sale of federal funds; the purchase, sale and financing of securities transactions; and the disbursement or repayment of loans. It also processes the settlement of cross-border U.S. dollar commercial transactions, real estate transactions and other high-value, time-critical payments. Regulation J and the Reserve Banks' Operating Circulars govern participation in Fedwire Funds.

CHIPS is a subsidiary of The Clearing House, which is owned by the world's largest commercial banks. It is a large-value wire transfer payment system that engages in final settlement of payments on a real-time basis throughout the day. CHIPS processes a large proportion of U.S. dollar cross-border payments, as well as U.S. domestic payments. CHIPS's Rules and Administrative Procedures govern participation.

The New York Stock Exchange ("**NYSE**"), which is owned by NYSE Euronext, is the world's largest stock exchange by market capitalization of listed companies. The NYSE trades equities, futures, options, fixed-income, and exchange-traded products. The NYSE Rules govern participation and membership.

ARCA, which is owned by NYSE Euronext, is a securities exchange headquartered in Chicago, IL that offers access to more than 250,000 traded options series based on more than 2,400 equity issues, with contracts available on domestic stocks, American Depositary receipts, broad-based industry and sector

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indices, exchange-traded funds, and HOLDRs. The NYSE Arca Equities, Inc. Bylaws and Rules govern participation and membership.

AMEX, which is owned by NYSE Euronext, is the third-largest stock exchange by trading volume in the U.S. and is based in New York. It is one of the fastest growing options exchanges in the U.S., with contracts available on domestic stocks, American Depositary receipts, broad-based industry and sector indices, exchange-traded funds, and HOLDRs. The NYSE Options Rules govern participation and membership.

NASDAQ, which is owned by the NASDAQ OMX Group, is the second-largest stock exchange by market capitalization in the world, and was the first electronic stock market at its inception in 1971. NASDAQ is traditionally home to many high-tech stocks. The NASDAQ Stock Market Rules govern participation and membership.

NYSE LIFFE U.S., which is owned by NYSE Euronext, is a global, multi-asset class futures exchange which offers precious metal futures and options, stock index futures based on foreign and domestic MSCI indices, and a comprehensive suite of U.S. interest rate derivatives. The NYSE LIFFE U.S. Rules govern membership and participation.

LCH.Clearnet is a leading independent clearinghouse group serving major international exchanges and platforms as well as a range of OTC markets. It clears a range of asset classes including securities, exchange-traded derivatives, commodities, energy, freight, interest rate swaps, credit-default swaps, and euro- and sterling-denominated bonds and repos. The LCH.Clearnet Rules and Regulations govern membership and participation.

The CME is a futures and options contracts exchange which trades several types of financial instruments: interest rates, equities, currencies, and commodities. It also offers trading in alternative investments, such as weather and real estate derivatives, and has the largest options and futures contracts open interest of any futures exchange in the world. Participation on CME is governed by the CME Bylaws and CME Rulebook.

The Board of Trade of the City of Chicago, Inc. ("CBOT") is a futures and options contracts exchange. The CBOT Bylaws and CBOT Rulebook govern participation.

New York Mercantile Exchange ("NYMEX"), which is owned by the CME Group, is a commodity futures exchange based in New York. NYMEX offers energy products, metals, agriculture products, and other commodities. The NYMEX Rulebook governs participation and membership.

IntercontinentalExchange ("ICE") operates futures and options exchanges, trading platforms and clearinghouses for global trading in equity indices, commodities, credit and currency. ICE is a publicly-owned corporation and its shares are listed on the NYSE. The New York-based ICE Futures U.S. exchange is the exclusive home for the Russell index futures and options contracts, the US Dollar Index and foreign exchange futures, and also lists benchmark cocoa, coffee, cotton, orange juice, and sugar contracts. ICE Futures U.S. Inc.'s Rules and Bylaws govern participation and membership. Its subsidiary, ICE Clear U.S., is a clearing and settlement agency. ICE Clear U.S. provides clearing and settlement services for all futures and options traded on ICE's New York-based ICE Futures U.S. exchange, as well as for over-the-counter derivatives transactions. ICE Clear U.S.'s rules and bylaws govern participation and membership.

