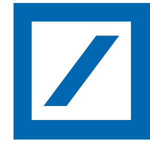
May 7, 2010

Deutsche Bank Aktiengesellschaft



Registration Document

Pursuant to Sections 5 and 12(1) sent. 3 of
the German Securities Prospectus Act *(Wertpapierprospektgesetz)*
English Language Version

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DOCUMENTS INCORPORATED BY REFERENCE

The following information has been incorporated in this registration document (the "Registration Document") by reference to the registration document of Deutsche Bank Aktiengesellschaft dated April 9, 2009 which has been approved by and filed with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht,* referred to as the "BaFin") and published on www.db.com/ir. This Registration Document must be read together with the following sections of the registration document dated April 9, 2009 which are deemed to be included in, and to form part of, this Registration Document:

	Registration Document of April 9, 2009 (English language version)
• *"Financial Statements — Consolidated Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ended December 31, 2008 (audited)"*, page F-149	Pages F-3 to F-172
• *"Financial Statements — Consolidated Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ended December 31, 2007 (audited)"*, page F-151	Pages F-173 to F-322

PERSONS RESPONSIBLE

Deutsche Bank Aktiengesellschaft, Frankfurt am Main, (hereinafter also referred to as "Deutsche Bank AG", the "Bank" or the "Company" and together with its consolidated subsidiaries the "Deutsche Bank Group", "Deutsche Bank" or the "Group") assumes responsibility for the contents of this Registration Document pursuant to Section 5(4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz – WpPG*) and hereby declares that to its knowledge the information contained in this Registration Document is true and accurate and no material circumstances are omitted, as well as that it has exercised proper care to ensure that the information contained in the Registration Document is true and accurate to its knowledge and that no facts likely to alter the assertions made in the Registration Document have been omitted.

APPROVAL, PUBLICATION AND VALIDITY OF REGISTRATION DOCUMENT

This Registration Document has been approved pursuant to Section 13(1) of the German Securities Prospectus Act (WpPG) by the BaFin. It has been published on the website (www.db.com/ir) of Deutsche Bank on the date of its approval.

The Registration Document is valid for a period of twelve months from the date of its publication and it reflects the status only as of its date of approval. This Registration Document complies with the requirements of a share registration document (Art. 4, Annex I of Commission Regulation (EC) No. 809/2004) as well as the requirements of a bank registration document (Art. 14, Annex XI of Commission Regulation (EC) No. 809/2004). Therefore, it may be used in regard to shares and other securities covered by Art. 4 of Commission Regulation (EC) No. 809/2004 as well as in regard to debt and derivative securities and those securities which are not covered by Art. 4 of Commission Regulation (EC) No. 809/2004.

This Registration Document neither constitutes an offer nor a solicitation of an offer to subscribe for or purchase any securities of Deutsche Bank. It should not be considered as a recommendation by Deutsche Bank that any recipient of this Registration Document should subscribe for or purchase any securities Deutsche Bank may issue. No person has been authorized by Deutsche Bank to give any information or to make any representation other than those contained in this document or consistent with this document. If given or made, any such information or representation should not be relied upon as having been authorized by Deutsche Bank.

RISK FACTORS

An investment in securities of Deutsche Bank involves a number of risks. Investors should carefully consider the following information about the risks Deutsche Bank faces, together with the other information in this document, before making investment decisions involving securities of Deutsche Bank. If one or more of these risks were to materialize, it could have a material adverse effect on Deutsche Bank's financial condition, results of operations, cash flows or prices of Deutsche Bank's securities. The Securities Note for the respective securities might contain further risk factors in regard to these respective securities. Other risks of which the Bank is currently unaware may also affect Deutsche Bank AG's or Deutsche Bank Group's business operations and may have a material adverse effect on the business, financial condition and results of operations of Deutsche Bank AG or Deutsche Bank Group, as the case may be. The selected order in which the following risk factors are presented does not have any significance in regard to the likelihood of their realization nor the severity of their economic impact.

Deutsche Bank has been and expects to continue to be affected by the current global financial crisis and economic downturn.

