Annual Financial Statements and Management Report of Deutsche Bank AG 2008

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Management Report

Economic Performance in 2008

Global economic growth slowed down significantly in 2008. After expanding by 5 % in 2007 growth fell to just 3.5 % last year. The United States’ economy, which slipped into recession in early 2008, is the driver of the global contraction. Emerging markets and developing countries still achieved growth rates of around 6.5%, while real growth of gross domestic product (GDP) in industrial countries slowed to just 1 %. Germany's annual average GDP growth eased to 1.3 % in 2008, down from 2.5 % in 2007. The expansion, however, is attributable purely to the exceptionally good performance in the first quarter of 2008. Since the spring of 2008 the German economy – like many other industrial economies – has been in recession. The reasons being due to the substantial weakening of global demand, the long period of high fuel and food prices, the strong euro and the negative repercussions of the international financial crisis.

Money and capital markets faced a steadily worsening financial crisis. In the U.S., the Fed loosened monetary policy drastically, essentially conducting a zero-interest-rate policy by the end of the year. At the start of 2008 the U.S. key rate had still been at 4.25 %. After some initial hesitation the European Central Bank followed suit and cut its key rate by a total of 175 basis points between last October and December, to 2.5 %. In addition, extensive bailout packages were assembled for the banking industry throughout the world in order to restore the liquidity of the money markets. Up to November 2008, the yields on ten-year U.S. Treasuries fluctuated between 3.5 % and 4 % before falling to nearly 2 % at year-end, as a consequence of the looming recession, the dramatic deceleration of inflation and the unbroken flight to quality due to investors' extreme risk aversion. German yields did not decline as noticeably as their U.S. counterparts, so by year-end 2008 the spread was about 85 basis points above the U.S. Treasuries. The persistent uncertainty triggered by the financial crisis was particularly palpable in the equity markets. By the end of the year, the DAX and the S&P 500 had dropped by nearly 40 % in value. The downturn picked up additional momentum following the collapse of a major U.S. investment bank in September 2008.

2008 was an exceptionally tough year for the banking sector. It was marked by the worst financial crisis in decades, which presented a serious risk to the global financial system. The world's governments and central banks responded with massive interventions, which considerably increased government influence on the banking sector.

Due to ever-increasing losses, especially from securitized loans, uncertainty about individual financial institutions' solvency remained high throughout last year, particularly from mid-September. As a consequence, growing doubts were raised about the capital adequacy of the entire banking industry. The bankruptcy of a major U.S. investment bank in the autumn finally triggered a fundamental reassessment of banks' solvency risk since in similar cases, previously, the financial industry and supervisory authorities had been able to come up with concerted rescue plans. Confidence in the stability of the banking sector as a whole was shaken dramatically, causing a downward spiral affecting other segments of the financial markets. Risk spreads reached unprecedented levels; market volumes slumped and correlations between asset classes altered drastically. The interbank market as well as the markets for bank debt and securitization almost came to a standstill, presenting a number of institutions with virtually irresolvable funding issues.

These banks had to take refuge with stronger competitors or the state, which again weakened trust among banks – and investors' confidence in the sector as a whole. Hence in most developed countries, national governments and central banks took exceptional steps to avert even more severe consequences, especially for the real economy. The financial sector stabilization programs mainly focused on ensuring the solvency and liquidity of banks, which usually involved strengthening the financial institutions' equity capital and guaranteeing the issuance of new debt. Simultaneously, toward the end of the year, central banks succeeded to some extent in easing the situation in funding markets by slashing key interest rates and providing banks with almost unlimited liquidity.

While these measures somewhat stabilized the financial sector at the time, concern grew toward year-end with respect to the consequences of the economic downturn that was rapidly taking hold in many countries.

In the operating business, income from fees and commissions declined substantially due to the difficult environment in most capital market segments throughout the year. Trading income collapsed and even turned negative for a large proportion of banks. Net interest income was the only major source of revenue that by and large performed well, based on lower interest expenses and still fairly strong lending growth, particularly in Europe. This was, however, increasingly offset by the steep rise in loan loss provisions, where the trend of previous years continued. All in all, banks' profitability fell dramatically around the globe, and a considerable number of institutions had to report a net loss for the first time after years of what at times had been sizeable profit growth.

Summary of Business Performance

As a result of the dislocations in the financial markets, Deutsche Bank AG was one of the many institutions that had to make significant mark-downs on assets held for trading purposes, especially those relating to residential mortgage-backed securities, monoline insurers, commercial real estate loans and leveraged finance loans and loan commitments. The difficult market conditions deteriorated further in the fourth quarter following the collapse of a major U.S. investment bank. The Bank's trading activities were exposed to unprecedented levels of volatility, the break-down of correlations and the shift of relationships between asset classes, in extremely illiquid markets. This gave rise to significant trading losses in Equity Derivatives, Credit Trading (including proprietary trading activities) and Equity Proprietary Trading. The Bank's proprietary trading exposures were substantially reduced by year-end. Because the Bank was unable to completely unwind them due to the limited liquidity available in the market it remains exposed to a certain level of risk from these positions. A further consequence of the persistently low levels of liquidity was that the Bank altered its existing plans to sell or trade certain assets in the short term. In such cases, held for trading and held for sale assets were reclassified either as fixed assets or as receivables.

This downward pressure on earnings was partly offset by lower administrative expenses and by proceeds of € 3.5 billion from the liquidation of the fund for general banking risks. However, these positive factors could not completely compensate for the reduction in revenues and the Bank reported a net loss of € 2.2 billion for 2008.

The level of capital and reserves (excluding distributable profit) remained stable at € 20.6 billion. The Bank's capital was increased by € 2.2 billion in connection with the investment in Deutsche Postbank AG. The Bank continues to hold ample strategic cash reserves. In addition, it further improved the quality of its funding base during the year. The funding plans for 2009 include only a fraction of liquidity to be raised compared to amounts raised in 2008.

The Bank's solid capital position and its stable funding and liquidity base provide key supports in challenging times. Despite the loss reported for 2008, the Management Board remains optimistic about the Bank's future. The Management Board and the Supervisory Board will propose to the General Meeting a dividend payment of 50 euro cents per share.

Income Statement

Modest increase in net interest income

Net interest income rose slightly by € 218 million, or 2.8 %, to € 8.1 billion. This increase was attributable to higher interest income from investments in affiliated companies, which grew by € 1.6 billion to € 2.2 billion, and to higher income from profit-transfer and similar agreements, which increased by € 849 million to € 2.2 billion. Of this total, € 1.4 billion related to DB Capital Markets (Deutschland) GmbH, € 669 million was due to Deutsche Bank Privat- und Geschäftskunden AG and € 129 million was generated by DB Export-Leasing GmbH.

This development was partly offset by lower interest income from equities and fixed-income securities, which fell significantly year on year as a result of the market dislocations and the reduction of some trading activities. It was only partly compensated for by lower funding costs due to the central banks' sharp interest-rate cuts and by higher net interest income generated by the Bank's more stable businesses, such as Cash Management and Trade Finance.

Weaker net commission income

The Bank generated net commission income of € 4.8 billion, which was € 835 million, or 14.7 %, down from the high figure of the previous year. This decrease was largely attributable to lower commissions from securities business, especially the buying and selling of securities and the issuance and placement of equity shares, against the backdrop of lower volumes in the market. Commissions earned from mergers and acquisitions (M&A) declined as well. This business also saw a sharp year-on-year decline in the number of deals and, consequently, the global fee pool. Nonetheless, the Bank was involved in some of the most high-profile mergers and acquisitions of 2008 and remains one of the leading M&A houses in Europe and the Americas. The reduction in commission revenues was also due to lower income from services rendered for subsidiaries.

Sharp decline in net result from financial transactions

The Bank's trading businesses were significantly impacted by the extreme dislocations in the money and capital markets. In exceptionally challenging markets they incurred a trading loss of € 6.2 billion.

This development was shaped by the ongoing financial crisis, which required further write-downs to be made on residential mortgage-backed securities, monoline insurers, commercial real-estate loans and leveraged finance loans and loan commitments. The collapse of a major U.S. investment bank in September caused severe market dislocations, which deteriorated in the fourth quarter. This situation forced many market participants, including hedge funds, to unwind sizeable trading positions. This in turn led to higher volatility and correlations and to a significant shift in the relationships between trading positions and their hedging transactions. In this environment the Bank experienced significant losses in its Equity Derivatives business, in Credit Trading (including proprietary trading), and Equity Proprietary Trading of equities. The critical proprietary trading exposures were reduced by year-end, and two designated proprietary trading businesses were closed. Since the Bank was unable to completely unwind these positions due to the illiquidity of the markets, it remains exposed to a certain level of risk.

The aforementioned losses more than offset significant year-on-year revenue growth in the Bank's customer-oriented flow trading, especially in the foreign exchange, rates and money market businesses, where the Bank continued to expand its market share in an environment characterized by exceptionally high client trading volumes.

Lower staff expenses and operating costs

Staff expenses fell to € 4.7 billion, primarily owing to the significant decrease in performance-related compensation. This represented a year-on-year decline of one third, which also reflected lower compulsory social security contributions and expenses for pensions and other employee benefits, which decreased by € 0.3 billion. This decrease was partly offset by higher severance charges, in connection with the repositioning of some of the Bank's trading businesses.

The number of employees increased slightly by 351 (net) to 30,877.

The table below gives a geographical breakdown of our staff:

	Dec 31, 2008	Dec 31, 2007	Change
Germany	12,317	12,345	(28)
Europe excl. Germany	9,207	8,903	+ 304
Americas	2,027	2,072	(45)
Africa/Asia/Australia	7,326	7,206	+ 120
Total	**30,877**	**30,526**	**+ 351**

The increase in headcount was largely attributable to branches in the United Kingdom, Singapore and India, while our branches in China were merged to form a new subsidiary (DB China). Four new branches were opened abroad in Athens, Dubai, Pune and Shanghai.

The bank conducts its business through its branch office Frankfurt am Main which combines its domestic branches and 54 branches outside Germany.

Other administrative expenses fell by 5 % to € 4.5 billion. This decrease was primarily attributable to lower utilization of consultancy services and to a reduction in IT costs. Depreciation, amortization and write-downs of tangible and intangible assets amounted to € 257 million in 2008 (2007: € 226 million).

The balance of other operating income/expenses resulted in net income of € 182 million. The other operating income included a profit of € 1.5 billion from the merger of subsidiaries with Deutsche Bank AG. The other operating expenses primarily included losses and write-downs on loans held for sale.

Risk provisions increased

Risk provisions, which include write-downs of and value adjustments to claims and certain securities as well as additions to provisions for possible loan losses, rose sharply year on year. Additions to provisions for possible loan losses (net of amounts received from previous write-downs and the release of general value adjustments) amounted to € 595 million in 2008 compared to € 77 million in 2007. The Bank believes that it is well-equipped to meet future challenges in its lending business because of the high quality of its credit portfolio, its hedging strategies and its proactive credit risk management. The net provision of € 2.3 billion for securities of the liquidity reserve resulted primarily from losses on the valuation and sale of the Bank's own shares. Risk provisioning totaled € 2.9 billion in 2008 versus € 453 million in 2007.

Other income/expenses

Write-downs of and value adjustments to participating interests, investments in affiliated companies and securities treated as fixed assets totaled € 1.6 billion after being offset against income pursuant to Section 340c (2) German Commercial Code (HGB). This expense largely relates to value adjustments to investments in affiliated companies, which were written down to their fair value under the option available in HGB.

Liquidation of the fund for general banking risks

The exceptionally challenging environment in the global financial markets caused the Bank's profits for 2008 to plummet and clearly illustrated the specific risks to which banks are exposed in extreme market conditions. Therefore, the separately reported fund for general banking risks amounting to € 3.5 billion, which may be set up under HGB to cover the risks inherent to the banking industry, was liquidated. The proceeds from the liquidation of this fund were used to offset some of the Bank’s losses.

Taxes

Income tax benefit amounted to € 1.4 billion in 2008. The significant year-on-year decrease of € 3.2 billion resulted mainly from tax reimbursements due to tax loss carry backs and the recognition of net deferred tax assets in our foreign braches arising from the differences between commercial law and tax law.

Net loss

The Bank reported a net loss of € 2.2 billion for 2008, which was primarily attributable to the significant losses suffered by its trading activities.

Proposed appropriation of profit: dividend cut to 50 euro cents

Including the profit of € 113 million carried forward from 2007, the Bank's distributable profit amounts to € 310 million as of December 31, 2008. The Bank will propose to the Annual General Meeting that this distributable profit be appropriated to pay a dividend of 50 euro cents per share.

From the income statement of Deutsche Bank AG:

in € m.	2008	2007	Change in € m.	Change in %
Interest income[1]	35,155	38,841	(3,686)	(9.5)
Current income[2]	7,120	5,988	+ 1,132	+ 18.9
Total interest income	42,275	44,829	(2,554)	(5.7)
Interest expenses	34,153	36,925	(2,772)	(7.5)
Net interest income	**8,122**	**7,904**	**+ 218**	**+ 2.8**
Commission income	6,361	7,355	(994)	(13.5)
Commission expenses	1,530	1,689	(159)	(9.4)
Net commission income	**4,831**	**5,666**	**(835)**	**(14.7)**
Net result from financial transactions	**(6,201)**	**5,438**	**(11,639)**	
Wages and salaries	3,743	5,764	(2,021)	(35.1)
Compulsory social security contributions[3]	958	1,278	(320)	(25.0)
Staff expenses	4,701	7,042	(2,341)	(33.2)
Other administrative expenses[4]	4,702	4,920	(218)	(4.4)
Administrative expenses	**9,403**	**11,962**	**(2,559)**	**(21.4)**
Balance of other operating income/expenses	**182**	**(1,222)**	**+ 1,404**	
Risk provisioning	**2,938**	**453**	**+ 2,485**	
Operating profit	**(5,407)**	**5,371**	**(10,778)**	
Balance of other income/expenses	**(1,565)**	**(717)**	**(848)**	
Income from release of the fund for general banking risks	**3,475**	**–**	**+ 3,475**	
Net loss/Net income before taxes	**(3,497)**	**4,654**	**(8,151)**	
Taxes	(1,312)	1,897	(3,209)	
Net loss/Net income	**(2,185)**	**2,757**	**(4,942)**	
Profit carried forward from the previous year	113	94	+ 19	+ 20.2
	(2,072)	2,851	(4,923)	
Withdrawal from revenue reserves	**2,382**	**–**	**+ 2,382**	
– from reserve for own shares	2,382	–	+ 2,382	
– from other revenue reserves	–	–	–	
Allocations to revenue reserves	**–**	**464**	**(464)**	
– to reserve for own shares	–	244	(244)	
– to other revenue reserves	–	220	(220)	
Distributable profit	**310**	**2,387**	**(2,077)**	**(87.0)**

1 From lending and money market business, fixed-income securities and government-inscribed debt.
2 From equity shares and other variable-yield securities, participating interests, investments in affiliated companies (including profit and loss transfer agreements) and leasing business.
3 Including expenses for pensions and other employee benefits.
4 Including depreciation on tangible assets.

Balance Sheet

Total assets of Deutsche Bank AG amounted to € 2,250.7 billion on December 31, 2008. The growth in volume of € 460.0 billion, or 25.7 %, was primarily attributable to higher positive and negative fair values of derivative financial instruments, driven by the market conditions. These fair values are reported on a gross basis in other assets and other liabilities. If derivative exposures to the same counterparties are viewed on a netted basis, there was a significant lower increase in this position. Some of the Bank's other assets held for trading purposes were significantly reduced in 2008, especially securities and collateralized money market instruments (reverse repos).

Total credit extended

Having grown strongly by € 85.1 billion in 2007, total credit extended (excluding reverse repos and receivables arising from securities lending and securities spot deals) declined by € 9.0 billion, or 2.5 %, to € 351.0 billion in 2008. This decrease was attributable to partly offsetting trends: while the total credit extended to the Bank's own Group companies decreased by € 15.7 billion, lending to clients and banks grew by € 6.7 billion.

Credit totaling € 261.3 billion (decrease of € 44.9 billion) was extended to corporate and institutional customers, while loans to private and business clients reached to € 11.3 billion (up by € 5.7 billion); loans to banks, which are reported under total credit extended, increased by € 27.6 billion to € 69.7 billion.