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EPN is an automated clearinghouse owned by The Clearing House, which is in turn owned by the world's largest commercial banks. It is the only private automated clearinghouse operator in the U.S. and processes domestic consumer and commercial financial transactions among depository institutions. The EPN Rules of Membership govern participation and membership.

### F. Description of Foreign Operations

#### Global Presence

The DB Group consists of approximately 2,906 active legal entities including shareholdings (based on IFRS rules) with representation across 72 countries as at December 31, 2011. Within the DB Group, there are 1,113 subsidiaries, 733 special purpose entities, 185 companies accounted for "at equity" (a determination which is meant to account for significant influence exercised by the DB Group over a legal entity),<sup>2</sup> 67 other companies where the holding equals or exceeds 20% and 37 holdings in large corporations where the holding exceeds 5% of the voting rights. Excluding the 733 special purpose entities there are 279 regulated entities, with 48 entities holding banking licenses, six holding insurance licenses and 39 with broker-dealer licenses within the DB Group.

The parent company, DBAG, has branches across the globe with significant branches in the UK and New York. The main trading activities also occur within the branch network, except where the law requires otherwise. The DB Group is highly reliant on its branch network with a significant portion of revenues and risk concentrated in the London and New York branches of DBAG.

The summary of legal entities by principal regional location is provided below.

Entity Category	Americas	Asia/Pacific	EMEA	Germany	UK	Total
Subsidiaries	390	112	159	309	143	1113
Special Purpose Entities	1054	15	95	300	40	1504
Companies accounted for at equity	37	26	37	57	28	185
Other Companies, where the holding equals or exceeds 20%	19	6	10	26	6	67
Holdings in large corporations, where the holding exceeds 5% of the voting rights	10	2	6	17	2	37
<b>Total</b>	<b>1510</b>	<b>161</b>	<b>307</b>	<b>709</b>	<b>219</b>	<b>2906</b>

The DB Group is regionally managed across Germany, Europe, Central & Eastern Europe ("CEE"), Americas, Middle East and North Africa ("MENA"), Asia Pacific and Japan with regional major hubs in New York, London, Frankfurt am Main, Dubai, Singapore, and Tokyo.

Countries in which the DB Group is present include: Germany, Austria, Belgium, France, Italy, Luxembourg, Malta, Portugal, Russia, Spain, the UK, the Netherlands, Switzerland, Denmark, Finland, Norway, Sweden, Turkey, Bulgaria, Croatia, the Czech Republic, Greece, Hungary, Kazakhstan, Poland, Romania, Serbia, Turkmenistan, Ukraine, Israel, Nigeria, South Africa, Channel Islands, Ireland, Bahrain, Egypt, Qatar, Saudi Arabia, UAE, Canada, Cayman islands, USA, Argentina, Brazil, Chile, Mexico, Peru, China, Hong Kong, India, Indonesia, Malaysia, Mauritius, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam, Australia, New Zealand and Japan. The DB Group also has

<sup>2</sup> For further detail regarding accounting for legal entities "at equity" and general equity method accounting pursuant to IFRS guidelines, please refer to the Deutsche Bank Annual Report 2011; Consolidated Financial Statements; Section 01, Significant Accounting Policies (page 187). See also Deutsche Bank Annual Report 2011; Consolidated Financial Statements; Section 44, Shareholdings: Companies accounted for at equity (page 392).

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remote presences in Cyprus, Bahamas, Barbados, Bermuda, British Virgin Islands, Columbia, Uruguay and Venezuela.



### Major Service Centers

Global Business Services (“**GBS**”) operates out of seven service centers located in (i) the Philippines (Manila), (ii) the United Kingdom (Birmingham), (iii) the United States (Jacksonville, FL), (iv) India (Bangalore, Mumbai and Jaipur) and (v) Ireland (Dublin). The GBS Service Centers support multiple business units and divisions, and handle international financial transactions including daily payments, credit ratings and equity settlements across multiple stock exchanges globally. Resiliency, technology, process re-engineering, and cost effectiveness are the key drivers.