As a global investment bank with a large private client franchise, Deutsche Bank's businesses are materially affected by conditions in the global financial markets and economic conditions generally. Since the second half of 2007, and particularly since September 2008, the financial services industry, including Deutsche Bank, and the global financial markets have been materially and adversely affected by significant declines in the values of nearly all classes of financial assets. The financial markets experienced unprecedented levels of volatility (rapid changes in price direction) and the breakdown of historically observed correlations (the extent to which prices move in tandem) across asset classes, compounded by extremely limited liquidity. This has materially and adversely affected the availability and performance of instruments used to hedge positions and manage risk. Furthermore, there has been a widespread loss of investor confidence, both in Deutsche Bank's industry and the broader markets.

Market conditions have also led to the failure or merger under distressed conditions of a number of prominent financial institutions. Furthermore, declining asset values, defaults on mortgages and consumer loans, and the lack of market and investor confidence, as well as other factors, have all combined to increase credit spreads, to cause ratings agencies to lower credit ratings and otherwise to increase the cost and decrease the availability of credit, despite very significant declines in central bank borrowing rates and other government actions.

As of the start of 2009, Europe, the United States and other important economies were contracting, with business activities across a wide range of industries and regions greatly reduced and unemployment increasing significantly. While financial market and economic conditions improved over the course of 2009, asset values, credit spreads and liquidity have not returned to pre-crisis levels, and conditions in the wider economy remain challenging. Although the economies of many developed countries returned to positive growth in the second half of 2009, the pace of recovery has remained relatively subdued. Economic headwinds persisted with unemployment increasing, weighing on household credit quality, and corporate defaults have been rising. The improvements in confidence and liquidity in financial markets and in economic conditions generally that have been seen since 2009 have been reliant in large part upon public sector stimulus measures, which will not be available indefinitely. Towards the end of 2009, large fiscal deficits and sharply rising public debt, mainly a reflection of the deep economic recession and the cost of financial sector support measures, led to growing concerns in financial markets over sovereign risk. These or other factors could render the improvements that have occurred fragile.

These adverse financial market and economic conditions have negatively impacted many of Deutsche Bank's businesses, particularly in 2008, with some effects persisting into 2009. If such conditions do not continue to improve, or if they worsen, Deutsche Bank's results of operations may be materially and adversely affected. In particular, these conditions required Deutsche Bank to write down the carrying values of some of its portfolios of assets, including leveraged loans and loan commitments. Furthermore, Deutsche Bank incurred sizeable losses in its equity derivatives trading and equity and credit proprietary trading businesses in 2008. Despite initiatives to reduce Deutsche Bank's exposure to the affected asset classes or activities, such reduction has not always been possible due to illiquid trading markets for many assets. As a result, Deutsche Bank has substantial remaining exposures and thus continues to be exposed to further deterioration in prices for the remaining positions. These write-downs and losses led Deutsche Bank to incur a loss in 2008, as performance in its other businesses was not sufficient to offset them. In addition, while Deutsche Bank was profitable in 2009, write-downs and losses in 2009, including large losses on its Leveraged Finance portfolio, and on Deutsche Bank's exposures to monolines, materially and negatively affected Deutsche Bank's results. Deutsche Bank's inability to offset the potential negative effects on its profitability through performance in its other businesses may continue in the future.

Market declines and volatility can materially adversely affect Deutsche Bank's revenues and profits.

As a global investment bank, Deutsche Bank has significant exposure to the financial markets and is more at risk from the adverse developments in the financial markets than institutions engaged predominantly in traditional banking activities. Market declines have caused and can continue to cause Deutsche Bank's revenues to decline, and, if Deutsche Bank is unable to reduce its expenses at the same pace, can cause Deutsche Bank's profitability to erode or cause it to show material losses, as it did in 2008. Volatility can also adversely affect Deutsche Bank, by causing the value of financial assets Deutsche Bank holds to decline or the expense of hedging Deutsche Bank's risks to rise.

Deutsche Bank has incurred and may continue to incur significant losses from its trading and investment activities due to market fluctuations.

