



Deutsche Bank Group in China & Hong Kong

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Deutsche Bank first established a presence in China in 1872 with the opening of an office in Shanghai. Today Deutsche Bank is a locally incorporated bank in China, with branch offices in Beijing, Shanghai, Guangzhou, as well as a regional hub in Hong Kong SAR where in 2008 the Bank celebrated its 50th anniversary. In July 2009, Deutsche Bank obtained approval from the China Banking Regulatory Commission to open a fourth branch in Tianjin. In addition, it has securities representative offices in both Beijing and Shanghai.

Deutsche Bank employs over 500 staff in mainland China and approximately 1,400 in Hong Kong where its office capacity will triple in the third quarter of 2010 when the Bank moves to the new International Commerce Centre in Kowloon.

Through rapid organic growth and strategic investments, Deutsche Bank in China and Hong Kong now has business interests in corporate advisory and capital markets, transaction banking, private and retail banking, as well as asset management.

Deutsche Bank (China) Co., Ltd. (Deutsche Bank China) was launched in 2008 to engage in a broad range of banking services including foreign exchange and RMB businesses such as receiving deposits and lending; buying and selling government bonds

and financial bonds; and conducting derivatives transactions. In March 2008, the Bank moved its Beijing staff into brand new premises in the Chaoyang District at China Central Place, named Deutsche Bank Tower, which serves as the headquarters for Deutsche Bank China and other related bank businesses, reflecting continued investment in greater capacity and infrastructure for future expansion in China.

The ability to offer a broad range of products and services is enhanced by the fact that in July 2009, Deutsche Bank and Shanxi Securities Co. Ltd. new securities joint venture - Zhong De Securities Company Limited - received a business license from the China Securities Regulatory Commission, which allows the company to commence investment banking services in China's attractive domestic securities market.

In addition, the Bank has a well established sales, trading and research platform, which covers macro economics, fixed income, credit, foreign exchange, equities and derivatives thereof.

Deutsche Bank started local bond trading operations in late 2004 and is widely recognised as a leading market participant. It has worked closely with regulators in introducing new financial market instruments, and

has been an innovator in such areas as local currency swaps, structured deposits, and introduction of wealth management products. In recognition of Deutsche Bank's market position, the Bank was appointed as an original SHIBOR settling bank, one of the first three foreign banks in this group.

Deutsche Bank is one of only two banks that has acted as bookrunner for four of the largest overseas equity financings (all above USD2.7 billion) carried out by Chinese companies since 2003. For instance it was a bookrunner for Industrial and Commercial Bank of China's USD22 billion IPO, the largest IPO globally at the time.

In Corporate Finance, the Bank was the sellside advisor for Guangdong Development Bank's USD3.1 billion strategic stake sale. In addition, Deutsche was the sole financial advisor of PetroChina's USD2.7 billion acquisition of a 67% interest in PetroKazakhstan from CNPC, and is acting as the sole financial advisor to PetroChina in one of Singapore's largest ever public takeovers with the acquisition, announced in May 2009, of a 45.51% stake in Singapore Petroleum Company Limited. The deal is one of the largest public takeovers in Singapore's corporate history, the largest ever public takeover in the Asian integrated oil and gas sector, and represents the first public takeover by a Chinese natural resources company

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in Asia. In addition to its advisory role in the acquisition, Deutsche Bank will also be assisting PetroChina in areas such as foreign exchange and commodity hedging, as well as custody services.

Deutsche Bank has assisted international companies to achieve unprecedented cross-broader M&A transactions in China. These included Temasek / Bank of China, Deutsche Bank / Huaxia Bank and TNKBP's disposal of USD3.5 billion assets to Sinopec.

As one of the leading investment banks, Deutsche has completed significant transactions in all major industries including technology, oil and gas, financial institutions, real estate, consumer, chemicals and power. For example, Deutsche Bank has played a key role in significant public capital market deals involving leading local companies such as Alibaba.com, PetroChina, ICBC, Haier Group, China Shenhua Energy and China Life.

Recent investment banking highlights for Deutsche Bank include:

- September 2009 - USD 1.6 billion IPO for casino developer, owner and operator Wynn Macau; the second largest gaming IPO ever globally at the time
- September 2009 - USD 1.3 billion IPO for property developer Glorious Property
- May 2009 - USD750 million bond for Kowloon-Canton Railway Corporation, the owner of Hong Kong's rail network
- September 2008 - USD225 million Hong Kong-based Wing Hang Bank's Upper Tier 2 perpetual bonds
- August 2008 - USD 1.6 billion Franshion Properties (China) Limited's acquisition of China Jin Mao (Group) Company Limited

Deutsche Bank also has a retail presence in China. In May 2006 the Bank acquired a stake in Huaxia Bank – a nationwide bank listed on the Shanghai Stock Exchange – and launched joint credit card operations in June 2007. In October 2008, Deutsche Bank Group completed an additional investment which, increased its equity stake in Hua Xia Bank to approximately 13.7% of issued capital from 9.9% previously.

The Bank also made a 19.5 % strategic investment in local asset management firm Harvest Funds Management in 2005 – one of the country's leading investment managers – which was increased to 30% in January 2008. This relationship was further strengthened in July 2009 when Deutsche Asset Management and Harvest entered into an agreement to sub-delegate (as of 1 September 2009, pending the required regulatory approvals) management of DWS mutual funds employing an Asian equities strategy and a Greater China equities strategy, and to transfer a number of senior managers and a sales team to a fully owned subsidiary of Harvest, HGI. DWS remains the investment manager and distributor of these mutual funds globally.

Effective from 20 November 2008, Deutsche Bank received a USD30 million qualified domestic institutional investor quota, allowing it to offer certain international investment products to local clients. This year, Deutsche Bank launched its highly successful DB x-trackers platform in Asia, with seven ETFs listed on the Hong Kong Stock Exchange, including the Asia's first money market ETF.

The Private Wealth Management (PWM) business has provided onshore financial advisory services since November 2006 to high net worth

individuals through the Shanghai branch of Deutsche Bank China. From PWM's Shanghai and Hong Kong branches, private clients enjoy access to Deutsche's global resources and investment expertise. Deutsche Bank was recently named Best Overall Global Private Bank (USD5.01-25 million categories) in the 2009 Asiamoney Private Banking Poll.

As part of its overall corporate social responsibility programme, Deutsche Bank has also in the past few years committed several million euros to community projects in China. In a major commitment, funding was provided to establish an Institute on Poverty Research with Peking University that focuses on the strategic study of poverty alleviation and develops strategies for economic development in the most affected areas in China. Other important initiatives include: large scale support of local orphanages via Half the Sky Foundation and New Day Foster Homes; the Deutsche Bank Scholarship to promote national Chinese Registered Financial Analyst qualifications; a regional school campus refurbishment; support of local music initiatives; education for underprivileged children in rural areas of Heilongjiang province; infrastructure development in rural villages in Yunnan province; and support of natural disaster relief efforts such as the 2008 earthquakes and snowstorms.