Location	Legal entity	Activity
Jacksonville, Florida, U.S.	DBSNJ	DBSNJ performs administrative and back office functions for the DB Group.
	DBSA	DBSA performs administrative and back office functions for the Corporate Trust business.
	DBSI	DBSI is a registered broker-dealer with the SEC and provides operational support to the rest of the DB Group.
Bangalore, Mumbai and Jaipur, India	DBOI Global Services Private Limited	DBOI Global Services Private Limited is a global processing centre which provides back office services and information technology enabled services to the DB Group.
	Deutsche CIB Centre Private Limited (“ <b>Deutsche CIB</b> ”)	Deutsche CIB provides back office services and IT enabled services to support various businesses within the DB Group. Deutsche CIB changed its name from Global Markets Centre Private Limited in October 2011.
Manila, Philippines	Deutsche Knowledge Services Pte. Ltd (“ <b>DKS</b> ”)	DKS provides business and information technology services to the DB Group.
Birmingham, UK	DBOI Global Services (UK) Limited (“ <b>DBOI UK</b> ”)	DBOI UK provides back office functions for the DB Group.
Dublin, Ireland	DB Service Centre Limited (“ <b>DBSC</b> ”)	DBSC provides back office functions for the DB Group.

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### G. Material Supervisory Authorities

The DB Group is subject to regulation under U.S. federal and state laws, in addition to applicable laws in the other countries in which it conducts its business. Certain of the supervisory authorities for the DB Group's U.S. material entities are as follows:

#### Branch Bank

DBAG NY, a wholesale branch of DBAG, is licensed by the NYSDFS and regulated by the Federal Reserve and BaFin. It is not insured by the FDIC, and it primarily engages in traditional lending and deposit activities, as well as trading activities dealing with derivatives (primarily interest rate-related derivatives) and cash financial products.

#### Broker Dealer

DBSI, a Delaware corporation, is a wholly owned subsidiary of Deutsche Bank U.S. Financial Markets Holding Corporation, which is a wholly owned subsidiary of Taunus Corporation, which in turn is wholly owned by DBAG. DBSI is registered as a broker-dealer and an investment adviser with the SEC and as a FCM with the CFTC. In addition, DBSI is a member of FINRA, the Securities Investor Protection Corporation and the National Futures Association. DBSI is also subject to supervision by the Federal Reserve.

#### Holding Companies

DBTC, a New York bank holding company regulated by the Federal Reserve and licensed to conduct business in New York, is a wholly owned subsidiary of DBAG. DBTC is registered as a bank holding company under the Bank Holding Company Act of 1956. It has also obtained financial holding company status under the Graham-Leach-Bliley Act.

DBAHC, a Delaware corporation, is a wholly owned subsidiary of Taunus Corporation, which is wholly owned by DBAG. DBAHC serves as a holding company for six Americas holding companies: DB Energy Trading LLC, German American Capital Corporation, Deutsche Investment Management Americas Inc., DBAH Capital, LLC, RoPro U.S. Holdings Inc. and Deutsche Bank Trust Company, N.A. DBAHC also employs certain members of U.S. Regional Management who are important to the effective operation of the region. DBAHC is subject to the supervision and regulation of the Federal Reserve and BaFin. In addition, the Pension Benefit Guaranty Corporation is involved in the oversight of the various pension plans.

#### New York State-Chartered Bank

DBTCA, a New York corporation, is a wholly owned subsidiary of DBTC, which is a wholly owned subsidiary of DBAG. DBTCA is a licensed New York State-chartered bank regulated by the NYSDFS. DBTCA is also a member of the Federal Reserve Bank System and is an FDIC-insured bank. DBTCA is a registered transfer agent with the SEC.