Deutsche Bank enters into and maintains large trading and investment positions in the fixed income, equity and currency markets, primarily through its Corporate Banking & Securities Corporate Division. Deutsche Bank also from time to time makes significant investments in individual companies, primarily through its Corporate Investments and Corporate and Investment Bank Group Divisions. It also maintains smaller trading and investment positions in other assets. Many of these trading positions include derivative financial instruments.

In each of the product and business lines in which Deutsche Bank enters into these kinds of positions, part of its business entails making assessments about the financial markets and trends in them. The revenues and profits Deutsche Bank derives from many of its positions and transactions in connection with them can be negatively impacted by market prices, which were both declining and volatile during the financial crisis. When Deutsche Bank owns assets, market price declines can expose it to losses. Many of the more sophisticated transactions are designed to profit from price movements and differences among prices. If prices move in a way Deutsche Bank has not anticipated, it may experience losses. Also, when markets are volatile, the assessments Deutsche Bank has made may prove to lead to lower revenues or profits, or may lead to losses, on the related transactions and positions. In addition, Deutsche Bank commits capital and takes market risk to facilitate certain capital markets transactions; doing so can result in losses as well as income volatility.

Protracted market declines have reduced and may continue to reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

In some of Deutsche Bank's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. As Deutsche Bank experienced during the current financial crisis, these developments can lead to material losses if Deutsche Bank cannot close out deteriorating positions in a timely way. This may especially be the case for assets Deutsche Bank holds for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that Deutsche Bank calculates using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses Deutsche Bank did not anticipate.

Deutsche Bank has incurred losses, and may incur further losses, as a result of changes in the fair value of its financial instruments.

A substantial proportion of the assets and liabilities on Deutsche Bank's balance sheet comprise financial instruments that it carries at fair value, with changes in fair value recognized in the income statement. Fair value is defined as the price at which an asset or liability could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. If the value of an asset carried at fair value declines (or the value of a liability carried at fair value increases) a corresponding write-down is recognized in the income statement. These write-downs have been and could continue to be significant.

Observable prices or inputs are not available for certain classes of financial instruments. Fair value is determined in these cases using valuation techniques Deutsche Bank believes to be appropriate for the particular instrument. The application of valuation techniques to determine fair value involves estimation and management judgment, the extent of which will vary with the degree of complexity of the instrument and liquidity in the market. Management judgment is required in the selection and application of the appropriate parameters, assumptions and modeling techniques. If any of the assumptions change due to negative market conditions or for other reasons, subsequent valuations may result in significant changes in the fair values of Deutsche Bank's financial instruments, requiring it to record losses.

Deutsche Bank's exposure and related write-downs are reported net of any fair value gains it may record in connection with hedging transactions related to the underlying assets. However, Deutsche Bank may never realize these gains, and the fair value of the hedges may change in future periods for a number of reasons, including as a result of deterioration in the credit of its hedging counterparties. Such declines may be independent of the fair values of the underlying hedged assets and may result in future losses.

Adverse economic conditions have caused and may continue to cause Deutsche Bank to incur higher credit losses.

The adverse economic conditions experienced during the current financial crisis have caused and may continue to cause Deutsche Bank to incur higher credit losses, with its provision for credit losses increasing from € 0.6 billion in 2007, to € 1,1 billion in 2008, to € 2.6 billion in 2009. Increased provisions occurred in both Deutsche Bank's Corporate and Investment Bank and Private Clients and Asset Management Group Divisions.

In the second half of 2008 and the first quarter of 2009, as permitted by recent amendments to the IFRS, Deutsche Bank reclassified certain financial assets out of financial assets carried at fair value through profit or loss or available for sale into loans. While such reclassified assets, which had a carrying value of € 33.6 billion as of December 31, 2009, are no longer subject to mark-to-market accounting, Deutsche Bank continues to be exposed to the risk of impairment of such assets. In addition, Deutsche Bank bears additional funding and capital costs with respect to them. Of Deutsche Bank's € 2.6 billion provision for credit losses in 2009, € 1.3 billion was attributable to these reclassified assets and related primarily to exposures in Leveraged Finance.