The table below gives a break-down of the total credit extended (excluding reverse repos and receivables from securities lending and securities spot deals):

			Change	
in € bn.	Dec 31, 2008	Dec 31, 2007	in € bn.	in %
Claims on customers	**281.3**	**317.5**	**(36.2)**	**(11.4)**
with a residual period of				
up to 5 years[1]	253.7	290.5	(36.8)	(12.7)
over 5 years	27.6	27.0	+ 0.6	+ 2.2
Discounts[2]	**0.0**	**0.4**	**(0.4)**	**(99.6)**
Loans to banks	**69.7**	**42.1**	**+ 27.6**	**+ 65.6**
with a residual period of				
up to 5 years[1]	55.6	33.2	+ 22.4	+ 67.5
over 5 years	14.1	8.9	+ 5.2	+ 58.4
Total	**351.0**	**360.0**	**(9.0)**	**(2.5)**

1 Including those repayable on demand and those with an indefinite period.
2 Unless reported under receivables.

Receivables from banks (excluding loans) decreased by € 43.1 billion to € 172.1 billion, primarily as a result of the reduction in reverse repos and securities lending. € 64.2 billion of this total was attributable to the Bank's subsidiaries (increase of € 10.0 billion).

The total volume of reverse repos – including transactions concluded with customers – was significantly reduced by € 130.2 billion to € 108.1 billion.

Liabilities to banks decreased by € 127.8 billion to € 367.7 billion as a result of lower balances on accounts repayable on demand and short-term time deposits. They included deposits from subsidiaries which grew by € 2.2 billion to € 103.9 billion.

Securities

Holdings of securities were sharply reduced in response to the difficult situation prevailing in the financial markets: holdings of bonds and other fixed-income securities decreased by € 89.2 billion to € 141.3 billion, while holdings of equity shares and other variable-yield securities declined by € 59.4 billion to € 68.5 billion.

Participating interests

The shareholdings reported as participating interests increased by € 2.1 billion to € 3.0 billion. Additions to the portfolio of participating interests amounted to € 2.7 billion (including the acquisition of shares of Warwick Lane Investments B.V., London, and a capital increase at Hua Xia Bank Co. Ltd, Beijing), while sales and other disposals came totaled € 0.6 billion.

Investments in affiliated companies

Investments in affiliated companies decreased by € 1.3 billion to € 37.1 billion. The additions mainly relate to a capital contribution paid into DB Capital Markets (Deutschland) GmbH, Frankfurt. However, there were also disposals, primarily arising from the merger of Emathion GmbH, Frankfurt, and Ethemea GmbH, Frankfurt, with Deutsche Bank AG and from a capital repayment at DB Valoren S.à r.l., Luxembourg. Furthermore, investments in affiliated companies were written down to their fair value.

Own shares

The Annual General Meeting on May 29, 2008 adopted a resolution to launch a further share buyback program, which allows up to 10 % of our outstanding shares to be repurchased by October 31, 2009. This resolution was not utilized yet. The Bank now sold most of its own shares that were purchased under previous stock buyback programs. Together with its other holdings of trading securities, the Bank held a total of 8.2 million of its own shares on December 31, 2008 (December 31, 2007: 29.2 million).

Customer deposits

Customer deposits decreased by € 143.4 billion, or 27.6 %, to € 376.9 billion after having grown by € 126.6 billion in 2007. This decrease was largely attributable to deposits repayable on demand, which declined by € 32.4 billion, and to short-term time deposits with residual period of up to three months, which decreased by € 111.0 billion. By contrast, saving deposits continued to grow significantly by € 3.2 billion to € 8.3 billion, mainly due to attractive conditions for fixed-rate saving. Customer deposits included reverse repos of € 33.4 billion (decrease of € 65.4 billion compared to 2007).

Liabilities in certificate form fell by net € 8.4 billion to € 180.7 billion. While the volume of bonds and notes issued grew strongly by € 21.6 billion, the volume of money market instruments and other liabilities in certificate form was reduced by € 30.0 billion.

The table below gives a breakdown of the bank's liabilities:

			Change	
in € bn.	Dec 31, 2008	Dec 31, 2007	in € bn.	in %
Liabilities to banks	**367.7**	**495.5**	**– 127.8**	**– 25.8**
repayable on demand	199.2	286.1	– 86.9	– 30.4
with agreed period or notice period	168.5	209.4	– 40.9	– 19.5
Liabilities to customers	**376.9**	**520.3**	**– 143.4**	**– 27.6**
savings deposits	8.3	5.1	+ 3.2	+ 62.7
other liabilities				
repayable on demand	225.9	258.3	– 32.4	– 12.5
with agreed period or notice period	142.7	256.9	– 114.2	– 44.5
Liabilities in certificate form	**180.7**	**189.1**	**– 8.4**	**– 4.4**
bonds and notes issued	55.0	33.4	+ 21.6	+ 64.7
other liabilities in certificate form	125.7	155.7	– 30.0	– 19.3
(thereof: money market instruments)	(9.5)	(26.6)	(– 17.1)	(– 64.3)

Subordinated liabilities advanced by € 3.3 billion to € 17.0 billion owing to the greater investment of our foreign financing companies' issue proceeds.

Capital and reserves

The capital and reserves of Deutsche Bank AG (including its distributable profit of € 310 million) amounted to € 20.9 billion. € 2.4 billion was released from the reserve for the Bank's own shares following its reduction of holdings of own shares. In September 2008, the Bank's capital was increased by € 2.2 billion in connection with the investment in Deutsche Postbank AG. This capital increase excluded our shareholders' pre-emptive rights.

The Bank has utilized the option available under Section 2a of the German Banking Act (KWG) with respect to its regulatory capital and now only calculates this capital base for the Deutsche Bank Group (see pages 25 and 26).

Events after the Balance Sheet Date

Postbank. On January 14, 2009, Deutsche Bank AG and Deutsche Post AG agreed on an amended transaction structure for Deutsche Bank's acquisition of Deutsche Postbank AG shares based on the purchase price agreed in September 2008. The contract comprises three tranches and closed on February 25, 2009. As a first step, Deutsche Bank AG acquired 50 million Postbank shares – corresponding to a stake of 22.9 % – in a capital increase of 50 million Deutsche Bank shares against a contribution in kind excluding subscription rights. Therefore, upon closing of the new structure the Group’s Tier 1 capital consumption was reduced compared to the previous structure. The Deutsche Bank shares will be issued from authorized capital. As a result, Deutsche Post will acquire a shareholding of approximately 8 % in Deutsche Bank AG, over half of which it can dispose of from the end of April 2009, with the other half disposable from mid-June 2009. At closing, Deutsche Bank AG acquired mandatory exchangeable bonds issued by Deutsche Post. After three years, these bonds will be exchanged for 60 million Postbank shares, or a 27.4 % stake. Put and call options are in place for the remaining 26.4 million shares, equal to a 12.1 % stake in Deutsche Postbank. In addition, Deutsche Bank AG paid cash collateral of € 1.1 billion for the options which are exercisable between the 36th and 48th month after closing.

Cosmopolitan Resort and Casino. The Group's holding of the Cosmopolitan Resort and Casino, which is classified as investment property under construction in Premises and Equipment, had a carrying value as of December 31, 2008 of € 1.1 billion. This property is held by a subsidiary and is financed via a loan from Deutsche Bank AG. In the first quarter of 2009, there was evidence of a significant deterioration of condominium, hotel and casino market conditions in Las Vegas. In light of this market deterioration, the Bank is currently considering various alternatives for the development of this project. The recoverable value of the asset is dependent on the developing market conditions and the course of action taken by the Bank. As a result it is possible that a significant impairment to the carrying value of the property may be required in 2009 but this amount cannot be reliably quantified at this time.

Compensation Report

The Compensation Report explains the principles applied in determining the compensation of the members of the Management Board and Supervisory Board of Deutsche Bank AG as well as the structure and amount of the Management Board and Supervisory Board members' compensation. This Compensation Report has been prepared in accordance with the requirements of Section 285 No. 9 of the German Commercial Code (HGB), German Accounting Standard (GAS) 17 "Reporting on Executive Body Remuneration", as well as the recommendations of the German Corporate Governance Code.

Principles of the Compensation System for Management Board Members

The Supervisory Board in plenum resolves the compensation system, including the main contract elements, for the members of the Management Board on the recommendation of the Chairman's Committee of the Supervisory Board and reviews the compensation system including the main contract elements regularly. The Chairman's Committee determines the details and size of the compensation for the members of the Management Board.

For the 2008 financial year, the members of the Management Board received compensation for their service on the Management Board in a total amount of € 4,476,684 (2007: € 33,182,395). This aggregate compensation consisted of the following components (for 2007 financial year primarily performance-related):

in €	2008	2007
Non-performance-related components:		
Salary	3,950,000	3,883,333
Other benefits	526,684	466,977
Performance-related components:		
without long-term incentives	–	17,360,731
with long-term incentives	–	11,471,354
Total compensation	**4,476,684**	**33,182,395**

Figures relate to Management Board members active in the respective financial year.

We have entered into service agreements with members of our Management Board. These agreements established the following principal elements of compensation:

Non-Performance-Related Components. The non-performance-related components comprise the salary and other benefits.

The members of the Management Board receive a salary which is determined on the basis of an analysis of salaries paid to executive directors at a selected group of comparable international companies. The salary is disbursed in monthly installments.

Other benefits comprise reimbursement of taxable expenses and the monetary value of non-cash benefits such as company cars and driver services, insurance premiums, expenses for company-related social functions and security measures, including payments, if applicable, of taxes on these benefits.

Performance-Related Components. The performance-related components comprise a cash bonus payment and the mid-term incentive ("MTI"). The annual cash bonus payment is based primarily on the achievement of our planned return on equity. As further part of the variable compensation, Management Board members receive a performance-related mid-term incentive which reflects, for a rolling two year period, the ratio between our total shareholder return and the corresponding average figure for a selected group of comparable companies. The MTI payment consists of a cash payment (approximately one third) and equity-based compensation elements (approximately two thirds), which contain long-term risk components, which are discussed in the following paragraph.

Components with Long-Term Incentives. As part of their mid-term incentives, members of the Management Board receive equity-based compensation elements (DB Equity Units) under the DB Global Partnership Plan. The ultimate value of the equity-based compensation elements of the members of the Management Board will depend on the price of Deutsche Bank shares upon their delivery, so that these have a long-term incentive effect.

For further information on the terms of our DB Global Partnership Plan, pursuant to which these equity rights (DB Equity Units) are issued, see Note [31] to the consolidated financial statements.

Management Board Compensation

The Management Board members active in 2008 have irrevocably waived any entitlements to payment of variable compensation (bonus and MTI) for the 2008 financial year. They received the following compensation components for their service on the Management Board for the years 2008 and 2007:

Members of the Management Board		Non-performance-related components		Performance-related components		Total compensation
in €		Salary	Other benefits	without long-term incentives	with long-term incentives[1]	
Dr. Josef Ackermann	2008	1,150,000	239,586	–	–	1,389,586
	2007	1,150,000	151,517	8,148,725	4,531,250	13,981,492
Dr. Hugo Bänziger	2008	800,000	62,160	–	–	862,160
	2007	800,000	73,451	2,713,368	2,031,250	5,618,069
Anthony Di Iorio[2]	2008	600,000	24,739	–	–	624,739
	2007	800,000	50,806	2,713,368	2,031,250	5,595,424
Stefan Krause[3]	2008	600,000	107,306	–	–	707,306
	2007	–	–	–	–	–
Hermann-Josef Lamberti	2008	800,000	92,893	–	–	892,893
	2007	800,000	130,058	2,713,368	2,031,250	5,674,676

1 The number of DB Equity Units granted in 2008 for the year 2007 to each member was determined by dividing such euro amounts by € 76.47, the average Xetra closing price of the DB share during the last 10 trading days prior to February 5, 2008. As a result, the number of DB Equity Units granted to each member was as follows: Dr. Ackermann: 59,255, Dr. Bänziger: 26,562, Mr. Di Iorio: 26,562, and Mr. Lamberti: 26,562.

2 Member of the Management Board until September 30, 2008.

3 Member of the Management Board since April 1, 2008.

Management Board members did not receive any compensation for mandates on boards of our Group’s own companies.

The active members of the Management Board are entitled to a contribution-oriented pension plan which in its structure corresponds to the general pension plan for our employees. Under this contribution-oriented pension plan, a personal pension account has been set up for each member of the Management Board. A contribution is made annually by us into this pension account. This annual contribution is calculated using an individual contribution rate on the basis of each member’s base salary and bonus up to a defined ceiling and accrues advance interest, determined by means of an age-related factor, at an average rate of 6 % up to the age of 60. From the age of 61 on, the pension account is credited with an annual interest payment of 6 % up to the date of retirement. The annual payments, taken together, form the pension amount which is available to pay the future pension benefit. The pension may fall due for payment after a member has left the Management Board, but before a pension event (age limit, disability or death) has occurred. The pension right is vested from the start.

In 2008, service cost for the aforementioned pensions was € 317,893 for Dr. Ackermann, € 429,167 for Dr. Bänziger, € 239,973 for Mr. Di Iorio, € 100,691 for Mr. Krause and € 273,192 for Mr. Lamberti. In 2007, service cost for the aforementioned pensions was € 354,291 for Dr. Ackermann, € 501,906 for Dr. Bänziger, € 345,271 for Mr. Di Iorio, € 0 for Mr. Krause (was appointed in 2008 only) and € 307,905 for Mr. Lamberti.

As of December 31, 2008, the pension accounts of the current Management Board members had the following balances: € 4,098,838 for Dr. Ackermann, € 1,379,668 for Dr. Bänziger, € 216,000 for Mr. Krause and € 4,166,174 for Mr. Lamberti. As of December 31, 2007, the pension accounts had the following balances: € 3,782,588 for Dr. Ackermann, € 785,668 for Dr. Bänziger, € 0 for Mr. Krause (was appointed in 2008 only) and € 3,770,174 for

Mr. Lamberti. The different sizes of the balances are due to the different length of services on the Management Board, the respective age-related factors, the different contribution rates and the individual pensionable compensation amounts. Dr. Ackermann and Mr. Lamberti are also entitled, in principle, after they have left the Management Board, to a monthly pension payment of € 29,400 each under a discharged prior pension entitlement.

If a current Management Board member, whose appointment was in effect at the beginning of 2008, leaves office, he is entitled, for a period of six months, to a transition payment. Exceptions to this arrangement exist where, for instance, the Management Board member gives cause for summary dismissal. The transition payment a Management Board member would have received over this six months period, if he had left on December 31, 2008 or on December 31, 2007, was for Dr. Ackermann € 2,825,000 and for each of Dr. Bänziger and Mr. Lamberti € 1,150,000.

If a current Management Board member, whose appointment was in effect at the beginning of 2006, leaves office after reaching the age of 60, he is subsequently entitled, in principle, directly after the end of the six-month transition period, to payment of first 75 % and then 50 % of the sum of his salary and last target bonus, each for a period of 24 months. This payment ends no later than six months after the end of the Annual General Meeting in the year in which the Board member reaches his 65th birthday.

Pursuant to the service agreements concluded with each of the Management Board members, they are entitled to receive a severance payment upon a premature termination of their appointment at our initiative, without us having been entitled to revoke the appointment or give notice under the service agreement for cause. The severance payment will be fixed by the Chairman’s Committee according to its reasonable discretion and, as a rule, will not exceed the lesser of two annual compensation amounts and the claims to compensation for the remaining term of the contract (compensation calculated on the basis of the annual compensation (salary, bonus and MTI) for the previous financial year).

If a Management Board member’s departure is in connection with a change of control, he is entitled to a severance payment. The severance payment will be fixed by the Chairman’s Committee according to its reasonable discretion and, as a rule, will not exceed the lesser of three annual compensation amounts and the claims to compensation for the remaining term of the contract (compensation calculated on the basis of the annual compensation (salary, bonus and MTI) for the previous financial year).

