



Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609
U.S.A.
By email to: rule-comments@sec.gov

Deutsche Bank AG London
1 Appold Street
London EC2A 2HE
Tel +44 (0)20 7545 6000

November 29, 2010

Release Nos. 33-9143; 34-62932: Short-Term Borrowings Disclosure (File No. S7-22-10)

Dear Ms. Murphy,

Deutsche Bank appreciates the opportunity to respond to the Securities and Exchange Commission ("SEC")'s Release proposing amendments to enhance the disclosure provided about short-term borrowings.

Deutsche Bank offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world. Our responses are provided on the basis of being a foreign private issuer ("FPI") and a bank holding company that files annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") with the SEC.

Deutsche Bank is committed to transparency and providing decision useful information to our stakeholders. As a result we appreciate the aim of the proposed disclosure requirements to enable investors to better understand a company's short-term funding needs and financing activities during the course of a reporting period.

However, we do have significant concerns regarding the implementation and transition implications of the proposals. In this regard we would like to highlight the following issues:

- **Data Compilation**. The proposed amendments to the short-term borrowings disclosure assume that most banks are able to track daily short-term borrowings by balance sheet category without unreasonable effort or expense. This, however, is not true for Deutsche Bank. We currently are not required to report daily short-term borrowing information by balance sheet category to our local regulator (the BaFin). We monitor our short-term borrowings on a daily basis using front-end systems which



we reconcile against the balance sheet at month-end.

Given this context and as permitted by Industry Guide 3, General Instruction 4, Deutsche Bank has provided short-term borrowing information by balance sheet classification based on month-end averages as well as the peak month-end amount. This allows investors to form a view on the extent to which short-term borrowings fluctuate between reporting periods. On this basis and given the operational difficulties described, we considered that collecting such short-term borrowing information by balance sheet category on a daily basis would have resulted in an unwarranted and undue burden and expense.

We recognise that recent events have raised concerns about the level of short-term borrowings during a reporting period. However as our systems have not captured daily balance sheet information historically, we have concerns regarding the transition and implementation period proposed by the SEC which we detail below.

- **Transition Accommodation.** Considering the operational difficulties described above in obtaining daily short-term borrowing amounts by balance sheet category, we are concerned that compiling daily balances for prior periods would involve undue burdens and costs, and may in fact not even be possible. We encourage the SEC to extend the proposed transition accommodation to FPIs to specifically include those FPIs that are bank holding companies, thereby requiring annual disclosure on a prospective basis only without any retrospective application. Any significant trends in the historical periods that are not retrospectively presented could be disclosed through qualitative discussions based on the short-term borrowings disclosures currently prepared.
- **Effective Date.** We ask that the SEC consider extending the effective date for FPIs annual financial statements and registration statements. Given the operational difficulties we have described above, it will be a challenge to obtain daily short-term borrowing information by balance sheet category for reporting during the 2011 fiscal year, especially when the SEC's proposals will not be finalized until December 2010 at the earliest. On the basis that the disclosures currently permitted by Industry Guide 3 will continue to be provided up until the implementation date of any final proposal, we would urge the SEC to consider extending the effective date until the 2012 fiscal year.
- **Intra-day Balances.** Finally, we note the SEC's question on whether registrants should be required to provide the largest amount of short-term borrowings outstanding at any time during the reporting period (i.e. intra-day balances). In the context of providing information about an entity's liquidity risk, we do not consider this would provide relevant information. This is because short-term borrowings are



settled at the end of each day with intra-day balances being subject to limits and collateral arrangements imposed by the clearing system of the relevant central bank. Since intra-day short-term borrowings in excess of collateral posted will fail, we regard such exposures in terms of settlement risk rather than liquidity risk. Additionally, such disclosure may not be meaningful because recorded balances could be distorted by the order in which various transactions between two counterparties are processed.

Should you have any questions or comments, please feel free to contact the undersigned, Martin Edelmann (ph: +49 69 910-31198; e-mail: martin.edelmann@db.com) or Hugh Shields (ph: +44 20 754-19808 ; e-mail: hugh.shields@db.com).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Edelmann', with a long horizontal flourish extending to the right.

Martin Edelmann
Managing Director
CFO Group Reporting
Deutsche Bank AG

A handwritten signature in blue ink, appearing to read 'H. Shields', with a stylized, cursive script.

Hugh Shields
Managing Director
Head of External Reporting
Deutsche Bank AG