Even where losses are for Deutsche Bank's clients' accounts, they may fail to repay Deutsche Bank, leading to material losses for Deutsche Bank, and its reputation can be harmed.

While Deutsche Bank's clients would be responsible for losses Deutsche Bank incurs in taking positions for their accounts, it may be exposed to additional credit risk as a result of their need to cover the losses where Deutsche Bank does not hold adequate collateral or cannot realize it. Deutsche Bank's business may also suffer if its clients lose money and Deutsche Bank loses the confidence of clients in its products and services.

Deutsche Bank's investment banking revenues may continue to decline as a result of adverse market or economic conditions.

Deutsche Bank's investment banking revenues, in the form of financial advisory and underwriting fees, directly relate to the number and size of the transactions in which Deutsche Bank participates and are susceptible to adverse effects from sustained market downturns, such as the one currently experienced. These fees and other income are generally linked to the value of the underlying transactions and therefore can decline with asset values, as they have during the current financial crisis. Deutsche Bank's revenues and profitability could sustain further material adverse effects from a significant reduction in the number or size of debt and equity offerings and merger and acquisition transactions.

Deutsche Bank may generate lower revenues from brokerage and other commission- and fee-based businesses.

Market downturns have led and may continue to lead to declines in the volume of transactions that Deutsche Bank executes for its clients and, therefore, to declines in its noninterest income. In addition, because the fees that Deutsche Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals reduces the revenues Deutsche Bank receives from its asset management and private banking businesses. Even in the absence of a market downturn, below-market or negative performance by Deutsche Bank's investment funds may result in increased withdrawals and reduced inflows, which would reduce the revenue Deutsche Bank receives from its asset management business.

The risk management policies, procedures and methods leave Deutsche Bank exposed to unidentified or unanticipated risks, which could lead to material losses.

Deutsche Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the risk management techniques and strategies have not been and may in the future not be fully effective in mitigating Deutsche Bank's risk exposure in all economic market environments or against all types of risk, including risks that it fails to identify or anticipate. Some of Deutsche Bank's quantitative tools and metrics for managing risk are based upon its use of observed historical market behavior. Deutsche Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. In the volatile market environment of the financial crisis, these tools and metrics failed to predict some of the losses Deutsche Bank experienced, particularly in 2008, and may continue to fail to predict future important risk exposures. In addition, the quantitative modeling does not take all risks into account and makes numerous assumptions regarding the overall environment, which may not be borne out by events. As a result, risk exposures have arisen and could continue to arise from factors Deutsche Bank did not anticipate or correctly evaluate in its statistical models. This has limited and could continue to limit Deutsche Bank's ability to manage its risks. Deutsche Bank's losses thus have been and may continue to be significantly greater than the historical measures indicate.

In addition, Deutsche Bank's more qualitative approach to managing those risks not taken into account by the quantitative methods could also prove insufficient, exposing Deutsche Bank to material unanticipated losses. Also, if existing or potential customers or counterparties believe Deutsche Bank's risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with Deutsche Bank. This could harm Deutsche Bank's reputation as well as its revenues and profits.

In connection with the management of market risks Deutsche Bank is also exposed to "tail risk". "Tail risk" describes the form of market risk that arises when the possibility that a portfolio of assets will move more than three standard deviations from the mean is greater than what is shown by a normal distribution. Should Deutsche Bank underestimate the tail risk in its portfolios, it would be exposed to greater losses than its portfolio models would otherwise predict.

Deutsche Bank's nontraditional credit businesses materially add to its traditional banking credit risks.

As a bank and provider of financial services, Deutsche Bank is exposed to the risk that third parties that owe Deutsche Bank money, securities or other assets will not perform their obligations. Many of the businesses Deutsche Bank engages in beyond the traditional banking businesses of deposit-taking and lending also expose Deutsche Bank to credit risk.