Management Board Share Ownership

As of February 27, 2009 and February 29, 2008, respectively, the current members of our Management Board held the following numbers of our shares and DB Equity Units:

Members of the Management Board		Number of shares	Number of DB Equity Units[1]
Dr. Josef Ackermann	2009	334,577	133,789
	2008	275,421	192,945
Dr. Hugo Bänziger	2009	24,101	77,441
	2008	31,219	103,881
Stefan Krause	2009	–	–
	2008	–	–
Hermann-Josef Lamberti	2009	88,373	59,973
	2008	74,445	86,491
Total	**2009**	**447,051**	**271,203**
Total	2008	381,085	383,317

1 Including the Restricted Equity Units Dr. Bänziger received in connection with his employment by us prior to his appointment as member of the Management Board. The DB Equity Units and Restricted Equity Units listed in the table have different vesting and allocation dates. As a result, the last equity rights will mature and be allocated on August 1, 2011.

The current members of our Management Board held an aggregate of 447,051 of our shares on February 27, 2009, amounting to approximately 0.08 % of our shares issued on that date. They held an aggregate of 381,085 of our shares on February 29, 2008, amounting to approximately 0.07 % of our shares issued on that date.

In 2008, compensation expense for long-term incentive components of compensation granted for their service in prior years on the Management Board was € 3,368,011 for Dr. Ackermann, € 1,103,939 for Dr. Bänziger, € 2,143,050 for Mr. Di Iorio and € 1,509,798 for Mr. Lamberti. In 2007, the corresponding compensation expense for these components was € 3,199,221 for Dr. Ackermann, € 403,758 for Dr. Bänziger, € 403,758 for Mr. Di Iorio and € 1,434,133 for Mr. Lamberti. Mr. Krause joined the Management Board only in April 2008 and no expense was therefore recognized for long-term incentives granted for service on the Management Board in 2008.

For more information on DB Equity Units, which are granted under the DB Global Partnership Plan, see Note [31] to the consolidated financial statements.

Principles of the Compensation System for Supervisory Board members

The principles of the compensation of the Supervisory Board members are set forth in our Articles of Association, which our shareholders amend from time to time at their annual meetings. Such compensation provisions were last amended at our Annual General Meeting on May 24, 2007.

The following provisions apply to the 2008 financial year: compensation consists of a fixed compensation of € 60,000 per year and a dividend-based bonus of € 100 per year for every full or fractional € 0.01 increment by which the dividend we distribute to our shareholders exceeds € 1.00 per share. The members of the Supervisory Board also receive annual remuneration linked to our long-term profits in the amount of € 100 each for each € 0.01 by which the average earnings per share (diluted), reported in our financial statements in accordance with the accounting principles to be applied in each case on the basis of the net income figures for the three previous financial years, exceed the amount of € 4.00.

These amounts increase by 100 % for each membership in a committee of the Supervisory Board. For the chairperson of a committee the rate of increment is 200 %. These provisions do not apply to the Mediation Committee formed pursuant to Section 27 (3) of the Co-determination Act. We pay the Supervisory Board Chairman four times the total compensation of a regular member, without any such increment for committee work, and we pay his deputy one and a half times the total compensation of a regular member. In addition, the members of the Supervisory Board receive a meeting fee of € 1,000 for each Supervisory Board and committee meeting in which they attend. Furthermore, in our interest, the members of the Supervisory Board will be included in any financial liability insurance policy held in an appropriate amount by us, with the corresponding premiums being paid by us.

We also reimburse members of the Supervisory Board for all cash expenses and any value added tax (Umsatzsteuer, at present 19 %) they incur in connection with their roles as members of the Supervisory Board. Employee representatives on the Supervisory Board also continue to receive their employee benefits. For Supervisory Board members who served on the board for only part of the year, we pay a fraction of their total compensation based on the number of months they served, rounding up to whole months.

The members of the Nomination Committee, which has been newly formed after the Annual General Meeting 2008, waived all remuneration, including the meeting fee, for such Nomination Committee work for 2008 and the following years, as in the previous year.

Supervisory Board Compensation for fiscal year 2008

We compensate our Supervisory Board members after the end of each fiscal year. In January 2009, we paid each Supervisory Board member the fixed portion of their remuneration for their services in 2008 and their meeting fees. In addition, we would normally pay each Supervisory Board member a remuneration linked to our long-term performance as well as a dividend-based bonus, as described below. Due to the crisis in the financial markets, the Supervisory Board unanimously resolved to forgo any variable compensation for the financial year 2008. This waiver affects all current members of the Supervisory Board and includes the variable compensation as well as any additional variable remuneration for the Chairman of the Supervisory Board, the deputy chairperson of the Supervisory Board and all members of the committees as defined in Section 14 of our Articles of Association. This waiver was also adopted by all former members of the Supervisory Board, who, with effect from the Annual General Meeting of May 29, 2008, terminated their service on the Supervisory Board, and therefore still have a claim to remuneration for the first five months of the 2008 financial year. Accordingly, the Supervisory Board will receive a total remuneration of € 2,478,500 (2007: € 6,022,084).

Other Information

Information pursuant to Section 289 (4) of the German Commercial Code and explanatory report

Structure of the share capital

As of December 31, 2008, Deutsche Bank's issued share capital amounted to € 1,461,399,078.40 consisting of 570,859,015 ordinary shares without par value. The shares are fully paid up and in registered form. Each share confers one vote.

Restrictions on voting rights or the transfer of shares

Under Section 136 of the German Stock Corporation Act (AktG) the voting right of the affected shares is excluded by law. As far as the bank held own shares as of December 31, 2008 in its portfolio according to Section 71b AktG no rights could be exercised. We are not aware of any other restrictions on voting rights or the transfer of shares.

Shareholdings which exceed 10 % of the voting rights

The German Securities Trading Act (Wertpapierhandelsgesetz) requires any investor whose share of voting rights reaches, exceeds or falls below certain thresholds as the result of purchases, disposals or otherwise, to notify us and the German Federal Financial Supervisory Authority (BaFin) thereof. The lowest threshold is 3 %. We are not aware of any shareholder holding directly or indirectly 10 % or more of the voting rights.

Shares with special control rights

Shares which confer special control rights have not been issued.

System of control of any employee share scheme where the control rights are not exercised directly by the employees

The employees, who hold Deutsche Bank shares, exercise their control rights directly in accordance with applicable law and the Articles of Association (Satzung).

Rules governing the appointment and replacement of members of the Management Board

Pursuant to the German Stock Corporation Act (Section 84) and the Articles of Association of Deutsche Bank (Section 6) the members of the Management Board are appointed by the Supervisory Board. The number of Management Board members is determined by the Supervisory Board. According to the articles of Association, the Management Board has at least three members. The Supervisory Board may appoint one member of the Management Board as Chairperson of the Management Board. Members of the Management Board may be appointed for a maximum term of up to five years. They may be re-appointed or have their term extended for one or more terms of up to a maximum of five years each. The German Co-Determination Act (Mitbestimmungsgesetz; Section 31) requires a majority of at least two thirds of the members of the Supervisory Board to appoint members of the Management Board. If such majority is not achieved, the Mediation Committee shall give, within one month, a recommendation for the appointment to the Management Board. The Supervisory Board will then appoint the members of the Management Board with the majority of its members. If such appointment fails, the Chairperson of the Supervisory Board shall have two votes in a new vote. If a required member of the Management Board has not been appointed, the Local

Court (Amtsgericht) in Frankfurt am Main shall, in urgent cases, make the necessary appointments upon motion by any party concerned (Section 85 AktG).

Pursuant to the German Banking Act (Kreditwesengesetz) evidence must be provided to the Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank that the member of the Management Board has adequate theoretical and practical experience of the businesses of the Bank as well as managerial experience before the member is appointed (Sections 24 (1) No. 1 and 33 (2) of the German Banking Act (KWG)).

The Supervisory Board may revoke the appointment of an individual as member of the Management Board or as Chairperson of the Management Board for good cause. Such cause includes in particular a gross breach of duties, the inability to manage the Bank properly or a vote of no-confidence by the General Meeting, unless such vote of no-confidence was made for obviously arbitrary reasons.

If the discharge of a bank's obligations to its creditors is endangered or if there are valid concerns that effective supervision of the bank is not possible, the BaFin may take temporary measures to avert that risk. It may also prohibit members of the Management Board from carrying out their activities or impose limitations on such activities (Section 46 (1) KWG). In such case, the Local Court Frankfurt am Main shall, at the request of the BaFin appoint the necessary members of the Management Board, if, as a result of such prohibition, the Management Board does no longer have the necessary number of members in order to conduct the business (Section 46 (2) KWG).

Rules governing the amendment of the Articles of Association

Any amendment of the Articles of Association requires a resolution of the General Meeting (Section 179 AktG). The authority to amend the Articles of Association in so far as such amendments merely relate to the wording, such as changes of the share capital as a result of the issuance of authorized capital, has been assigned to the Supervisory Board by the Articles of Association of Deutsche Bank (Section 20 (3)). Pursuant to the Articles of Association, the resolutions of the General Meeting are taken by a simple majority of votes and, in so far as a majority of capital stock is required, by a simple majority of capital stock, except where law or the Articles of Association determine otherwise (Section 20 (1)). Amendments to the Articles of Association become effective upon their entry in the Commercial Register (Section 181 (3) AktG).

Powers of the Management Board to issue or buy back shares

Deutsche Bank's share capital may be increased by issuing new shares for cash and in some circumstances for noncash consideration. As of December 31, 2008, Deutsche Bank had authorized but unissued capital of € 308,600,000 which may be issued at various dates through April 30, 2012 as follows. Further details are governed by Section 4 of the Articles of Association.

Authorized capital	Expiration date
€ 150,000,000	April 30, 2009
€ 128,000,000[1]	April 30, 2011
€ 30,600,000	April 30, 2012

1 Capital increase may be affected for noncash contributions with the intent of acquiring a company or holdings in companies.

The Annual General Meeting on May 29, 2008 authorized the Management Board to increase the share capital by up to a total of € 140,000,000 against cash payment or contributions in kind. This additional authorized capital is subject of an ongoing lawsuit (summary proceeding according to Section 246a AktG), not yet entered into the Commercial Register and thereby has not yet become effective. The expiration date will be April 30, 2013.

The Annual General Meeting on June 2, 2004 authorized the Management Board to issue once or more than once, bearer or registered participatory notes with bearer warrants and/or convertible participatory notes, bonds with warrants, and/or convertible bonds on or before April 30, 2009. For this purpose share capital was increased conditionally by up to € 150,000,000.

The Annual General Meeting on May 29, 2008 authorized the Management Board to issue once or more than once, bearer or registered participatory notes with bearer warrants and/or convertible participatory notes, bonds with warrants, and/or convertible bonds on or before April 30, 2013. For this purpose share capital was increased conditionally by up to € 150,000,000. This conditional capital as well has not yet been entered into the Commercial Register and thereby has not yet become effective.

The Annual General Meeting of May 29, 2008 authorized the Management Board pursuant to Section 71 (1) No. 7 AktG to buy and sell, for the purpose of securities trading, own shares of Deutsche Bank AG on or before October 31, 2009, at prices which do not exceed or fall short of the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the respective three preceding stock exchange trading days by more than 10 %. In this context, the shares acquired for this purpose may not, at the end of any day, exceed 5 % of the share capital of Deutsche Bank AG.

The Annual General Meeting of May 29, 2008 authorized the Management Board pursuant to Section 71 (1) No. 8 AktG to buy, on or before October 31, 2009, own shares of Deutsche Bank AG in a total volume of up to 10 % of the present share capital. Together with own shares acquired for trading purposes and/or for other reasons and which are from time to time in the company's possession or attributable to the company pursuant to Sections 71a sq. AktG, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the company's share capital. The own shares may be bought through the stock exchange or by means of a public purchase offer to all shareholders. The countervalue for the purchase of shares (excluding ancillary purchase costs) through the stock exchange may not be more than 10 % higher or more than 20 % lower than the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the obligation to purchase. In the case of a public purchase offer, it may not be more than 15 % higher or more than 10 % lower than the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the day of publication of the offer. If the volume of shares offered in a public purchase offer exceeds the planned buyback volume, acceptance must be in proportion to the shares offered in each case. The preferred acceptance of small quantities of up to 50 of the company's shares offered for purchase per shareholder may be provided for.

The Management Board has also been authorized to dispose, with the Supervisory Board's consent, of the purchased shares and of any shares purchased on the basis of previous authorizations pursuant to Section 71 (1) No. 8 AktG in a way other than through the stock exchange or by an offer to all shareholders, provided this is done against contribution in kind and excluding shareholders’ pre-emptive rights for the purpose of acquiring companies or shareholdings in companies. In addition, the Management Board is authorized, in case it disposes of acquired own shares by offer to all shareholders, to grant to the holders of the warrants, convertible bonds and convertible participatory rights issued by the company pre-emptive rights to the extent that they would be entitled to such rights if they exercised their option and/or conversion rights. Shareholders’ pre-emptive rights are excluded for these cases and to this extent. The Management Board has also been authorized to exclude shareholders’ pre-emptive rights in so far as the shares are to be used for the issue of staff shares to employees and retired employees of the company and of companies related to it, or in so far as they are to be used to service option rights on and/or rights or duties to purchase shares of the company granted to employees of the company and of companies related to it.

Furthermore, the Management Board has been authorized to sell the shares to third parties against cash payment with the exclusion of shareholders’ pre-emptive rights if the purchase price is not substantially lower than the price of the shares on the stock exchange at the time of sale. Use may only be made of this authorization if it has been ensured that the number of shares sold on the basis of this authorization together with shares issued from authorized capital with the exclusion of shareholders’ pre-emptive rights pursuant to Section 186 (3) sentence 4 AktG does not exceed 10 % of the company’s share capital at the time of the issue and/or sale of shares.

The Management Board has also been authorized to cancel shares acquired on the basis of this authorization without the execution of this cancellation process requiring a further resolution by the General Meeting.

The Annual General Meeting of May 29, 2008 authorized the Management Board pursuant to Section 71 (1) No. 8 AktG to execute the purchase of shares under the resolved authorization also with the use of put and call options. The company may accordingly sell to third parties put options based on physical delivery and buy call options from third parties if it is ensured by the option conditions that these options are fulfilled only with shares which themselves were acquired subject to compliance with the principle of equal treatment. All share purchases based on put or call options are limited to shares in a maximum volume of 5 % of the actual share capital at the time of the resolution by the General Meeting on this authorization. The maturities of the options must end no later than on October 31, 2009.

The purchase price to be paid for the shares upon exercise of the options may not exceed by more than 10 % or fall short by more than 10 % of the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before conclusion of the respective option transaction in each case excluding ancillary purchase costs, but taking into account the option premium received or paid.

To the sale and cancellation of shares acquired with the use of derivatives the general rules established by the General Meeting apply.

Significant agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid

Significant agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid have not been entered into.

Agreements for compensation in case of a takeover bid

If a member of the Management Board leaves the bank within the scope of a change of control, he receives a one-off compensation payment described in greater detail in the preceding Compensation Report.

If the employment relationship with certain executives with global or strategically important responsibility is terminated within a defined period within the scope of a change of control, without a reason for which the executives are responsible, or if these executives terminate their employment relationship because the company has taken certain measures leading to reduced responsibilities, the executives are entitled to a severance payment. The calculation of the severance payment is, in principle, based on 1.5 times to 2.5 times the total annual remuneration (base salary as well as variable – cash and equity-based – compensation) granted before change of control. Here, the development of total remuneration in the three calendar years before change of control is taken into consideration accordingly.

Risk Report

Risk and Capital Management

The wide variety of the businesses requires to identify, measure, aggregate and manage the risks effectively, and to allocate the capital among the businesses appropriately. The importance of a strong focus on risk management and the continuous need to refine risk management practice has become particularly evident during the financial market crisis that began in 2007 and continues through the date of this report. While Deutsche Bank's risk and capital management continuously evolves and improves there can be no assurance that all market developments, in particular those of extreme nature, can be fully anticipated at all times.

Types of risk

Deutsche Bank AG is exposed to a variety of risks, amongst them credit, market, liquidity, operational, reputational and business risks.

The risks of Deutsche Bank AG within the Group network

The impact of the above risks on Deutsche Bank AG cannot be isolated from the effects on Deutsche Bank's other separate legal entities. There are several reasons for this:

— The Group's internal structure according to Group Divisions is determined by its customers' needs, in other words by the framework dictated by the market. The external legal structure is determined by local legislation and therefore does not necessarily follow the internal structure. For example, local legislation can determine whether the Group's business in a certain country is conducted by a branch of Deutsche Bank AG or by a separate subsidiary. However, the management has to monitor the risks in the bank's business – irrespective of whether it is transacted by a branch or a subsidiary.