#### Service Companies

DBSA, a Delaware corporation, is a wholly owned subsidiary of Deutsche Bank Holdings, Inc., which is a wholly owned subsidiary of DBTC, which in turn is wholly owned by DBAG. DBSA provides a variety of administrative and back office infrastructure services to DBTCA, as well as to certain other DB Group

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affiliates that are not material legal entities for purposes of the U.S. Resolution Plan. DBSA is an unregulated entity and is therefore not subject to supervision by regulatory authorities.

DBSNJ, a New Jersey corporation, is a wholly owned subsidiary of DBTC, which is a wholly owned subsidiary of DBAG. DBSNJ provides a wide variety of administrative and back office infrastructure services to DBTCA, DBSi and DBAG NY, as well as other DB Group affiliates. DBSNJ is an unregulated entity and is therefore not subject to supervision by regulatory authorities.

### H. Principal Officers

The primary responsibilities of the Management Board of DBAG include the DB Group's strategic management, resource allocation, financial accounting and reporting, risk management and corporate control. The Management Board is supported in the performance of its leadership and oversight duties by central infrastructure units and other service departments, as well as functional committees chaired by its members.

The Group Executive Committee ("GEC") is made up of the members of the Management Board, the heads of the core businesses who are not members of the Management Board, as well as the Co-CEOs of Asia Pacific. At regular meetings, the GEC analyzes the development of markets, discusses the status of the business divisions, examines issues relating to the DB Group strategy and the competitive environment and prepares recommendations for decisions taken by the Management Board. The membership of the GEC includes the DB Group's:

Title / Function
Co-Chairman of the Management Board and the GEC
Co-Chairman of the Management Board and the GEC
Chief Financial Officer and a Member of the Management Board
Head of Private & Business Clients and a Member of the Management Board
Human Resources, Legal and Compliance Head; CEO of Europe (ex Germany and UK); and a Member of the Management Board
Chief Risk Officer ("CRO") and a Member of the Management Board
Chief Operating Officer and a Member of the Management Board
Co-CEO of Asia Pacific
Co-CEO of Asia Pacific
Head of Assct & Wealth Management
Co-Head of Corporate Banking & Securities and Head of Sales & Trading
Head of Research
CEO of the United Kingdom
Co-Head of Corporate Banking & Securities and Head of Corporate Finance
Chief Operating Officer of Private & Business Clients
Head of Global Transaction Banking
General Counsel

### I. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning

#### 1. Description of Policies, Procedures and Internal Controls Governing Preparation

The Global Living Wills team reports to Enterprise-wide Risk Management ("ERM") which is a function within the Risk Division. The Head of ERM reports to the DB Group Deputy Chief Risk Officer. Developments on U.S. and Global Living Wills planning are reported to the group risk committees via the

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Cross-Risk Review Committee to the Risk Executive Committee and ultimately to the Management Board of DBAG via the CaR Committee. The CaR Committee takes a strategic view on capital management, funding and liquidity. It provides a platform to discuss and agree upon these strategic issues between the Risk, Finance and Business Divisions.

The Global Living Wills team, which includes the U.S. Living Wills team, is responsible for developing all resolution and recovery plans as required by the DB Group's Crisis Management Group regulators, which include the Draft Group Resolution Response and the DB Group's UK Bank-specific Resolution Response. The U.S. Resolution Plan is closely aligned with the Draft Group Resolution Response with respect to approach and overall strategy and is drafted with consideration as to how actions outside of the U.S. would impact the resolution of the U.S. operations. The Global Living Wills team, including the U.S. Living Wills Team, holds weekly status meetings, including with the U.S. Living Wills team, to monitor and plan workstream activities, coordinate efforts and share resources across the relevant regions.

Following the delivery of both the Draft Group Resolution Response and the U.S. Resolution Plan, the Global Living Wills team will develop policies and procedures related to general maintenance, implementation and revision of and compliance with the DB Group and regional resolution plans and the Recovery Plan. Those policies will assign core responsibilities for the ongoing review, revision and maintenance of the plans as well as the execution of actions which address certain unresolved impediments to an orderly resolution of DBAG ("**Ex-Ante Actions**"). These responsibilities will be shared among the Global Living Wills Team as well as the businesses and infrastructure groups which are essential in the development of effective plans.