In particular, many of the businesses Deutsche Bank has engaged in through its Corporate Banking & Securities Corporate Division entail credit transactions, frequently ancillary to other transactions. Nontraditional sources of credit risk can arise, for example, from holding securities of third parties; entering into swap or other derivative contracts under which counterparties have obligations to make payments to Deutsche Bank; executing securities, futures, currency or commodity trades that fail to settle at the required time due to nondelivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries; and extending credit through other arrangements. Parties to these transactions, such as trading counterparties, may default on their obligations to Deutsche Bank due to bankruptcy, political and economic events, lack of liquidity, operational failure or other reasons.

Many of Deutsche Bank's derivative transactions are individually negotiated and non-standardized, which can make exiting, transferring or settling the position difficult. Certain credit derivatives require that Deutsche Bank delivers to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, Deutsche Bank does not hold, and may not be able to obtain, the underlying security, loan or other obligation. This could cause Deutsche Bank to forfeit the payments otherwise due to it or result in settlement delays, which could damage Deutsche Bank's reputation and ability to transact future business, as well as increased costs to Deutsche Bank.

The exceptionally difficult market conditions since the second half of 2007 have severely adversely affected certain areas in which Deutsche Bank does business that entail nontraditional credit risks, including the leveraged finance and structured credit markets, and may do so in the future.

Deutsche Bank has a continuous demand for liquidity to fund its business activities. It may suffer during periods of market-wide or firm-specific liquidity constraints and is exposed to the risk that liquidity is not made available to it even if its underlying business remains strong.

Deutsche Bank is exposed to liquidity risk, which is the risk arising from its potential inability to meet all payment obligations when they become due or only being able to meet them at excessive costs. Deutsche Bank's liquidity may become impaired due to a reluctance of Deutsche Bank's counterparties or the market to finance Deutsche Bank's operations due to actual or perceived weaknesses in Deutsche Bank's businesses. Such impairments can also arise from circumstances unrelated to Deutsche Bank's businesses and outside its control, such as, but not limited to, disruptions in the financial markets, like those experienced during 2008 and early 2009, negative developments concerning other financial institutions perceived to be comparable to Deutsche Bank, or negative views about the financial services industry in general, or disruptions in the markets for any specific class of assets. Negative perceptions concerning Deutsche Bank's business and prospects could develop as a result of large losses, changes of its credit ratings, a general decline in the level of business activity in the financial services sector, regulatory action, serious employee misconduct or illegal activity, as well as many other reasons.

Since the start of the financial crisis the major credit rating agencies have lowered Deutsche Bank's credit ratings or placed them on review or watch. Ratings downgrades may impact the cost and availability of Deutsche Bank's funding, collateral requirements and the willingness of counterparties to do business with Deutsche Bank.

Deutsche Bank requires capital to support its business activities and meet regulatory requirements. Losses could diminish Deutsche Bank's capital, and market conditions may prevent Deutsche Bank from raising additional capital or increase its cost of capital.

In the wake of the financial crisis in 2008 and early 2009, the price of Deutsche Bank's shares declined and the spreads on Deutsche Bank's credit default swaps widened. If the levels of market disruption and volatility experienced in 2008 and early 2009 recur, Deutsche Bank's ability to access the capital markets and obtain the necessary funding to support its business activities on acceptable terms may be adversely affected. Among other things, an inability to refinance assets on its balance sheet or maintain appropriate levels of capital to protect against deteriorations in their value could force Deutsche Bank to liquidate assets it holds at depressed prices or on unfavorable terms, as well as forcing Deutsche Bank to curtail business, such as extending new credit. This could have an adverse effect on Deutsche Bank's business, financial condition and results of operations.

Also, regulatory reforms applicable to the financial services industry have been proposed that could subject Deutsche Bank to more stringent regulatory capital requirements. Meeting any such requirements may require Deutsche Bank to issue securities that qualify as regulatory capital or to liquidate assets or curtail business, which may have adverse effects on Deutsche Bank's business, financial condition and results of operations, particularly if any such proposal becomes effective at a time when financial markets are distressed, but also under normal market conditions.

Deutsche Bank operates in an increasingly regulated and litigious environment, potentially exposing it to liability and other costs, the amounts of which may be difficult to estimate.