— Adequate risk monitoring and management requires knowledge of the extent to which the Group's profit situation depends on the development of certain risk factors, i.e. on the creditworthiness of individual customers or securities issuers or on movements in market prices. The respective exposures therefore need to be analyzed across legal entities. Especially for the credit risk attached to a borrower, it is fairly irrelevant whether the credit exposure to a company is spread over several Group companies or concentrated on Deutsche Bank AG. Separate monitoring of the risk affecting Deutsche Bank AG alone would neglect the potential hazard facing the Group and, indirectly, Deutsche Bank AG – as the parent – if the company became insolvent.

— Individual risk factors are sometimes correlated, and in some cases they operate independently of each other. If estimates of the nature and extent of this correlation are available, the Group's management can greatly reduce the overall risk by diversifying its businesses across customer groups, issuers and countries. The risk correlation is also independent of the Group's legal and divisional structure. The management can therefore only optimize the risk-mitigating effects of diversification if it manages them Group-wide and across legal entities.

Risk management of Deutsche Bank AG within the Group network

For the reasons mentioned, the identification, monitoring and management of all risks in Deutsche Bank AG are integrated into the Group-wide risk management process. It goes without saying that Deutsche Bank AG complies with all legal and regulatory requirements. For a more detailed discussion about the risk management within the Group network see the Group's risk report in the Group's Annual Report.

Risk management organization

The Management Board provides overall risk and capital management oversight for the consolidated Group as a whole. The Chief Risk Officer, who is a member of the Management Board, is responsible for the credit, market, liquidity, operational, legal, business and reputational risk management as well as capital management activities within the consolidated Group. He also heads the integrated legal, risk & capital function. Two functional committees are central to the legal, risk & capital function. The Capital and Risk Committee is chaired by the Chief Risk Officer, with the Chief Financial Officer being Vice-Chairman. The responsibilities of the Capital and Risk Committee include risk profile and capital planning, capital capacity monitoring and optimization of funding. Additionally, the Chief Risk Officer chairs the Risk Executive Committee, which is responsible for the management and control of the aforementioned risks across the consolidated Group.

Risk management tools

Deutsche Bank uses a comprehensive range of quantitative tools and metrics for monitoring and managing risks. Some of these tools are common to a number of risk categories, while others are tailored to the particular features of specific risk categories. These quantitative tools and metrics generate amongst others the following kinds of information:

— Information that quantifies the susceptibility of the market value of single positions or portfolios to changes in market parameters (commonly referred to as sensitivity analysis).
— Information that measures aggregate risk using statistical techniques, taking into account the interdependencies and correlations between individual risks.
— Information that quantifies exposures to losses that could arise from extreme movements in market prices or rates, using scenario analysis to simulate crisis situations.

Deutsche Bank's policies and risk limits are aligned with such quantitative tools and metrics across the Group Divisions to effectively manage risks.

Information on the types of Risk

The following sections give information on the types of risk.

Credit risk

Credit risk arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor and becomes manifest if counterparties fail to meet contractual payment obligations. All Group Divisions of Deutsche Bank AG assume credit risk. Group credit risk is managed via the Risk Executive Committee and those responsible for risk management in the Group Divisions.

Credit risk also occurs when the bank underwrites large commitments with the intention to sell down or distribute most of the risk to third parties. These commitments include the undertaking to fund bank loans and to provide bridge loans for the issuance of public bonds. The sell down or distribution is, under normal market conditions, typically accomplished within 90 days after the closing date. However, due to the continued market dislocation in 2008 the bank experienced further delays in distribution of the loan and bond commitments in the respective businesses. The largest distribution risk of Deutsche Bank during 2008 related to the businesses of Leveraged Finance and Real Estate (specifically, commercial mortgages), business areas in which the bank experienced significant losses during 2008.

Market risk

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility. Deutsche Bank assumes market risk in both trading and nontrading activities. The bank uses a combination of risk sensitivities, value-at-risk, stress testing and economic capital metrics to manage market risks and establish limits. Economic capital is the metric that is used to describe and aggregate all market risks, both in trading and nontrading portfolios. The trading market risk of the Group is managed by the Risk Executive Committee and those responsible for market risk management in the Group Divisions. We make use of a comprehensive risk limit structure by Business Division and region which is determined mainly by Market Risk Management. The Capital and Risk Committee supervises the nontrading asset activities and is supported in this function by a dedicated Investment & Asset Risk Management team.

While value-at-risk, calculated on a daily basis, supplies forecasts for potential large losses under normal market conditions, it is not adequate to measure the tail risks of the portfolios. The bank therefore also performs regular stress tests in which the bank values their trading portfolios under severe market scenarios not covered by the confidence interval of the value-at-risk model.

These stress tests form the basis of the bank's assessment of the economic capital that Deutsche Bank estimates is needed to cover the market risk in the positions. The development of the economic capital methodology is governed by the Regulatory Capital Steering Committee, which is chaired by the Chief Risk Officer.

Deutsche Bank derives the scenarios from historically observed severe shocks in those risk factors, augmented by subjective assessments where only limited historical data are available, or where market developments are viewed to make historical data a poor indicator of possible future market scenarios. During the course of 2008 these shocks were calibrated to reflect the market events experienced during 2007 and early 2008. Despite this recalibration, in several cases the scenarios used in the Economic Capital still underestimated the extreme market moves observed in the latter part of 2008 (for example the sharp moves in implied volatility observed in equity, interest rates and FX markets). Moreover, the liquidity assumption used did not adequately predict the rapid market developments of that period that severely impacted the ability to reduce risk by unwinding positions in the market or to dynamically hedge the derivative portfolios (for example severe illiquidity observed in convertible bond, loan and credit derivative markets).

As a result of these observations and in light of the losses realizing from extreme market movements – as seen in 2008 – Deutsche Bank is currently repeating the recalibration process to capture the most recent market moves observed in late 2008.

Liquidity risk

Liquidity risk is the risk arising from the bank's potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. Liquidity risk management is the responsibility of Treasury. It is based on the analysis of all cash flows by business division, product, currency and location. The management process includes monitoring and limiting of aggregated cash outflows and funding. Diversification effects and customer concentration are observed. The bank's liquidity position is subject to stress testing and scenario analysis to evaluate the impact of sudden stress events. The scenarios are based on historic events, case studies of liquidity crises and models using hypothetical events. Also incorporated are new liquidity risk drivers revealed by the financial markets crisis: prolonged term money-market freeze, collateral repudiation, nonfungibility of currencies and stranded syndications.

Operational risk

Operational Risk is the potential for incurring losses in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, projects, external influences and customer relationships. Operational Risk Management is an independent risk management function within Deutsche Bank. The Global Head of Operational Risk Management is a member of the Risk Executive Committee and reports to the Chief Risk Officer. The Operational Risk Management Committee, which is a permanent sub-committee of the Risk Executive Committee, is the main decision making committee for all operational risk matters. Operational Risk Management is responsible for defining the operational risk framework and related policies and provides the risk management toolset to the Business Divisions which are responsible for implementing the framework as well as the day-to-day operational risk management. This business partnership model ensures close monitoring and high awareness of operational risk.

Reputational risk

Within the risk management processes, reputational risk is defined as the threat that publicity concerning a transaction, counterparty or business practice involving a client will negatively impact the public's trust in Deutsche Bank's organization. The Group Reputational Risk Committee, which is an official sub-committee of the Risk Executive Committee, reviews and makes final determinations on all reputational risk issues, where escalation of such issues is deemed necessary by senior business and regional management, or required under other Group policies and procedures.

Business risk

Business risk describes the risk we assume due to potential changes in general business conditions, such as market environment, client behavior and technological progress. This can affect the earnings if Deutsche Bank fails to adjust quickly to these changing conditions.

Figures prescribed by the regulatory authority

With the 7th KWG-amendment coming into effect at the beginning of 2007 the bank made use of the contingency in Section 2a (6) KWG to abstain from the calculation of the Grundsatz I (solvability) and other regulatory requirements for the Deutsche Bank AG. The regulatory assessment of the solvability and hence the risk-bearing capacity is carried out at Deutsche Bank Group level. Beginning in 2008, Deutsche Bank calculated and published consolidated capital ratios pursuant to the German Banking Act and the Solvency regulation ("Solvabilitätsverordnung"), which adopted the revised capital framework of the Basel Committee from 2004 ("Basel II") into German law. Until the end of 2007, Deutsche Bank published consolidated capital ratios based on the Basel I framework. The amounts presented for 2007 are based on the Basel I framework and thus calculated on a non-comparative basis. The measures to assess the solvency are the risk position and the regulatory capital.

Risk position

The risk position comprises the total risk calculated according to regulatory regulations. In the calculation of the risk position the Group uses BaFin approved internal models for all three risk types. More than 90 % of the Group's exposure relating to asset and off-balance sheet credit risks is measured using internal rating models under the so-called advanced internal rating based approach ("advanced IRBA"). The Group's market risk component is a multiple of its value-at-risk figure, which is calculated for regulatory purposes based on the Group's internal models. These models were approved by the BaFin for use in determining the Group's market risk equivalent component of its risk position. The bank manages operational risk based on a Group-wide consistent framework in order to determine the operational risk profile in comparison to the bank's risk appetite and to define risk mitigating measures and priorities. During 2008 the bank has maintained approval by the BaFin to use the Advanced Measurement Approach (AMA).

The following table presents the risk position of the Deutsche Bank Group:

in € m.	Dec 31, 2008 Basel II	Dec 31, 2007 Basel I
Credit risk	247,611	314,845
Market risk	23,496	13,973
Operational risk	36,625	N/A
Total risk position	**307,732**	**328,818**

N/A not applicable

Regulatory Capital

The eligible regulatory capital to cover the risk position consists of core capital (Tier 1), supplementary capital (Tier 2) and Tier 3 capital and are for the Deutsche Bank Group as follows:

in € m. (except percentages)	Dec 31, 2008 Basel II	Dec 31, 2007 Basel I
Tier 1 capital	31,094	28,320
Tier 2 capital	6,302	9,729
Available Tier 3 capital	–	–
Total regulatory capital	**37,396**	**38,049**
Tier 1 capital ratio	10.1 %	8.6 %
Total capital ratio	12.2 %	11.6 %

The Group's total capital ratio was 12.2 % on December 31, 2008, significantly higher than the 8 % minimum required.

Basel II requires the deduction of goodwill from Tier 1 capital. However, for a transitional period the German Banking Act allows the partial inclusion of certain goodwill components in Tier 1 capital pursuant to German Banking Act Section 64h (3). While such goodwill components are not included in the regulatory capital and capital adequacy ratios shown above, the Group makes use of this transition rule in its capital adequacy reporting to the German regulatory authorities.

As of December 31, 2008, the transitional item amounted to € 971 million. In the Group's reporting to the German regulatory authorities, the Tier 1 capital, total regulatory capital and the total risk position shown above were increased by this amount. Correspondingly, the Group's reported Tier 1 and total capital ratios including this item were 10.4 % and 12.4 %, respectively, on December 31, 2008.

Failure to meet minimum capital requirements can result in orders and discretionary actions by the BaFin and other regulators that, if undertaken, could have a direct material effect on the Group's businesses. The Group complied with the regulatory capital adequacy requirements in 2008.

Outlook

The Global Economy

The global economy is currently experiencing its steepest decline in post-war history and is expected to suffer its first net decline since World War II in the current year, after having expanded by 3.5 % in 2008. The global economy may start to stabilize by year-end 2009 before returning to moderate growth in 2010.

The United States economy is the driver of the global contraction. After slipping into recession in early 2008, U.S. economic output appears set to contract by as much as 3 % in the course of the year, notwithstanding an economic stimulus package worth almost U.S.$ 800 billion and despite the Fed's zero-interest-rate policy. Only in 2010 is it likely to return to a growth trajectory, albeit much below its potential.

Emerging markets have been unable to decouple themselves from the United States economy's strong downturn. Growth in Asia will probably decline to below 4 % in 2009, less than half the rate of 2007. Latin America will likely stagnate and Eastern Europe may even shrink slightly in the current year.

The eurozone economies have followed the U.S. into recession. A noticeable improvement is unlikely before late 2009 or early 2010. Germany, with its pronounced dependence on exports, is hit particularly hard by the slump in global demand. We expect real Gross Domestic Product in Germany to shrink by 3.5 %, despite supportive factors including lower oil and commodity prices, the ECB's relaxation of monetary policy and the government's extensive economic stimulus packages. The German economy may see a slight recovery in 2010, with GDP growth of around 1 %.

Economic output in the eurozone as a whole is likely to experience a decline in 2009 of more or less the same magnitude as Germany's. While some member states of the eurozone are less dependent on foreign demand than Germany, corrections in the real estate markets of countries such as Spain, Ireland and the United Kingdom will likely weigh on the GDP growth of those nations.

Driven by oil and commodities prices, inflation reached multi-year highs in industrial countries during 2008. As the recession set in commodities prices declined steeply, substantially alleviating inflation pressures. In the U.S., consumer prices have already stagnated in year-on-year terms in January 2009 and could in fact fall by close to 1 % in 2009 on average. Core inflation, however, which excludes fuel and food prices, is likely to come in at around 1.5 %. Inflation may also temporarily turn negative in Germany in 2009.

Additional risks for the global economy could result from a heightening of geopolitical tensions, political instability, potential terrorist activities or regional outbreaks of armed conflict. A further deepening or substantial exacerbation of the financial crisis, particularly when combined with a failure of government intervention to control the impact, could result in significant disruptions in the financial sector, lead to the collapse of financial institutions, and cause the global economy to slide into a long-lasting economic depression.

The Banking Industry and Deutsche Bank

The outlook for the banking industry and for Deutsche Bank has been profoundly influenced by the financial crisis which began in 2007, and particularly by the events of the last quarter of 2008. During this quarter, financial markets underwent a period of exceptionally turbulent and difficult conditions. Following the insolvency of a large U.S. investment bank in September, capital markets faced conditions of acute stress, with interbank lending severely reduced, extreme illiquidity in credit and other markets, and exceptional volatility, including sharp falls, in major equity markets. These developments also put pressure on bank balance sheets, and their liquidity and funding arrangements. Central banks and governments intervened on a scale unprecedented in recent years, injecting liquidity in key markets and recapitalizing banks through direct equity stakes.

In 2009, very difficult conditions are likely to persist for the banking industry, although government and central bank interventions continue in an effort to stabilize the markets and restore confidence. The industry will likely face several significant challenges. Balance sheets will continue to face pressure from exposure to legacy problem assets, and from a deterioration of the credit environment as the crisis increasingly impacts the wider economy. Loan books will come under pressure from rising default rates as conditions deteriorate for both corporate and private customers. These and other factors will, in turn, put pressure on capital ratios. Revenues will be adversely impacted by softening demand from clients in some product areas as a result of slower economic activity, restrictions on credit availability, and wariness on the part of both private and institutional investors.

The banking industry will also face political, regulatory and organizational challenges. In 2008, the banking sector witnessed substantial consolidation and merger activity. This will likely result in significant upheavals from post-merger integration, restructurings, or internal reorganizations in the institutions concerned. Strategy, lending policy, profit distributions and executive compensation practices, among other areas, will also likely be influenced by increased government intervention, notably in those banks in which governments have taken direct shareholdings, and by the prospect of tighter regulation.

In 2010, some degree of recovery in the banking industry is foreseeable, driven by several factors: the impact of government and central bank measures to stabilize both financial markets and financial institutions; the gradual recovery of the global economy mentioned above, in part aided by the economic stimulus measures taken by governments around the world; corrective measures already taken or currently being taken by the banking industry itself; and a gradual stabilization of the real estate market in the U.S. and some other major economies. However, in some particular product areas, including certain illiquid, structured credit products and leveraged finance, market volumes are unlikely to return to the levels of 2006 and the first half of 2007. Ineffectiveness of the above-mentioned stimulative and corrective measures, or further deterioration of the global economy and financial markets despite these measures, would negatively impact the outlook for the banking industry.