The U.S. Living Wills team, working in conjunction with the businesses and support functions, is responsible for development of the U.S. Resolution Plan.

### **2. Approval of the U.S. Resolution Plan and Draft Group Resolution Response**

The members of the Management Board of DBAG have authorized Seth Waugh, CEO of Deutsche Bank Americas, to approve regulatory filings, including the U.S. Resolution Plan. On June 29, 2012, Mr. Waugh was briefed on the contents of the plan by members of the U.S. Living Wills Team and representatives of Regional Management and the core lines of business. In reliance on such briefings and his own review, he considered and approved the U.S. Resolution Plan.

Each of the material entity, core business line and critical operations strategies was reviewed and approved by the responsible personnel in these areas. Furthermore, each function within the network collaborated to gather and provide input to the U.S. Resolution Plan. Each function's input has been reviewed in conjunction with the Global Living Wills team, both from the top down as well as at a functional level to ensure consistency and accuracy of information contained within the plan.

When the Draft Group Resolution Response is final, December 31, 2012, it will be approved by the DB Group's Management Board.

### **3. Oversight Responsibility: Identity and Position of Senior Management Officials Responsible for Resolution Plan Development, Maintenance, Implementation, Filing and Compliance**

Delivery of the Global Living Wills program, which includes the U.S. Living Wills program, is managed by a central team with support from various business areas and central functions. The Living Wills Steering

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Committee (“**LWSC**”) provides central oversight over the Living Wills initiative. The LWSC is a permanent sub-committee of the Cross Risk Review Committee.

The CRO chairs the LWSC. The Global Head of ERM is the Vice-Chair of the LWSC. The group of voting members is appointed by the chair of the committee and comprises senior members from the Risk functions, Regional Management, Group Strategy and Planning, Group Finance, Group Technology & Operations, GBS, CIB, and Asset and Wealth Management teams. The membership of the LWSC includes the DB Group's:

Title / Function
CRO
Global Head of ERM
Global Head of Living Wills
Group Treasurer
Global Head of Government and Regulatory Affairs
Chief Financial Officer – Group Reporting
Chief Operating Officer – Private & Business Clients
Head of Group Strategy and Planning
Global Chief Administrative Officer – Regional Management
Global Chief Operating Officer – GBS
Chief Administrative Officer – CIB
Chief Operating Officer – Risk Management
Chief Operating Officer – Asset Management
Deputy General Counsel Germany, Central & Eastern Europe – Group Legal Services
Chief Operating Officer – Market Risk Management (“MRM”)
Chief Operating Officer – Group Technology & Operations

The LWSC is DBAG’s main committee for all matters relating to the Living Wills program steering and governance. Responsibilities of the committee include:

- the governance of the global Living Wills program with respect to deliverables, timelines, budget, etc;
- the development of the global Living Wills strategy, including assignment of respective responsibilities;
- the oversight on implementation of and compliance with global Living Wills requirements; and
- the mitigation of risks for the DB Group resulting from Living Wills-related requirements as well as the ongoing monitoring of the impact on the DB Group of emerging and developing regulations related to Living Wills.

The U.S. has put in place a Living Wills Operating Committee which is responsible for the oversight, development, revision and maintenance of and compliance with the U.S. Resolution Plan. This Committee is made up of senior business and infrastructure managers who have identified key individuals as part of the U.S. Living Wills Working Group. The U.S. Living Wills Working Group is responsible for the development of the U.S. Resolution Plan. The U.S. Living Wills Operating Committee includes members with the following positions and titles:

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Position/Title
Head of Independent Control Office, Managing Director
Bank Regulatory Compliance, Vice-President
Finance, Managing Director
Global Transaction Bank Americas Chief Operating Officer, Managing Director
CRO Americas, Managing Director
Head of U.S. Living Wills, Managing Director
Legal Counsel, Managing Director
Head of Treasury, Americas, Director
CIB Americas Chief Operating Officer, Managing Director
Chief Operations Officer DBSI, Managing Director