The financial services industry is among the most highly regulated industries. Deutsche Bank's operations throughout the world are regulated and supervised by the central banks and regulatory authorities in the jurisdictions in which it operates. In recent years, regulation and supervision in a number of areas has increased, and regulators, counterparties and others have sought to subject financial services providers to increasing responsibilities and liabilities. This trend has accelerated markedly as a result of the financial crisis. As a result, Deutsche Bank may be subject to an increasing incidence or amount of liability or regulatory sanctions and may be required to make greater expenditures and devote additional resources to address potential liability.

Due to the nature of Deutsche Bank's business, Deutsche Bank AG and its subsidiaries are involved in litigation, arbitration and regulatory proceedings in jurisdictions around the world. Such matters are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Deutsche Bank may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. Deutsche Bank may do so to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when Deutsche Bank believes it has valid defenses to liability. Deutsche Bank may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, Deutsche Bank may, for similar reasons, reimburse counterparties for their losses even in situations where Deutsche Bank does not believe that it is legally compelled to do so. The financial impact of legal risks might be considerable but may be hard or impossible to estimate and so to quantify, so that amounts eventually paid may exceed the amount of reserves set aside to cover such risks.

Governmental and central bank action in response to the financial crisis significantly affects competition and may affect the legal or economic position of shareholders or other investors.

In response to the financial markets crisis, there has been significant intervention by governments and central banks into the financial services sector, including the taking of direct shareholdings in individual financial institutions, particularly in the U.S., the U.K. and Switzerland, and contributions of other forms of capital to, guarantees of debt of and purchases of distressed assets from financial institutions. In some instances, individual financial institutions have been nationalized. The eligibility to benefit from such measures is in some instances tied to certain commitments of the participating bank, such as lending to certain types of borrowers, adjustments to the bank's business strategy, suspension of dividends and other profit distributions and limitations on the compensation of executives.

Such interventions involve significant amounts of money and have significant effects on both institutions that participate in them and institutions that do not participate including with respect to access to funding and capital and recruiting and retention of talent. Institutions that do not receive such government support may be in a position to preserve greater autonomy in their strategy, lending and compensation policy but may suffer competitive disadvantages on their costs base, in particular their costs of funding and capital. They also may suffer a decline in depositor or investor confidence thus risking a loss of liquidity. Institutions that receive such government support may, as described above, have to make certain commitments and become subject to certain constraints.

Legislation enacted in Germany in response to the financial markets crisis provides among other things for the temporary suspension of otherwise applicable stock corporation and takeover law, in particular with respect to

shareholder rights and for enhanced powers of the BaFin to suspend dividends and other distributions on financial instruments that qualify as own funds (*Eigenmittel*).

The implementation of any such measures with respect to Deutsche Bank could adversely affect the legal or economic position of Deutsche Bank's shareholders or other investors. The implementation of any such measures with respect to other companies could adversely affect the perception of the overall prospects for the financial services sector or for a particular type or types of financial instruments. In such case the price for Deutsche Bank's shares and other financial instruments could drop and its costs of funding and capital could rise.

Regulatory reforms proposed in response to the financial crisis may significantly affect Deutsche Bank's business model and the competitive environment.

In response to the financial markets crisis, governments, regulatory authorities and others have made and continue to make numerous proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. The wide range of current proposals includes, among others, proposals for: more stringent regulatory capital and liquidity standards; restrictions on compensation practices; charging special levies to fund governmental intervention in response to crises; expansion of the resolution powers of regulators; separation of certain businesses from deposit taking; breaking up financial institutions that are perceived to be too large for regulators to take the risk of their failure; and reforming market infrastructures.