Deutsche Bank

This environment will create substantial challenges for all Deutsche Bank's businesses, and these are described in detail below. In 2008, the Bank took significant steps to mitigate these challenges including strengthening capital ratios, reducing legacy trading-book exposures in key areas such as leveraged finance and commercial real estate, making reductions in non-derivative trading assets, reducing costs in certain areas, and maintaining a substantial funding base. All of these factors will likely contribute positively to the bank's financial strength in 2009. Reductions in balance sheet, while lowering risk profile, may entail some 'opportunity cost' in respect of 2009 revenues.

Continuing adverse market conditions may also affect revenues in Deutsche Bank's core businesses, thus creating the need for cost-saving measures in addition to those already implemented. Such cost-saving measures could potentially include headcount reductions, which could in turn create the need for severance or other related costs in the near term.

Deutsche Bank will also be affected by the political, regulatory and organizational challenges described above. In some areas, the impact on Deutsche Bank will be less than on some peers, since Deutsche Bank did not undergo major merger activity, nor did it receive direct government funds. Organizational disruptions from merger integration or restructuring at other banks, or restrictions placed on the activities of other banks which have received direct government aid, may therefore present an opportunity for Deutsche Bank to gain market share in key businesses, or to invest selectively in its business either by attracting new talent or by making bolt-on acquisitions, subject to managing its capital and key ratios in line with market conditions and requirements. Conversely, Deutsche Bank will be impacted by any future regulatory changes, and has already initiated a review of its compensation procedures.

If the global economy, financial markets, legal and regulatory environment, and competitive environment develop as foreseen, Deutsche Bank expects to return to profitability in 2009.

In 2010, Deutsche Bank is positioned to benefit from the above-mentioned positive impact of measures taken by governments and central banks to stabilize the global financial system and stimulate economic recovery in major industrialized nations. Deutsche Bank will also likely experience the benefit of measures taken by Deutsche Bank management in response to the financial crisis, which are discussed in detail elsewhere in this report. On the other hand, further deterioration of the global economy and/or financial markets, or ineffectiveness of the above-mentioned corrective and stimulative measures, would negatively impact the outlook for Deutsche Bank in 2010.

Corporate and Investment Banking

The investment banking business will face significant challenges in 2009. Capital markets will likely continue to be affected by illiquidity, volatility, and a lack of overall direction, all of which are likely to undermine investor sentiment. Investment banking revenue pools are likely to remain below pre-crisis levels. Certain highly structured, securitized or illiquid trading businesses, which were severely affected by the developments of 2008, are unlikely to return to their previous levels in the near term. By contrast, volumes in liquid, 'flow' trading products, such as foreign exchange or money market trading, have remained robust even in very difficult conditions. Business volumes in leveraged finance are also likely to continue at considerably lower levels than before the crisis began, and the reduced availability of financial leverage will impact M&A and buy-out activity, both in terms of transaction volume and the size of individual transactions. Commercial real estate activity is also likely to be substantially below pre-crisis levels. The level of IPO activity is likely to remain below that of 2006 and early 2007, given uncertain equity markets, although the corporate sector's need for recapitalization and restructuring advice is likely to be positive for demand.

This environment will present both challenges and opportunities for Deutsche Bank's trading businesses. In certain structured trading products, including securitizations and structured credit, revenues will be negatively impacted by the lower levels of market activity in these areas. Corporate finance activity will also likely be faced with lower market activity in primary market origination and M&A advisory. New activity in the leveraged finance and commercial real estate businesses will also likely remain significantly below pre-crisis levels. However, in sales and trading, Deutsche Bank's leadership position, as measured by revenues and industry surveys, in certain 'flow' trading businesses should benefit from continued solid volumes in these areas, while the need for recapitalization and restructuring advice on the part of corporate clients presents a revenue opportunity for the corporate finance business, both in advisory and secondary capital raisings. Deutsche Bank will also be positively impacted by a widening of margins in some trading products compared to pre-crisis levels, and has the opportunity to gain market share in the wake of recent consolidation activity, as some investment banking competitors restructure, reorganize, reduce their activity in or withdraw entirely from certain businesses.

The outlook for transaction banking will likely be influenced by both negative and positive factors. 2008 and 2009 have seen and will likely continue to see reductions in interest rates in the eurozone and other major economies, and this will adversely affect the outlook for net interest income. Exchange rate trends may also be unfavorable for transaction banking, while a more general economic slowdown in major markets will likely adversely impact international trade, and thus reduce the scope for growth in trade finance. On the other hand, stabilization of the U.S. economy, strengthening of the U.S. dollar and an upturn in U.S. interest rates would favorably impact the outlook for revenue generation, as would any stabilization of the housing market in the U.S.

Deutsche Bank's transaction banking business will likely be adversely impacted by the environmental challenges outlined above. Conversely, the outlook may be positively influenced by the sustained momentum of profitable growth and client acquisition in recent years, together with its leading position in major markets, which leaves it well-placed to attract new clients in challenging conditions. The business is positioned to benefit from expansion into new markets and increased penetration of the client base in existing core markets. Deutsche Bank is also well-positioned to leverage existing technologies in order to expand its offering to clients, and to penetrate client groups in the lower mid-cap segment. Developments in Deutsche Bank's product offering, such as 'FX4Cash' (a platform for high-volume, low value foreign exchange payments), contribute favorably to the outlook.

Private Clients and Asset Management

The outlook for the investment management business will be negatively influenced by several factors in 2009. The decline in equity market valuations during 2008, and lower market activity on the part of both private and institutional clients, will likely reduce revenues from performance fees and commissions, while the very difficult conditions for the hedge fund industry in the second half of 2008, together with declines in the real estate market in major economies around the world, will negatively impact the prospects for alternative investments. Infrastructure investments will likely come under pressure from slower domestic and international trade against the backdrop of a slower global economy. Revenues will likely also come under pressure if investors retreat to the perceived safety of cash or to simpler, lower-margin products. Conversely, the outlook would be positively impacted by any stabilization or rally in equity markets, and by increasing customer interest in defensive investment products. Furthermore, certain fundamental long-term trends will likely continue to support the investment management business: increasing demand for privately-funded retirement savings against a backdrop of rising longevity and ageing populations in mature economies, together with sustained wealth creation, albeit at a lower pace than in recent years, in emerging economies.

In 2009, the private and business banking environment will likely be adversely impacted by several factors, and Deutsche Bank management has put in place initiatives in response to these factors. Revenues from brokerage and portfolio management will continue to come under pressure, as was the case in the fourth quarter of 2008, from lower valuations in equity markets and from a reduction in customer brokerage activity reflecting the more negative sentiment in equity markets. Cash deposits, and simpler investment products, are likely to remain in demand from private investors. Deposit margins are likely to come under pressure from lower interest rates and from intense competition between banks to attract and retain customers. Provisions for loan losses are likely to rise in a more challenging and, in some cases, recessionary environment. In some markets, including Germany, the retail banking landscape will also likely be impacted by post-merger integration activity following the consolidations which occurred in 2008.

Balance Sheet

Assets in € m.				Dec 31, 2008	Dec 31, 2007
Cash reserve					
a) cash on hand			18		20
b) balances with central banks			29,851		11,619
thereof: with Deutsche Bundesbank	24,594				(9,238)
				29,869	11,639
Debt instruments of public-sector entities and bills of exchange eligible for refinancing at central banks					
a) Treasury bills, discountable Treasury notes and similar debt instruments of public-sector entities			1,006		2,675
thereof: eligible for refinancing at Deutsche Bundesbank	238				(1,494)
b) bills of exchange			1		433
thereof: eligible for refinancing at Deutsche Bundesbank	–				(0)
				1,007	3,108
Receivables from banks					
a) repayable on demand			120,673		108,188
b) other receivables			121,195		149,193
				241,868	257,381
thereof: reverse repos	37,916				(79,892)
Receivables from customers				405,850	588,926
thereof: secured by mortgage charges	3,878				(2,564)
loans to or guaranteed by public-sector entities	8,105				(5,816)
reverse repos	70,176				(158,377)
Bonds and other fixed-income securities					
a) money market instruments					
aa) of public-sector issuers		2,248			1,006
ab) of other issuers		7,120			7,830
thereof: eligible as collateral for Deutsche Bundesbank advances	9				(78)
			9,368		8,836
b) bonds and notes					
ba) of public-sector issuers		34,541			87,709
thereof: eligible as collateral for Deutsche Bundesbank advances	10,385				(40,937)
bb) of other issuers		93,984			130,908
thereof: eligible as collateral for Deutsche Bundesbank advances	31,638				(20,218)
			128,525		218,617
c) own debt instruments			3,358		2,970
nominal amount	3,785				3,090
				141,251	230,423
Equity shares and other variable-yield securities				68,468	127,892
Participating interests				2,964	870
thereof: in banks	502				(224)
in financial services institutions	112				(67)
Investments in affiliated companies				37,071	38,323
thereof: in banks	6,106				(6,035)
in financial services institutions	1,495				(1,417)
Assets held in trust				757	1,034
thereof: loans on a trust basis	291				(334)
Intangible assets				406	530
Tangible assets				892	911
Own shares (notional par value € 21 million)				227	2,610
Sundry assets				1,317,648	525,503
Tax deferral				1,477	899
Prepaid expenses				910	627
Total assets				**2,250,665**	**1,790,676**

Liabilities and Shareholders' Equity in € m.				Dec 31, 2008	Dec 31, 2007
Liabilities to banks					
a) repayable on demand			199,235		286,102
b) with agreed period or notice period			168,458		209,430
				367,693	495,532
thereof:					
repos	20,234				(85,371)
Liabilities to customers					
a) savings deposits					
aa) with agreed notice period of three months		3,402			2,953
ab) with agreed notice period of more than three months		4,936			2,185
			8,338		5,138
b) other liabilities					
ba) repayable on demand		225,899			258,296
bb) with agreed period or notice period		142,643			256,905
			368,542		515,201
				376,880	520,339
thereof:					
repos	33,433				(98,844)
Liabilities in certificate form					
a) bonds in issue			54,974		33,374
b) other liabilities in certificate form			125,709		155,751
				180,683	189,125
thereof:					
money market instruments	9,514				(26,550)
own acceptances and promissory notes in circulation	169				(3,768)
Liabilities held in trust				757	1,034
thereof: loans on a trust basis	291				(334)
Sundry liabilities				1,276,950	531,348
Deferred income				968	520
Provisions					
a) provisions for pensions and similar obligations			3,190		3,105
b) provisions for taxes			1,162		2,297
c) other provisions			4,402		6,936
				8,754	12,338
Subordinated liabilities				17,038	13,784
Fund for general banking risks				–	3,475
Capital and reserves					
a) subscribed capital			1,461		1,358
conditional capital € 154 m. (Dec 31, 2007: € 156 m.)					
b) capital reserve			15,091		12,973
c) revenue reserves					
ca) statutory reserve		13			13
cb) reserve for own shares		227			2,610
cc) other revenue reserves		3,840			3,840
			4,080		6,463
d) distributable profit			310		2,387
				20,942	23,181
Total liabilities and shareholders' equity				**2,250,665**	**1,790,676**
Contingent liabilities					
a) contingent liabilities from rediscounted bills of exchange			0		–
b) liabilities from guarantees and indemnity agreements (see also page 48)			52,836		52,434
c) liability arising from the provision of collateral for third-party liabilities			55		101
				52,891	52,535
Other obligations					
a) repurchase obligations under agreements to sell securities with an option to repurchase them			–		–
b) placement and underwriting obligations			–		–
c) irrevocable credit commitments			113,321		134,825
				113,321	134,825

Income Statement

Expenses in € m.			2008	2007
Interest expenses			34,153	36,925
Commission expenses			1,530	1,689
Net loss from financial transactions			6,201	–
Administrative expenses				
a) staff expenses				
aa) wages and salaries	3,743			5,764
ab) compulsory social security contributions and expenses for pensions and other employee benefits	958			1,278
		4,701		7,042
thereof: for pensions	419			(451)
b) other administrative expenses		4,459		4,695
			9,160	11,737
Depreciation, amortization and write-down of and value adjustments to tangible and intangible assets			257	226
Other operating expenses			1,941	1,849
Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for possible loan losses			2,938	453
Write-downs of and value adjustments to participating interests, investments in affiliated companies and securities treated as fixed assets			1,551	582
Expenses from assumption of loss			0	140
Extraordinary expenses			–	2
Income taxes			(1,387)	1,835
Other taxes, unless reported under other operating expenses			75	62
Net income			–	2,757
Total expenses			**56,419**	**58,257**

		2008	2007
Net loss/Net income		(2,185)	2,757
Profit carried forward from the previous year		113	94
		(2,072)	2,851
Withdrawal from revenue reserves			
– from reserve for own shares	2,382		–
– from other revenue reserves	–		–
		2,382	–
Allocations to revenue reserves			
– to reserve for own shares	–		244
– to other revenue reserves	–		220
		–	464
Distributable profit		**310**	**2,387**

Income in € m.		2008	2007
Interest income from			
a) lending and money market business	29,517		32,504
b) fixed-income securities and government-inscribed debt	5,638		6,337
		35,155	38,841
Current income from			
a) equity shares and other variable-yield securities	2,616		4,067
b) participating interests	121		22
c) investments in affiliated companies	2,165		530
		4,902	4,619
Income from profit-pooling, profit-transfer and partial profit-transfer agreements		2,218	1,369
Commission income		6,361	7,355
Net income from financial transactions		–	5,438
Other operating income		2,123	627
Income from release of the fund for general banking risks		3,475	–
Extraordinary income		–	8
Net loss		2,185	–
Total income		**56,419**	**58,257**

Notes to the Accounts

The annual financial statements of Deutsche Bank AG for the 2008 financial year have been prepared in accordance with the regulations of the Bank Accounting Directives Act (Sections 340 et seq. of the German Commercial Code (HGB), Statutory Order on Banks' Accounts (RechKredV)); company-law regulations have been complied with. For the sake of clarity, the figures are reported in millions of euros (€).

To improve comparability, prior year figures were revised in the captions current income from equities and other non-fixed income securities und net income from financial transactions without impact on net income. The reduction of current income from equities and other non-fixed income securities by € 3,031 million is offset by an increase of net income from financials transactions. Furthermore, prior year figures were revised in the captions other assets and other liabilities by an amount of € 96,092 million due to additional counterparty netting for financial instruments.

Basis of Presentation

Accounting policies for:

Receivables

Receivables from banks and customers are generally reported at their nominal amount or at acquisition cost. Necessary impairments are deducted. Loan receivables held for sale are reported at the lower-of-cost-or-market value. Loans held in trading portfolios are accounted for as described in the separate paragraph 'Trading Activities'.

Securities

Bonds and other fixed income securities as well as equity shares and other variable-yield securities which are held for trading purposes are reported at fair value. The method used to account for trading activities is described separately.

Certain holdings of bonds and other fixed-income securities for which the intent is to hold them for the foreseeable future are classified as non-current investments and accounted for using the moderate lower-of-cost-or-market rule in accordance with Section 253 (1) and (2) HGB. This means that the respective securities are carried at acquisition cost less other than temporary impairment.

If bonds and other fixed-income securities neither are held for the foreseeable future nor form part of the trading portfolio, they are classified as current assets and are accounted for using the strict lower-of-cost-or-market rule, pursuant to Section 253 (1) and (3) HGB. This means that they are carried at the lower of acquisition cost or market respectively attributable value. The same applies to equity shares and other variable-yield securities which, if they are not part of the trading portfolio, are generally accounted for as current assets.

Embedded Derivatives

Some hybrid contracts contain both a derivative and a non derivative component. In such cases, the derivative component is referred to as embedded derivative, with the non derivative component representing the host contract. Where the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract, and the hybrid contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated. Valuation differences, to the extent they are recognized, are reported as net income from financial transactions. The host contract is accounted for at amortized cost.

Trading activities

Since 2005, trading portfolios have been accounted for using the risk-adjusted fair-value approach which is based on the fair value of the financial instruments in trading portfolios. The fair valuation of financial instruments includes valuation adjustments for close-out costs, liquidity risk and counterparty risk. The positive and negative fair values of derivative financial instruments held for trading purposes are reported as sundry assets or sundry liabilities. In order to reflect any remaining realization risk, the result of the fair value measurement is reduced by a value-at-risk adjustment, which is reported as sundry liabilities. The calculation of the value-at-risk adjustment is based on a holding period of ten days and a confidence level of 99 %.