In addition, support has been provided by the following teams:

- The U.S. Living Wills Working Group includes representatives from Divisional Business Support, the DB Group's Investment Banking Operations Group and each primary business, each of which is responsible for gathering key information related to their material entities, core business lines and critical operations, as applicable. Information these parties provide includes:
  - key geographic locations;
  - key internal financial and operational interconnections;
  - key people and information systems; and
  - FMU memberships.
- In addition, the DB Group's U.S. legal department helped to draft the DB Group's resolutions strategies, assisted the U.S. Living Wills Operating Committee in analyzing and complying with regulatory requirements and identified potential impediments to resolution strategies.

#### **4. Nature, Extent and Frequency of Reporting to Board and Senior Executive Officers Regarding Resolution Plan Development, Maintenance, Implementation, Filing and Compliance**

The Global Living Wills team has engaged senior management of the businesses and infrastructure units in a series of bilateral conversations since the inception of the project in May 2011. In addition, the LWSC, made up of senior management from across business lines, meets once per month to provide central oversight of the Living Wills initiative with discussion and decisions on strategy and respective implementation requirements. Regular updates are provided to the CRO to keep him apprised of the status and content of the Recovery and Resolution deliverables. Finally, formal updates on the Global Living Wills initiatives were presented to the DB Management Board and the Risk Committee of the Supervisory Board in May 2012.

#### **J. Description of Material Management Information Systems**

Management information systems represent a key component of the DB Group's global technology organization and enable the businesses and regions to effectively manage information in the key areas of Risk Management, Accounting, Finance, Operations and Regulatory Reporting.

## Summary of Resolution Plan



The DB Group's Management Information Systems ("MIS") tend to be global and shared amongst products and regions. These systems provide risk aggregation, analytics, reporting and tracking across market, credit, liquidity and operational risk. They also provide management, financial, regulatory and tax reporting for both internal and external constituents across the DB Group's business lines. The DB Group relies on both internally-developed systems as well as vendor systems to provide these services.

The DB Group's MIS organization has a common set of reporting solutions and is managed using a global production support and infrastructure model. The DB Group has a global application repository which stores and manages the information for the DB Group-owned and external systems and applications and has a Global Application Governance and Control Process to ensure access and modifications are well controlled and thoroughly tested. The DB Group is committed to ensuring the continuity of critical DB Group businesses and functions in order to protect the franchise, mitigate risk, manage operations, safeguard revenues and sustain both stable financial markets and customer confidence.

A Business Continuity Management system is in place to manage the development, implementation, testing and maintenance of effective Business Continuity and Disaster Recovery Planning.

The U.S. Resolution Plan focuses on key MIS associated with risk management, accounting, financial and regulatory reporting. Additionally, key internal reports (financial, operational, risk management) for U.S. material entities, core business lines, and critical operations have been provided.

The primary areas of focus are:

Area	Description/ Usage
Market Risk Management	Identification and management of Market Risk through tools that: calculate PnL, risk sensitivities and VaR across all products aggregate risk and valuations from all product based risk engines aggregate risk and PnL calculations present the data to the business area controller for daily signoff facilitate stress testing
Liquidity Risk Management	Tools that allow Treasury to aggregate liquidity information from multiple sources to manage: unsecured funding limits maximum cash outflow limits wholesale funding thresholds internal transfer pricing stress testing the DB Group's access to liquidity
Operational Risk Management	Operational Risk Management has developed a number of tools to: perform bottom-up 360 degree self assessment identify risks at a granular level calculate a risk score based upon results of underlying key risk indicators calculate risk metrics for regulatory reporting provide detailed reporting of operational risk issues for business and senior management track the closure of operational risk issues
Credit Risk Management	Credit Risk Management systems: receive feeds of position data from source systems provide Credit Officers with an integrated view of client, industry and country risk include a suite of tools to assist Credit Officers in their analysis of credit exposure distribute daily reports to management to monitor key client risks
Finance	Finance systems: aggregate all group financial, risk and tax information and data provide a central MIS repository to manage finance reporting deliver local reporting and data deliveries for to Finance, Risk, Tax and the businesses consolidate all information for external reporting