For some of these proposals, formal consultations and impact studies have begun, while other proposals are only in the political debating stage. It is presently unclear which of these proposals, if any, will become law and, if so, to what extent and on what terms. Therefore, Deutsche Bank cannot assess their effects on it at this point. It is possible, however, that the future regulatory framework for financial institutions may change, perhaps significantly, which creates significant uncertainty for Deutsche Bank and the financial industry in general. Effects of the regulatory changes on Deutsche Bank may range from additional administrative costs to implement and comply with new rules to increased costs of funding and/or capital, up to restrictions on Deutsche Bank's growth and on the businesses Deutsche Bank is permitted to conduct. Should proposals be adopted that require Deutsche Bank to materially alter Deutsche Bank's business model, the resulting changes could have a material adverse effect on Deutsche Bank's business, results of operations and financial condition as well as on Deutsche Bank's prospects.

Operational risks may disrupt Deutsche Bank's businesses.

Deutsche Bank faces operational risk arising from errors, inadvertent or intentional, made in the execution, confirmation or settlement of transactions or from transactions not being properly recorded, evaluated or accounted for. Derivative contracts are not always confirmed with the counterparties on a timely basis; while the transaction remains unconfirmed, Deutsche Bank is subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce the contract. The current financial crisis, in which the risk of counterparty default has increased, has increased the possibility that this operational risk materializes.

Deutsche Bank's businesses are highly dependent on its ability to process, on a daily basis, a large number of transactions across numerous and diverse markets in many currencies, and certain of the transactions Deutsche Bank processes have become increasingly complex. Consequently, Deutsche Bank relies heavily on its financial, accounting and other data processing systems. If any of these systems do not operate properly, or are disabled, Deutsche Bank could suffer financial loss, a disruption of its businesses, liability to clients, regulatory intervention or reputational damage.

In addition, despite the contingency plans Deutsche Bank has in place, its ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports Deutsche Bank's businesses and the communities in which Deutsche Bank is located. This may include a disruption due to terrorist activities, or disease pandemics, as well as disruption involving electrical, communications, transportation or other services used by Deutsche Bank or third parties with whom it conducts business.

The size of Deutsche Bank's clearing operations exposes it to a heightened risk of material losses should these operations fail to function properly.

Deutsche Bank has large clearing and settlement businesses. These give rise to the risk that Deutsche Bank, its customers or other third parties could lose substantial sums if Deutsche Bank's systems fail to operate properly for even short periods. This will be the case even where the reason for the interruption is external to Deutsche Bank. In such a case, Deutsche Bank might suffer harm to its reputation even if no material amounts of money are lost. This could cause customers to take their business elsewhere, which could materially harm Deutsche Bank's revenues and profits.

If Deutsche Bank is unable to implement its strategic initiatives, it may incur losses or low profitability, and Deutsche Bank's share price may be materially and adversely affected.

In late 2009, Deutsche Bank launched Phase 4 of its management agenda, which is focused on the next two years, and comprises the following key pillars: increasing profitability in its Corporate and Investment Bank Group Division with renewed risk and balance sheet discipline, focusing on core Private Clients and Asset Management businesses and home market leadership, focusing on Asia as a key driver of revenue growth and renewing emphasis on its performance culture. If Deutsche Bank fails to implement these strategic initiatives or should the initiatives that are implemented fail to produce the anticipated benefits, Deutsche Bank may incur losses, or low profitability, and its share price may be materially and adversely affected. A number of internal and external factors could prevent the implementation of these initiatives or the realization of their anticipated benefits, including the recurrence of extreme turbulence in the markets in which Deutsche Bank is active, continued weakness of global, regional and national economic conditions, regulatory changes that increase Deutsche Bank's costs or restrict its activities and increased competition for business.

Deutsche Bank may have difficulty in identifying and executing acquisitions, and both making acquisitions and avoiding them could materially harm Deutsche Bank's results of operations and its share price.

Deutsche Bank considers business combinations from time to time. Even though Deutsche Bank reviews the companies it plans to acquire, it is generally not feasible for these reviews to be complete in all respects. As a result, Deutsche Bank may assume unanticipated liabilities, or an acquisition may not perform as well as expected. Were Deutsche Bank to announce or complete a significant business combination transaction, its share price could decline significantly if investors viewed the transaction as too costly or unlikely to improve Deutsche Bank's competitive position. In addition, Deutsche Bank might have difficulty integrating any entity with which Deutsche Bank combines its operations. Failure to complete announced business combinations or failure to integrate acquired businesses successfully could materially adversely affect Deutsche Bank's profitability. It could also affect investors' perception of Deutsche Bank's business prospects and management, and thus cause its share price to fall. It could also lead to departures of key employees, or lead to increased costs and reduced profitability if Deutsche Bank felt compelled to offer them financial incentives to remain.