Fair value is defined as the price at which a financial instrument could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced sale or liquidation. Where available, fair value is based on observable market prices and parameters or derived from such prices or parameters. The availability of observable data varies by product and market and may change over time. Where observable prices or inputs are not available, valuation techniques appropriate to the particular instrument are applied.

If fair value is estimated by using a valuation technique or derived from observable prices or parameters, significant judgment may be required. Such estimates are inherently uncertain susceptible to change. Therefore, actual results and the financial position may differ from these estimates.

Reclassifications

Receivables and securities have to be classified as trading activities, liquidity reserve or non-current investments at inception (Section 247 (1) and (2) HGB). A reclassification between the respective categories occurs when there has been a clear change in management intent after initial recognition which is documented. The reclassifications were made when the intent changed.

Participating interests, investments in affiliated companies, tangible and intangible assets

Since 2006, participating interests and investments in affiliated companies have been recognized either at cost or – utilizing the option available under Section 253 HGB – at their lower fair value. Participating interests and investments in affiliated companies are written up pursuant to the requirement to reinstate original values (Section 280 HGB). The offsetting option available under Section 340c (2) HGB has been utilized.

Tangible assets and acquired intangible assets are reported at their acquisition or manufacturing cost less any depreciation or amortization. Write-downs are made for any impairment that is likely to be permanent. Low-value assets are written off in the year in which they are acquired.

Liabilities

Liabilities are recognized at their repayment or nominal amounts. Bonds issued at a discount and similar liabilities are reported at their present value.

Provisions

Provisions for pensions and similar obligations are recognized in accordance with actuarial principles; in Germany, pension provisions are calculated using the entry-age normal method, pursuant to Section 6a of the German Income Tax Act, and a discount rate of 6 %.

For fund-based defined-contribution pension plans set up for employees, the pension provisions are recognized as the sum of the fair value of the employees' defined-contribution plan assets and the present value of the risk premium. If this value is lower than the amount calculated under the entry-age normal method pursuant to Section 6a of the German Income Tax Act (EStG), the provision will be adjusted to reflect the higher amount.

Provisions for taxes and other provisions that have been set aside either for contingent liabilities or for onerous contracts are recognized according to the principles of prudent commercial judgment in accordance with Section 253 (1) HGB.

Risk provisioning

Provisioning for possible loan losses comprises impairments and provisions for all identifiable credit and country risks, for inherent default risks and the provision for general banking risks. Provisions for credit risks are reflected in accordance with the prudence principle at the amount of expected losses.

The transfer risk for loans to borrowers in foreign states (country risk) is assessed using a rating system that takes into account the economic, political and regional situation. When recognizing provisions for cross-border exposures to certain countries the prudence principle is applied.

Provisions for inherent credit risk are reflected in the form of general value adjustments in accordance with commercial-law principles. In addition, general banking risks are provisioned pursuant to Section 340f HGB. The offsetting option available under Section 340f (3) HGB has been utilized.

Currency translation

Currency translation is consistent with the principles set forth in Section 340h HGB.

Assets denominated in foreign currency and treated as fixed assets, but not separately covered in the same currency, are shown at historical cost. Other foreign currency denominated assets and liabilities and outstanding cash deals are translated at the middle spot rate at the balance sheet date, and forward exchange deals at the forward rate at the balance sheet date.

Expenses and income resulting from currency translation have been recognized in the income statement pursuant to Section 340h (2) HGB.

The items on the balance sheets and the income statements of foreign branches are translated into euros at mid-rates at the respective balance sheet dates (closing-rate method). Differences resulting from the translation of balance sheet items within the bank – with the exception of exchange-rate losses on the translation of the capital allocated to our branches outside Germany (including gains and losses carried forward) – are reported as sundry assets or sundry liabilities not affecting net income.

Notes to the Balance Sheet

Reclassifications

In 2008 receivables from customers were reclassified from trading or held for sale to cost portfolio. In addition bonds and other fixed-income securities were reclassified from trading portfolio or liquidity reserve to fixed assets and valued accordingly. The intrinsic values of the assets exceeded their estimated fair values at reclassification date.

Due to significantly reduced liquidity in the financial markets assets were identified for which a change of intent to hold for the foreseeable future rather than exit or trade in the short term occurred. The assets were reclassified with the lower fair value at reclassification date.

The following table shows the carrying values and fair values of the reclassified assets:

		Dec 31, 2008	
in € m.	Carrying value at reclassification date	Carrying value	Fair value
Receivables from customers	14,207	13,802	12,375
Bonds and other fixed-income securities – trading	3,263	3,020	2,580
Bonds and other fixed-income securities – liquidity reserve	1,016	973	842
Total assets reclassified	**18,486**	**17,795**	**15,797**

Securities

The marketable securities in the following balance sheet positions are classified as follows:

	listed		unlisted	
in € m.	Dec 31, 2008	Dec 31, 2007	Dec 31, 2008	Dec 31, 2007
Bonds and other fixed-income securities	103,894	198,974	37,357	31,449
Equity shares and other variable-yield securities	55,655	107,037	7,055	13,270
Participating interests	452	181	0	76
Investments in affiliated companies	–	–	203	115

Equity shares and other variable-yield securities (€ 68,468 million) include mutual fund units of € 3,441 million (December 31, 2007: € 3,489 million) that have been transferred to an independent trustee and may only be used to meet pension obligations towards staff members and retired employees in Germany and to meet liabilities for pre-retirement part-time employment.

Bonds and other fixed-income securities include securities of € 105,705 million (December 31, 2007: € 226,186 million) that are held for trading purposes and recognized at fair value. Equity shares and other variable-yield securities include securities of € 64,268 million (December 31, 2007: € 123,700 million) that are held for trading purposes and recognized at fair value.

Bonds and other fixed-income securities held as fixed assets are reported at amortized cost, the corresponding fair value amounted to € 4,475 million as of December 31, 2008. The assets are reported at amortized cost, since the fair value does not reflect the intrinsic value due to the current lack of liquidity in the financial markets and the intrinsic value can be realized in the long term.

Where available, the fair value is derived from observable prices or parameters. Where observable market prices or inputs are not available, valuation techniques appropriate for the particular instrument are applied. In one case the determination of the fair value of these fixed assets neither included the changes in liquidity spread since trade date following the intent to hold them in the long term, nor the changes in the credit spread since the credit risk had already been considered in the provisions for credit losses.

Fixed Assets

The following schedule shows the changes in fixed assets:

	Acquisition/manufacturing costs			Depreciation/amortization, write-downs and value adjustments			Book values	
in € m.	Balance at Jan 1, 2008	Additions	Disposals	Cumula-tive	therein current year	therein disposals	Balance at Dec 31, 2008	Balance at Dec 31, 2007
Intangible assets	725	54	5	368	90	3	406	530
Tangible assets	2,001	240	118	1,231	167	85	892	911
land and buildings	268	1	1	30	12	1	238	253
office furniture and equipment	1,733	239	117	1,201	155	84	654	658
leasing	0	–	0	–	0	–	–	0
			Change					
Participating interests			+ 2,094				2,964	870
Investments in affiliated companies			(1,252)				37,071	38,323
Bonds and other fixed-income securities			+ 4,941				4,941	–
Equity shares and other variable-yield securities			(82)				74	156

The option to combine financial assets pursuant to Section 34 (3) RechKredV has been utilized. Exchange rate changes at foreign branches resulting from currency translation at closing rates have been recognized in acquisition/manufacturing costs (balance at January 1, 2008) and in cumulative depreciation/amortization, write-downs and value adjustments. Land and buildings with a total book value of € 230 million were used as part of our own activities.

Subordinated assets

Subordinated assets are reported as follows:

in € m.	Dec 31, 2008	Dec 31, 2007
Receivables from banks	1,210	1,249
Receivables from customers	997	1,126
Bonds and other fixed-income securities	1,360	7,127
Equity shares and other variable-yield securities	0	1

Intangible assets

The goodwill reported under intangible assets is amortized over its estimated useful life of between five and 15 years. Software classified as an intangible asset is amortized over its useful life.

Sundry assets

Sundry assets primarily comprise positive fair values of € 1,298,807 million (December 31, 2007: € 513,887 million) from derivative financial instruments held for trading purposes. They also include margin payments on swaps, precious metals holdings, checks, matured bonds and claims on tax refunds from the tax authorities.

Tax deferral

The net deferred tax assets reported pursuant to Section 274 (2) HGB amount to € 1,476.5 million. They correspond to the future tax benefit arising from the reversal of the differences between commercial law and tax law gains and losses based country-specific income tax rates.

Sundry liabilities

Sundry liabilities primarily comprise negative fair values of € 1,257,785 million (December 31, 2007: € 523,418 million) from derivative financial instruments held for trading purposes. Under this item we also report the value-at-risk adjustment, accrued but not yet matured interest on subordinated liabilities, and translation adjustment losses.

Subordinated liabilities

There are no early-redemption obligations on the part of Deutsche Bank AG for subordinated liabilities. In the event of liquidation or insolvency, the receivables and interest claims arising from these liabilities are subordinate to the non-subordinated receivables of all creditors of Deutsche Bank AG. These conditions also apply to subordinated liabilities not specified individually.

Interest expenses for all subordinated liabilities totaled € 853 million. Accrued but not yet matured interest of € 305 million included in this figure is reported under sundry liabilities.

Material subordinated liabilities:

Currency	Amount	Issuer/type	Interest rate	Maturity
€	1,100,000,000	Deutsche Bank AG, bond of 2003	5.13 %	31.1.2013
€	1,000,000,000	Deutsche Bank AG, bond of 2004	3.88 %	16.1.2014
€	750,000,000	Deutsche Bank AG, bond of 2005	3.33 %	22.9.2015
€	500,000,000	Deutsche Bank AG, bond of 2004	3.43 %	20.9.2016
€	500,000,000	Deutsche Bank AG, bond of 2005	3.63 %	9.3.2017
€	1,000,000,000	Deutsche Bank AG, registered bond of 2003 (DB Capital Funding LLC IV, Wilmington/USA, issue proceeds passed on to us)	5.33 %	19.9.2023
€	300,000,000	Deutsche Bank AG, registered bond of 2003 (DB Capital Funding LLC V, Wilmington/USA, issue proceeds passed on to us)	6.15 %	2.12.2033
€	900,000,000	Deutsche Bank AG, registered bond of 2005 (DB Capital Funding LLC VI, Wilmington/USA, issue proceeds passed on to us)	4.94 %	28.1.2035
€	300,000,000	Deutsche Bank AG, registered bond of 2005 (DB Capital Finance LLC I, Wilmington/USA, issue proceeds passed on to us)	4.71 %	27.6.2035
€	1,000,001,000	DB Contingent Capital LLC IV, Wilmington/USA, issue proceeds passed on to us	8.00 %	unlimited
GBP	225,000,000	Deutsche Bank AG, bond of 2004	5.25 %	15.12.2015
U.S.$	318,000,000	DB Capital LLC I, Wilmington/USA, issue proceeds passed on to us	7.06 %	30.3.2009
U.S.$	550,000,000	Deutsche Bank Financial Inc., Dover/USA, issue proceeds passed on to us	7.50 %	25.4.2009
U.S.$	250,000,000	Deutsche Bank AG (taken over from Deutsche Bank Finance N.V., Curaçao/ Netherlands Antilles, in 2005; formerly issue proceeds passed on to us)	3.79 %	30.4.2009
U.S.$	650,000,000	DB Capital Funding LLC I, Wilmington/USA, issue proceeds passed on to us	7.87 %	30.6.2009
U.S.$	225,000,000	DB Capital LLC V, Wilmington/USA, issue proceeds passed on to us	7.16 %	30.6.2010
U.S.$	1,150,000,000	DB Capital Funding LLC IX, Wilmington/USA, issue proceeds passed on to us	6.63 %	20.8.2012
U.S.$	350,000,000	Deutsche Bank AG, bond of 2004	2.45 %	17.2.2015
U.S.$	800,000,000	Deutsche Bank Financial Inc., Dover/USA, issue proceeds passed on to us	5.38 %	2.3.2015
U.S.$	800,000,000	Deutsche Bank AG, registered bond of 2006 (DB Capital Funding LLC VII, Wilmington/USA, issue proceeds passed on to us)	5.63 %	19.1.2016
U.S.$	600,000,000	Deutsche Bank AG, registered bond of 2006 (DB Capital Funding LLC VIII, Wilmington/USA, issue proceeds passed on to us)	6.38 %	unlimited
U.S.$	800,000,000	DB Contingent Capital LLC II, Wilmington/USA, issue proceeds passed on to us	6.55 %	unlimited
U.S.$	805,000,000	DB Capital Funding LLC X, Wilmington/USA, issue proceeds passed on to us	7.35 %	unlimited
U.S.$	1,265,000,000	DB Contingent Capital LLC V, Wilmington/USA, issue proceeds passed on to us	8.05 %	unlimited
U.S.$	1,975,000,000	DB Contingent Capital LLC III, Wilmington/USA, issue proceeds passed on to us	7.60 %	unlimited

Own shares

In the course of 2008, the bank or its affiliated companies bought 368,349,606 Deutsche Bank shares at prevailing market prices and sold 368,390,824 Deutsche Bank shares at prevailing market prices for trading purposes. The purchase of its own shares was based on the authorizations given by the General Meetings on May 24, 2007 and May 29, 2008 pursuant to Section 71 (1) No. 7 AktG, whose restrictions were complied with for every share purchase and sale. The authorization given on May 24, 2007 expired once the authorization of May 29, 2008 became effective. The average purchase price was € 58.74; the average selling price was € 58.55 per share. The resulting loss was recognized in the operating profit.

The bank's own shares bought and sold for trading purposes during 2008 represented about 65 % of its share capital. The largest holding on any one day was 1.00 % and the average daily holding 0.10 % of its share capital.

The bank was authorized by the General Meeting resolution of May 29, 2008 to purchase its own shares amounting to up to 10 % of its share capital on or before October 31, 2009 pursuant to Section 71 (1) No. 8 AktG. Together with the bank's own shares – purchased for trading purposes or for other reasons – that are either in the company's possession or attributed to it pursuant to Sections 71a et seq. AktG, the shares purchased on the basis of this authorization must not at any time exceed 10 % of the company's share capital; compliance with these limits was monitored on a timely basis. The shares may be purchased either through the stock market or by means of a public offering to all shareholders. If the shares are purchased through the stock market, the price paid for them must not be more than 10 % above or more than 20 % below the average share prices quoted (closing prices quoted for Deutsche Bank shares in the Xetra trading system or in a similar successor system replacing the Xetra system on the Frankfurt Stock Exchange) on the last three trading days prior to the obligation to purchase the shares. If the shares are purchased through a public offering, the price paid for them must not be more than 10 % below or more than 15 % above the average share prices quoted (closing prices quoted for Deutsche Bank shares in the Xetra trading system or in a similar successor system replacing the Xetra system on the Frankfurt Stock Exchange) on the last three trading days prior to the date on which the offering is made public. If, when a public offering is made, the volume of shares offered exceeds the intended repurchase volume, acceptance of the offering must be proportionate to the volume of shares offered in each case. It is possible to allow preferential acceptance of small numbers of up to 50 shares per shareholder for the purchase of Deutsche Bank shares on offer.

The Management Board was authorized, with the consent of the Supervisory Board, to sell the purchased shares other than through the stock market or by means of an offering to all shareholders provided this is done against contributions in kind, excluding shareholders' pre-emptive rights, for the purpose of acquiring companies or holdings in companies. Furthermore, the Management Board was authorized, when selling the bank's purchased own shares by means of an offering to all shareholders, to grant the holders of the warrants, convertible bonds and convertible profit-sharing rights issued by the bank pre-emptive rights to the shares to the extent to which they would be entitled after having exercised the option or conversion right. Shareholders' pre-emptive rights are excluded for these cases and to this extent. The Management Board was also authorized to exclude shareholders' pre-emptive rights if the shares are to be issued as staff shares to employees and retired employees of the bank and of affiliated companies, or if they are to be used to fulfill option rights or purchase rights or purchase obligations attaching to shares of the bank granted to employees of the bank or of affiliated companies.