### **K. High-Level Description of Resolution Strategy Including Such Items as the Range of Potential Purchasers of the Company, Its Material Entities and Core Business Lines**

As required by the Federal Reserve and the FDIC, the U.S. Resolution Plan assumes that a single, large and adverse event occurs that is idiosyncratic to the DB Group at a time when the U.S. and global financial systems are not experiencing a system-wide financial panic or crisis. Due to the threat to the financial system caused by the failure of DBAG, it is further assumed that BaFin would issue a transfer order pursuant to which all or part of the assets, liabilities and material contracts of DBAG (or in the case of subsidiaries of DBAG, the shares in such entities or their parent companies) would be transferred (the "Transfer Order") into a special purpose vehicle established by the German FMSA (the "Bridge Bank"). The Transfer Order is a new power of BaFin to transfer systemically important parts of a German credit institution to a bridge bank. This would allow BaFin to separate "good" (systemically important) parts of DBAG from the "bad" (not systemically important) parts and ensure that public support is limited to the good parts while the remaining parts are wound down, at the risk of DBAG's stakeholders. The U.S. Resolution Plan assumes that U.S. regulators would cooperate with the German regulators, and the U.S. regulators would not take actions that they may otherwise be entitled to take under applicable law but that would frustrate the implementation of the Transfer Order, such as the initiation of proceedings under the applicable U.S. resolution regimes.

The transfer would occur over the weekend following the Friday on which DBAG has reached a point of non-viability. The Transfer Order would be effectuated by means of a "hive-down" (similar to a spin-off), whereby all or part of the assets, liabilities and material contracts of DBAG would vest in the Bridge Bank by operation of law. Included in the Transfer Order would be all assets, liabilities and material contracts necessary to support the entities that have been designated as "material legal entities" for purposes of the U.S. Resolution Plan, as well as the core business lines and critical operations that are conducted in whole or in material part in the United States. It is assumed that the Bridge Bank would be able to address the liquidity needs and capital shortfalls of its U.S. material entities, as well as the core business lines and critical operations that are conducted within such entities, while they are wound down or sold.

Some of the U.S. businesses would be saleable to third-party purchasers—including other foreign financial institutions, certain U.S. banks and non-bank financial institutions—while other U.S. businesses may need to be wound down because customers and counterparties may wish to terminate their relationship with the DB Group and transfer their businesses elsewhere as soon as news of the Transfer Order became public. Given that pursuant to the Transfer Order, all of the systemically important parts of the DB Group, both within the United States and elsewhere, would be transferred to the recapitalized and solvent Bridge Bank and would continue to operate for a period of time, the DB Group believes that any wind-down or sale of a U.S. material legal entity, core business line or critical operation could be implemented in an orderly manner with minimal systemic disruptions, and that any cross-border issues arising from financial, operational or other interconnections could be adequately addressed without significant difficulties. The DB Group believes that the support provided by the Bridge Bank, and the ability to coordinate the resolution strategies for its U.S. operations with the other parts of the DB Group, would help minimize disruptions that clients might otherwise experience in accessing their funds, deposits or other property, and permit the completion of any in-transit transactions as well as the orderly wind-down of positions.

In addition, the U.S. Resolution Plan has been designed to (i) protect the IDIs within the DB Group in the event of a failure of the DB Group's non-bank U.S. material entities; (ii) ensure the maintenance,

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continuation and funding of critical operations; (iii) minimize disruption and the overall cost of resolution; and (iv) ensure that the functions of the material entities which are significant to the activities of the critical operations and core business lines are preserved, to mitigate any adverse effects of such failure or discontinuation on the financial stability of the United States.