Furthermore, the Management Board was authorized to sell the shares to third parties against cash payment, excluding shareholders' pre-emptive rights, unless the purchase price of the shares is substantially lower than their market price at the time they are sold. This authorization may only be utilized if it is ensured that the number of shares sold as a result of this authorization together with shares issued from authorized capital, excluding shareholders' pre-emptive rights, pursuant to Section 186 (3) sentence 4 AktG does not exceed 10 % of the company's share capital available at the time the shares are issued or sold.

The Management Board was also authorized to retire shares purchased as a result of this authorization without requiring any further resolution to be adopted by the General Meeting. The authorization for the bank to purchase its own shares, which was given by the General Meeting on May 24, 2007 and was valid until October 31, 2008, expired as soon as the authorization of May 29, 2008 came into effect.

At the end of 2008, Deutsche Bank AG held 43,007 of its own shares pursuant to Section 71 (1) No. 7 AktG. This amounted to 0.01 % of its share capital. Its holdings pursuant to Section 71 (1) No. 8 AktG amounted to 8,109,140 shares, or 1.42 % of its share capital. The bank's total holdings of its own shares at the balance sheet date required a reserve for these shares in the amount of their carrying value of € 226,874,150.58. On December 31, 2008, 3,544,833 (end of 2007: 1,304,964) Deutsche Bank shares, i.e. 0.62 % (end of 2007: 0.25 %) of our share capital, were pledged to the bank and its affiliated companies as security for loans.

Changes in subscribed, authorized and conditional capital

The bank's subscribed capital is divided into 570,859,015 registered no-par-value shares. During the year under review, 40,000,000 shares were issued through a capital increase against cash payments and 458,915 shares were issued to staff under stock option programs.

Excluding holdings of the bank's own shares, the number of shares in issue at December 31, 2008 came to 562,706,868 (end of 2007: 501,208,022); the average number of shares in issue in the year under review was 516,796,763.

The following table shows the changes in subscribed, authorized and conditional capital:

in €	Subscribed capital	Authorized capital	Conditional capital (yet to be utilized)
Balance as of Dec 31, 2007	**1,357,824,256.00**	**454,000,000.00**	**156,269,946.88**
Expiry of the General Meeting resolution of June 10, 2003		(128,000,000.00)	
Use pursuant to the General Meeting resolution of June 2, 2004 for capital increase against cash payment	48,000,000.00	(48,000,000.00)	
Increase pursuant to the General Meeting resolution of May 24, 2007		85,000,000.00	
Partial use pursuant to the General Meeting resolution of May 24, 2007, for capital increase against cash payment	54,400,000.00	(54,400,000.00)	
Exercise of option rights issued to members of the Management Board and executives of Deutsche Bank AG and to members of the managements and executives of affiliated companies under Global Partnership Plans	1,109,056.00		(1,109,056.00)
Exercise of option rights issued to employees of the Deutsche Bank Group under Global Share Plans	65,766.40		(65,766.40)
Expiry of option rights issued to employees of the Deutsche Bank Group under Global Partnership Plans			(571,799.04)
Expiry of option rights issued to employees of the Deutsche Bank Group under Global Share Plans			(708,226.56)
Balance as of Dec 31, 2008	**1,461,399,078.40**	**308,600,000.00**	**153,815,098.88**

Authorizations given by the General Meeting

The General Meeting granted the Management Board the following authorizations to increase the share capital – with the consent of the Supervisory Board – through the issue of new shares as follows:

Authorized capital

— by up to a total of € 150,000,000 against cash payments, on one or more occasions on or before April 30, 2009, with pre-emptive rights generally being granted to shareholders (General Meeting resolution of June 2, 2004);

— by up to a total of € 128,000,000 against cash payments or contributions in kind, on one or more occasions on or before April 30, 2011, with pre-emptive rights generally being granted to shareholders; however, pre-emptive rights can be excluded if a capital increase against contributions in kind was made for the purpose of acquiring companies or holdings in companies (General Meeting resolution of June 1, 2006);

— by up to a total of € 30,600,000 against cash payments, on one or more occasions on or before April 30, 2012; shareholders' general pre-emptive rights can be excluded unless the issue price of the new shares is substantially lower than the market price of the already listed shares at the time the issue price is fixed (General Meeting resolution of May 24, 2007). This additional authorized capital became effective upon its entry into the Commercial Register on February 14, 2008;

— by up to a total of € 140,000,000 against cash payments or contributions in kind, on one or more occasions on or before April 30, 2013, with pre-emptive rights generally being granted to shareholders; however, pre-emptive rights can be excluded if a capital increase against contributions in kind was made for the purpose of acquiring companies or holdings in companies (General Meeting resolution of May 29, 2008). This authorized capital is subject of an ongoing law suit (summary proceeding according to Section 246a AktG) and not yet entered into the Commercial Register. It will become effective upon its entry into the Commercial Register.

In all cases, pre-emptive rights may be excluded for fractional amounts and to grant pre-emptive rights to holders of issued warrants, convertible bonds and convertible profit-sharing rights.

Conditional capital

— The Management Board was allowed, as a result of the authorization of May 17, 2001 and with the consent of the Supervisory Board, to issue up to 12,000,000 option rights on Deutsche Bank shares to employees of the Deutsche Bank Group on or before December 31, 2003. Their issue price, performance target and exercise periods were the same as those for the issue of option rights to executives. The conditional capital amounted to € 10,000,000. Option rights on shares amounting to € 1,305,932.80 had not yet been exercised under this authorization by December 31, 2008. This conditional capital can no longer be utilized.

The Management Board was authorized, with the consent of the Supervisory Board, to issue option rights on shares of Deutsche Bank AG to members of the Management Board and executives of Deutsche Bank AG and to members of the managements and executives of affiliated companies. The authorizations contain the following conditions:

— General Meeting resolution of May 17, 2001: issue of up to 20,000,000 option rights on or before May 10, 2003; granted in two annual tranches, neither of which must exceed 70 % of the total volume (conditional capital of € 51,200,000);
— General Meeting resolution of May 22, 2002: issue of up to 25,000,000 option rights on or before May 20, 2005; granted in annual tranches, none of which must exceed 60 % of the total volume (conditional capital of € 64,000,000).

Option rights on shares amounting to € 2,509,166.08 had not yet been exercised under these authorizations by December 31, 2008. This conditional capital can no longer be utilized.

Each option right entitles the holder, against payment of the issue price, to purchase one no-par-value share of Deutsche Bank AG. If the option is exercised, the issue price of one share represents its exercise price plus a premium of 20 %. The exercise price corresponds to the average closing price quoted for Deutsche Bank shares in the Xetra trading system on the Frankfurt Stock Exchange over the last 10 trading days prior to the date on which the option rights are issued. The exercise of option rights is subject to the waiting period for their first-time exercise and exercise periods.

The conditional capital is increased only to the extent that the holders of issued option rights exercise their pre-emptive rights and that the bank does not fulfill the option rights by transferring ownership of its own shares or by making a cash payment.

The Management Board was authorized by the General Meeting on June 2, 2004 to issue bearer or registered participatory certificates on one or more occasions on or before April 30, 2009 and, instead of or in addition to participatory certificates, to issue warrant-linked bonds and/or convertible bonds for a term of no more than 20 years on one or more occasions. Bearer warrants may be attached to the participatory certificates, or they may be linked to a conversion right for the bearer. The holders of warrant-linked bonds and convertible bonds may be granted option rights and conversion rights respectively to new shares of Deutsche Bank AG subject to the conditions governing warrant-linked bonds and convertible bonds. The total amount of participatory certificates, warrant-linked bonds and convertible bonds issued under this authorization must not exceed € 6,000,000,000 in total (conditional capital of € 150,000,000).

The Management Board was authorized by the General Meeting on May 29, 2008 to issue bearer or registered participatory certificates on one or more occasions on or before April 30, 2013 and, instead of or in addition to participatory certificates, to issue warrant-linked bonds and/or convertible bonds for a term of no more than 20 years or with a perpetual maturity on one or more occasions. Bearer warrants may be attached to the participatory certificates, or they may be linked to a conversion right for the bearer. The holders of warrant-linked bonds and convertible bonds may be granted option rights and conversion rights respectively to new shares of Deutsche Bank AG subject to the conditions governing warrant-linked bonds and convertible bonds. The total amount of participatory certificates, warrant-linked bonds and convertible bonds issued under this authorization must not exceed € 9,000,000,000 in total (conditional capital of € 150,000,000). This conditional capital is not yet entered into the Commercial Register. It will become effective upon its entry into the Commercial Register.

The conditional capital is increased only to the extent that these rights are exercised or that the bondholders obliged to exercise their conversion rights meet their conversion obligations.

Changes in capital and reserves

in € m.		
Balance as of Dec 31, 2007		**23,181**
Distribution in 2008		(2,274)
Profit carried forward		(113)
Capital increase against cash payments		
– increase in subscribed capital	102	
– allocation to capital reserve	2,098	2,200
Capital increase through exercise of options		
– increase in subscribed capital	1	
– allocation to capital reserve	19	20
Withdrawal from reserve for own shares		(2,382)
Distributable profit for 2008		310
Balance as of Dec 31, 2008		**20,942**

Contingent liabilities

Liabilities from guarantees and indemnity agreements, as reported on the balance sheet, are broken down as follows:

in € m.	Dec 31, 2008	Dec 31, 2007
Guarantees	34,517	31,986
Letters of credit	5,328	4,899
Credit liabilities	12,991	15,549

Other obligations

The irrevocable credit commitments shown on the balance sheet (€ 113,321 million) include commitments of € 102,403 million for loans and discounts in favor of non-banks.

Sundry obligations

Payment obligations under rental agreements and leases amount to € 1.1 billion with residual maturities of up to 15 years. These obligations include € 47 million owed to affiliated companies. There are also purchase commitments of € 1.9 billion for goods and services, which include future payments for, among other things, services such as processing, information technology and custody.

Liabilities for possible calls on not fully paid-up shares in public and private limited companies and other shares amounted to € 24 million at the end of 2008. Joint liabilities pursuant to Section 24 of the German Private Limited Companies Act (GmbHG) amounted to € 5 million. Where other joint liabilities exist, the credit standing of the co-shareholders is impeccable in all cases.

In connection with our participating interest in Liquiditäts-Konsortialbank GmbH, Frankfurt am Main, there is an obligation to pay further capital of up to € 70 million and a pro rata contingent liability to fulfill the capital obligations of other shareholders belonging to Bundesverband deutscher Banken e.V., Berlin.

Liabilities for possible calls on other shares totaled € 3 million at December 31, 2008.

Pursuant to Section 5 (10) of the Statute of the Deposit Guarantee Fund we have undertaken to indemnify Bundesverband deutscher Banken e.V., Berlin, for any losses incurred through measures taken in favor of banks majority-held or controlled by Deutsche Bank.

Pursuant to Section 3 (1a) of the Statute of the Deposit Guarantee Fund for Banks' Building and Loan Associations, Deutsche Bank AG has also undertaken to indemnify Fachverband für Bank-Bausparkassen e.V. for any losses incurred through measures taken in favor of Deutsche Bank Bauspar AG, Frankfurt am Main.

Obligations arising from transactions on futures and options exchanges and towards clearing houses for which securities were pledged as collateral amounted to € 14 billion at December 31, 2008.

There are contingent liabilities totaling € 43 million in connection with the resale of the trading company Klöckner & Co. AG, Duisburg.

Declaration of Backing[1]

Deutsche Bank AG ensures, except in the case of political risk, that the following companies are able to meet their contractual liabilities:

Berliner Bank AG & Co. KG, Berlin

DB Investments (GB) Limited, London

Deutsche Asset Management International GmbH, Frankfurt am Main

Deutsche Asset Management Investmentgesellschaft mbH formerly DEGEF Deutsche Gesellschaft für Fondsverwaltung mbH, Frankfurt am Main

Deutsche Australia Limited, Sydney

Deutsche Bank A.Ş., Istanbul

Deutsche Bank Americas Holding Corp., Wilmington

Deutsche Bank (China) Co., Ltd., Beijing

Deutsche Bank Luxembourg S.A., Luxembourg

Deutsche Bank (Malaysia) Berhad, Kuala Lumpur

Deutsche Bank Polska S.A., Warsaw

Deutsche Bank (Portugal), S.A., Lisbon

Deutsche Bank ZRt., Budapest

Deutsche Bank S.A., Buenos Aires

Deutsche Bank S.A. – Banco Alemão, São Paulo

Deutsche Bank S.A./N.V., Brussels

Deutsche Bank, Sociedad Anónima Española, Barcelona

Deutsche Bank Società per Azioni, Milan

Deutsche Bank (Suisse) S.A., Geneva

Deutsche Futures Singapore Pte Ltd., Singapore

Deutsche Morgan Grenfell Group plc, London

Deutsche Securities Asia Limited, Hong Kong

Deutsche Securities Limited, Hong Kong

DWS Holding & Service GmbH, Frankfurt am Main

DWS Investment GmbH, Frankfurt am Main

DWS Investment S.A., Luxembourg

OOO Deutsche Bank, Moscow

1 Companies with which a profit and loss transfer agreement exists are marked in the List of shareholdings.

Maturity structure of receivables

in € m.	Dec 31, 2008	Dec 31, 2007
Other receivables from banks	**121,195**	**149,193**
with a residual period of		
up to three months	64,359	97,813
more than three months and up to one year	27,236	28,271
more than one year and up to five years	10,386	10,284
more than five years	19,214	12,825
Receivables from customers	**405,850**	**588,926**
with a residual period of		
up to three months	297,731	475,153
more than three months and up to one year	35,526	37,800
more than one year and up to five years	39,366	41,009
more than five years	27,599	27,192
with an indefinite period	5,628	7,772

Of the bonds and other fixed-income securities of € 141,251 million, € 34,505 million mature in 2009.

Maturity structure of liabilities

in € m.	Dec 31, 2008	Dec 31, 2007
Liabilities to banks with agreed period or notice period	**168,458**	**209,430**
with a residual period of		
up to three months	105,114	159,001
more than three months and up to one year	31,206	22,567
more than one year and up to five years	20,782	16,647
more than five years	11,356	11,215
Savings deposits with agreed notice period of more than three months	**4,936**	**2,185**
with a residual period of		
up to three months	1,179	878
more than three months and up to one year	3,490	1,162
more than one year and up to five years	263	143
more than five years	4	2
Other liabilities to customers with agreed period or notice period	**142,643**	**256,905**
with a residual period of		
up to three months	88,139	199,110
more than three months and up to one year	26,690	26,764
more than one year and up to five years	12,284	21,540
more than five years	15,530	9,491
Other liabilities in certificate form	**125,709**	**155,751**
with a residual period of		
up to three months	17,625	34,726
more than three months and up to one year	17,126	28,313
more than one year and up to five years	56,420	56,170
more than five years	34,538	36,542

Of the issued bonds and notes of € 54,974 million, € 22,801 million mature in 2009.

Prepaid expenses and deferred income

Prepaid expenses of € 910 million include a balance of € 483 million pursuant to Section 250 (3) HGB. Deferred income of € 968 million contains balances of € 40 million pursuant to Section 340e (2) HGB.

Trust business

	Assets held in trust			Liabilities held in trust	
in € m.	Dec 31, 2008	Dec 31, 2007	in € m.	Dec 31, 2008	Dec 31, 2007
Receivables from banks	–	36	Liabilities to banks	0	0
Receivables from customers	291	334	Liabilities to customers	757	1,034
Bonds and other fixed-income securities	317	397			
Equity shares and other variable-yield securities	29	15			
Participating interests	41	47			
Sundry assets	79	205			
Total	**757**	**1,034**	**Total**	**757**	**1,034**

Information on affiliated, associated and related companies

	Affiliated companies		Associated and related companies	
in € m.	Dec 31, 2008	Dec 31, 2007	Dec 31, 2008	Dec 31, 2007
Receivables from banks	86,227	73,356	10	0
Receivables from customers	152,786	228,278	982	351
Bonds and other fixed-income securities	54	352	9	–
Positive fair value of derivatives held for trading purposes (incl. in sundry assets)	80,189	14,682	50	–
Liabilities to banks	104,684	100,980	21	492
Liabilities to customers	92,171	132,238	508	615
Liabilities in certificate form	9,778	902	–	–
Subordinated liabilities	11,076	7,418	–	–
Negative fair value of derivatives held for trading purposes (incl. in sundry liabilities)	83,704	12,226	11	–

Shareholdings

The complete list of our shareholdings is published in the electronic Federal Gazette. It can be obtained free of charge from Deutsche Bank AG, Frankfurt am Main.

Assets pledged as collateral

Assets in the stated amounts were pledged as collateral for the liabilities shown below:

in € m.	Dec 31, 2008	Dec 31, 2007
Liabilities to banks	26,789	24,193
Liabilities to customers	422	677

Transactions subject to sale and repurchase agreements

The book value of assets reported on the balance sheet and sold subject to a repurchase agreement in the amount of € 6,466 million related exclusively to securities sold under repo agreements.

Foreign currencies

The total amount of assets denominated in foreign currencies was equivalent to € 1,303,765 million at the balance sheet date; the total value of liabilities was equivalent to € 1,219,779 million.

Forward transactions

Forward transactions outstanding at the balance sheet date consisted mainly of the following types of business:

— interest rate-linked transactions
forward deals linked to debt instruments, forward rate agreements, interest rate swaps, interest futures, option rights in certificate form, option deals and option contracts linked to interest rates and indices;

— exchange rate-linked transactions
foreign exchange and precious metal forwards, cross-currency swaps, option rights in certificate form, option deals and option contracts linked to foreign exchange and precious metals, foreign exchange and precious metal futures;

— other transactions
equity forwards and futures, index futures, option rights in certificate form, option deals and option contracts linked to equities and indices.

The above types of transactions are concluded almost exclusively to hedge interest rate, exchange rate and market price fluctuations in trading activities.

Fair value of derivatives

			Dec 31, 2008
in € m.	Notional amount	Positive fair value	Negative fair value
OTC products			
interest rate-linked transactions	40,246,887	660,635	644,452
exchange rate-linked transactions	4,429,553	184,714	180,786
equity- and index-linked transactions	890,883	67,944	71,450
credit derivatives	4,716,205	352,348	323,514
other transactions	412,287	34,905	34,433
Exchange-traded products			
interest rate-linked transactions[1]	63,870	0	0
exchange rate-linked transactions[1]	0	0	0
equity- and index-linked transactions	405,268	4,612	4,728
other transactions	41,767	616	442
Total	**51,206,720**	**1,305,774**	**1,259,805**

1 Because cash settlements are paid on a daily basis, the fair values of interest and exchange rate-linked transactions are zero or virtually zero.

The positive fair values of € 1,305,774 million and the negative fair values of € 1,259,805 million include trading derivatives and derivatives held for hedging purposes. The positive and negative fair values of trading derivatives are reported under sundry assets or sundry liabilities.

Notes to the Income Statement

Income by geographical market

The total amount of interest income, of current income from equity shares and other variable-yield securities, participating interests and investments in affiliated companies, of commission income, of net income from financial transactions and of other operating income is originated across various regions as shown by the following breakdown pursuant to Section 34 (2) RechKredV:

in € m.	2008	2007
Germany	19,260	14,248
Europe excl. Germany	17,474	29,596
Americas	6,337	7,702
Africa/Asia/Australia	5,470	5,334
Total	**48,541**	**56,880**

Administrative and agency services provided for third parties

The following administrative and agency services were provided for third parties: custody services, referral of mortgages, insurance policies and housing finance contracts, administration of assets held in trust, and asset management.

Other administrative expenses

The following table shows the fees charged by our auditors for the 2008 financial year by category:

Category in € m.	2008	2007
Audit fees	10	12
Fees for audit-related services	5	2
Fees for tax advice	1	1
Total	**16**	**15**

Other operating income

Other operating income of € 2,123 million includes a gain of € 1,450 million of mergers, € 295 million from write-ups of loans held for sale as well as € 127 million from the refund of value added tax paid in prior years.

Other operating expenses

Other operating expenses of € 1,941 million primarily comprise valuation adjustments of € 1,642 million for loans held for sale. Other operating expenses also include guarantee expenses of € 132 million and litigation-related expenses of € 97 million.

Other Information

Management Board and Supervisory Board

The total remuneration paid to the Management Board is detailed on pages 11 to 16 of the Compensation Report. Former members of the Management Board of Deutsche Bank AG or their surviving dependants received € 19,741,906 for the year ended December 31, 2008. The Supervisory Board received a fixed payment (including meeting fees) of € 2,478,500 (excluding value-added tax). The Supervisory Board resolved to forgo any variable compensation for the financial year 2008.

Provisions for pension obligations to former members of the Management Board or their surviving dependants totaled € 167,420,222 at December 31, 2008.

At the end of 2008, loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 2,641,142 and for members of the Supervisory Board of Deutsche Bank AG to € 1,396,955. Members of the Supervisory Board repaid € 0.1 million loans in 2008.

The members of the Management Board and the Supervisory Board are listed on pages 59 and 60.

The List of Mandates includes all directorships held in Germany and abroad and is published in the electronic Federal Gazette. Both the List of Mandates and the Corporate Governance Report can be obtained free of charge from Deutsche Bank AG, Frankfurt am Main.

Information pursuant to Section 160 (1) No. 8 AktG

As of December 31, 2008 the following shareholders reported a share of at least 3 % in the voting rights each pursuant to Section 21 of the German Securities Trading Act (Wertpapierhandelsgesetz): since May 6, 2008 – AXA S.A., Paris holds 5.36 % Deutsche Bank shares. Since October 17, 2008 – Credit Suisse Group, Zurich holds 3.86 % Deutsche Bank shares (via financial instruments).

Employees

The average number of full-time equivalent staff employed during the reporting year was 29,434 (2007: 28,013), 10,898 of whom were women. Part-time employees are included proportionately in these figures based on their working hours. An average of 17,973 (2007: 16,557) staff members worked at branches outside Germany.

Corporate governance

The bank has issued the declaration prescribed by Section 161 AktG and made it available to its shareholders.

Frankfurt am Main, March 5, 2009

Deutsche Bank Aktiengesellschaft
The Management Board

Josef Ackermann	Hermann-Josef Lamberti
Hugo Bänziger	Stefan Krause

Responsibility Statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Deutsche Bank AG give a true and fair view of the assets, liabilities, financial position and profit or loss of Deutsche Bank AG, and the management report of Deutsche Bank AG includes a fair review of the development and performance of the business and the position of Deutsche Bank AG, together with a description of the principal opportunities and risks associated with the expected development of Deutsche Bank AG.

Frankfurt am Main, March 5, 2009

Josef Ackermann

Hermann-Josef Lamberti

Hugo Bänziger

Stefan Krause

Auditor’s Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Deutsche Bank AG for the business year from January 1, 2008 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch“: „German Commercial Code“] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Deutsche Bank AG in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 11, 2009

KPMG AG
Wirtschaftsprüfungsgesellschaft

(formerly
KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft)

Becker	Bose
Wirtschaftsprüfer	Wirtschaftsprüfer

Management Board

Josef Ackermann
Chairman

Hugo Bänziger

Anthony Di Iorio
until September 30, 2008

Stefan Krause
from April 1, 2008

Hermann-Josef Lamberti

Supervisory Board

Dr. Clemens Börsig
– Chairman,
Frankfurt am Main

Karin Ruck*
– Deputy Chairperson from
May 29, 2008
Deutsche Bank AG,
Bad Soden am Taunus

Wolfgang Böhr*
from May 29, 2008
Deutsche Bank AG,
Dusseldorf

Dr. Karl-Gerhard Eick
Deputy Chairman of the Management Board of Deutsche Telekom AG until February 28, 2009;
Chairman of the Management Board of Arcandor AG
from March 1, 2009,
Cologne

Heidrun Förster*
– Deputy Chairperson until
May 29, 2008
Deutsche Bank Privat- und
Geschäftskunden AG,
Berlin

Ulrich Hartmann
until May 29, 2008
Chairman of the Supervisory
Board of E.ON AG,
Dusseldorf

Alfred Herling*
from May 29, 2008
Deutsche Bank AG,
Wuppertal

Gerd Herzberg*
Vice President of
ver.di Vereinte Dienstleistungsgewerkschaft,
Hamburg

Sabine Horn*
until May 29, 2008
Deutsche Bank AG,
Frankfurt am Main

Rolf Hunck*
until May 29, 2008
Deutsche Bank AG,
Seevetal

Sir Peter Job
London

Prof. Dr. Henning Kagermann
Co-CEO of SAP AG,
Hockenheim

Ulrich Kaufmann*
until May 29, 2008
Deutscher Bankangestellten-
Verband, labor union for financial
services providers,
Ratingen

Peter Kazmierczak*
until May 29, 2008
Deutsche Bank AG,
Herne

Martina Klee*
– from May 29, 2008
Deutsche Bank AG,
Frankfurt am Main

Suzanne Labarge
– from May 29, 2008
Toronto

Maurice Lévy
Chairman and Chief Executive
Officer of Publicis Groupe S.A.,
Paris

Henriette Mark*
Deutsche Bank AG,
Munich

Prof. Dr. jur. Dr.-Ing. E.h.
Heinrich von Pierer
until May 29, 2008
Erlangen

Gabriele Platscher*
Deutsche Bank Privat- und
Geschäftskunden AG,
Braunschweig

Dr. Theo Siegert
Managing Partner of
de Haen Carstanjen & Söhne,
Dusseldorf

Dr. Johannes Teyssen
from May 29, 2008
Chief Operating Officer and
Deputy Chairman
of the Management Board
of E.ON AG,
Oberding

Marlehn Thieme*
from May 29, 2008
Deutsche Bank AG,
Bad Soden am Taunus

Tilman Todenhöfer
Managing Partner of
Robert Bosch Industrie-
treuhand KG,
Madrid

Dipl.-Ing. Dr.-Ing. E.h.
Jürgen Weber
until May 29, 2008
Chairman of the Supervisory
Board of Deutsche Lufthansa AG,
Hamburg

Werner Wenning
– from May 29, 2008
Chairman of the Management Board
of Bayer AG,
Leverkusen

Leo Wunderlich*
Deutsche Bank AG,
Mannheim

* Elected by our employees in Germany.

Committees

Chairman's Committee

Dr. Clemens Börsig
– Chairman

Heidrun Förster*

Ulrich Hartmann
until May 29, 2008

Ulrich Kaufmann*
until May 29, 2008

Karin Ruck*
from May 29, 2008

Tilman Todenhöfer
from May 29, 2008

Mediation Committee

Dr. Clemens Börsig
– Chairman

Wolfgang Böhr*
from May 29, 2008

Heidrun Förster*
until May 29, 2008

Ulrich Hartmann
until May 29, 2008

Henriette Mark*
until May 29, 2008

Karin Ruck*
from May 29, 2008

Tilman Todenhöfer
from May 29, 2008

Audit Committee

Dr. Karl-Gerhard Eick
– Chairman

Dr. Clemens Börsig

Heidrun Förster*
until May 29, 2008

Sabine Horn*
until May 29, 2008

Rolf Hunck*
until May 29, 2008

Sir Peter Job

Henriette Mark*
from May 29, 2008

Karin Ruck*
from May 29, 2008

Marlehn Thieme*
from May 29, 2008

Risk Committee

Dr. Clemens Börsig
– Chairman

Sir Peter Job

Prof. Dr. Henning Kagermann

Suzanne Labarge
from May 29, 2008
– Substitute Member

Prof. Dr. jur. Dr.-Ing. E.h.
Heinrich von Pierer
until May 29, 2008
– Substitute Member

Dr. Theo Siegert
from May 29, 2008
– Substitute Member

Tilman Todenhöfer
until May 29, 2008
– Substitute Member

Nomination Committee

Dr. Clemens Börsig
– Chairman

Ulrich Hartmann
until May 29, 2008

Tilman Todenhöfer
from May 29, 2008

Dipl.-Ing. Dr.-Ing. E.h.
Jürgen Weber
until May 29, 2008

Werner Wenning
from May 29, 2008

* Elected by our employees in Germany.

Advisory Boards

European Advisory Board

Professor Dr.-Ing. Wolfgang Reitzle
– Chairman from October 30, 2008
Chairman of the Management Board of Linde AG, Munich

Werner Wenning
until May 29, 2008
– Chairman
Chairman of the Management Board of Bayer AG, Leverkusen

Professor Dr. h.c. Roland Berger
since October 15, 2008
Chairman of the Supervisory Board of Roland Berger Strategy Consultants GmbH, Munich

Dr. Kurt Bock
Member of the Management Board of BASF SE, Ludwigshafen

Dr. Karl-Ludwig Kley
Chairman of the Executive Board and General Partner of Merck KGaA, Darmstadt

Peter Löscher
from January 1, 2009
Chairman of the Management Board of Siemens Aktiengesellschaft, Munich

Francis Mer
Bourg-la-Reine

Alexey A. Mordashov
Chairman of the Board of Directors, Severstal;
Director General, Company Severstal-Group, Cherepovets

Dr. h.c. August Oetker
General Partner of Dr. August Oetker KG, Bielefeld

Eckhard Pfeiffer
Kitzbühel

Dr. Bernd Pischetsrieder
Urfahrn

Dr. rer. pol. Michael Rogowski
Chairman of the Supervisory Board of J. M. Voith AG, Heidenheim

Håkan Samuelsson
Chairman of the Management Board of MAN Aktiengesellschaft, Munich

Maria-Elisabeth Schaeffler
Partner and Chairman of the Supervisory Board of INA-Holding Schaeffler KG, Herzogenaurach

Jürgen R. Thumann
President, BDI – Federation of German Industries (until December 31, 2008),
Chairman of the Shareholders' Committee of Heitkamp & Thumann KG, Dusseldorf

Dr. Dieter Zetsche
Chairman of the Management Board of Daimler AG and Head of Mercedes-Benz Cars, Stuttgart

Americas Advisory Board

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Lockheed Martin

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Senior Advisor, Silver Lake Partners;
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Chairman, Cerberus Capital
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U.S. Secretary of the Treasury

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Federative Republic of Brazil

Armando Garza Sada
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Development, Grupo Alfa

Enrique Iglesias
Secretary-General,
Ibero-American Conference

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former Prime Minister of Peru

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President, Martin Hall Group LLC;
former U.S. Secretary of Labor

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President, Arcor Group

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former Governor of the
Central Bank of Colombia

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The Fuji Bank Ltd., Japan

Nobuyuki Idei
Founder & CEO, Quantum Leaps Corporation;
Chairman of the Advisory Board,
Sony Corporation, Japan

Gang-Yon Lee
Chairman, Board of Directors Korea Gas Corporation, Korea

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Chairman and Chief Executive,
The Bank of East Asia, Hong Kong / China

Dr. Li Qingyuan
Director-General,
China Securities Regulatory Commission, China

Subramanian Ramadorai
CEO and Managing Director,
Tata Consultancy Services Limited, India

Dr. Tony Tan
Former Deputy Prime Minister and Co-ordinating Minister for Security and Defence of Singapore,
Singapore

Sofjan Wanandi
Chairman Santini Group, Indonesia

Professor Zhang Yunling
Professor of International Economics at the Chinese Academy of Social Science, China

Climate Change Advisory Board

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Managing Director and Managing Partner (Europe) of Riverstone Holdings LLC

John Coomber
Member of the Board of Directors,
Swiss Re

Fabio Feldmann
CEO, Fabio Feldmann Consultores

Zhang Hongren
Former President, International Union of Geological Science

Amory B. Lovins
Chairman & CEO,
Rocky Mountain Institute

Lord Oxburgh

Dr. R K Pachauri
Chairman, IPCC

Professor Hans Joachim Schellnhuber
Director, Potsdam Institute for Climate Impact Research (PIK)

Robert Socolow
Co-Director,
Carbon Mitigation Initiative

Klaus Töpfer
Former German Minister for Environment

Financial Calendar

2009

Apr 28, 2009	Interim Report as of March 31, 2009
May 26, 2009	**Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)**
May 27, 2009	Dividend payment
Jul 29, 2009	Interim Report as of June 30, 2009
Oct 29, 2009	Interim Report as of September 30, 2009

2010

Feb 4, 2010	Preliminary results for the 2009 financial year
Mar 12, 2010	Annual Report 2009 and Form 20-F
Apr 27, 2010	Interim Report as of March 31, 2010
May 27, 2010	**Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)**
May 28, 2010	Dividend payment
Jul 28, 2010	Interim Report as of June 30, 2010
Oct 28, 2010	Interim Report as of September 30, 2010