In February 2009, Deutsche Bank acquired a stake of 22.9 % in Deutsche Postbank AG ("Postbank") and bonds of Postbank's parent that are mandatorily exchangeable in 2012 into an additional 27.4 % of Postbank's shares. Together with a stake of approximately 2.1% held at that point in time as well as additional shares purchased after that transaction, Deutsche Bank held an investment of 29.88% as of December 31, 2009. If Deutsche Bank continues to hold the bonds when they are exchanged, it would own a majority of Postbank's shares. The current holding does not give Deutsche Bank control of Postbank, which, like many financial institutions, has been affected by the financial crisis. While Deutsche Bank is able to determine, in the implementation of its strategy, whether to hold the exchangeable bonds at the time of their mandatory exchange, and accordingly whether it will in fact acquire control of Postbank, Deutsche Bank remains exposed to the risk of loss on its present investment in Postbank. Any such loss could be material.

Deutsche Bank may have difficulties selling noncore assets at favorable prices, or at all.

Deutsche Bank may seek to sell certain noncore assets. Unfavorable business or market conditions may make it difficult for Deutsche Bank to sell such assets at favorable prices, or may preclude such a sale altogether.

Events at companies in which Deutsche Bank has invested may make it harder to sell its holdings and result in material losses irrespective of market developments.

Deutsche Bank has made significant investments in individual companies. Losses and risks at those companies may restrict Deutsche Bank's ability to sell its shareholdings and may reduce the value of the holdings considerably, potentially impacting Deutsche Bank's financial statements or earnings, even where general market conditions are favorable. Deutsche Bank's larger, less liquid interests are particularly vulnerable given the size of these exposures.

Intense competition, in Deutsche Bank's home market of Germany as well as in international markets, could materially adversely impact its revenues and profitability.

Competition is intense in all of Deutsche Bank's primary business areas, in Germany as well as in international markets. If Deutsche Bank is unable to respond to the competitive environment in these markets with attractive product and service offerings that are profitable for Deutsche Bank, it may lose market share in important areas of Deutsche Bank's business or incur losses on some or all of Deutsche Bank's activities. In addition, downturns in the economies of these markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for Deutsche Bank.

In recent years there has been substantial consolidation and convergence among financial services companies, culminating in unprecedented consolidations in the course of the financial crisis. This trend has significantly increased the capital base and geographic reach of some of Deutsche Bank's competitors and has hastened the globalization of the securities and other financial services markets. As a result, Deutsche Bank must compete with financial institutions that may be larger and better capitalized than Deutsche Bank is and that may have a stronger position in local markets. Also, as described above, governmental action in response to the financial crisis may place Deutsche Bank at a competitive disadvantage.

Transactions with counterparties in countries designated by the U.S. State Department as state sponsors of terrorism may lead potential customers and investors to avoid doing business with Deutsche Bank or investing in its securities.

Deutsche Bank engages or has engaged in a limited amount of business with counterparties, including government owned or controlled counterparties, in certain countries which the U.S. State Department has designated as state sponsors of terrorism, including Iran. Deutsche Bank also had a representative office in Tehran, Iran, which it discontinued at December 31, 2007. U.S. law generally prohibits U.S. persons from doing business with such countries. Deutsche Bank is a German bank and its activities with respect to such countries have not involved any U.S. person in either a managerial or operational role and have been subject to policies and procedures designed to ensure compliance with United Nations, European Union and German embargoes. In 2007 and before, Deutsche Bank AG's Management Board decided not to engage in new business with counterparties in countries such as Iran, Syria, Sudan and North Korea and to exit existing business to the extent legally possible.

The existing business with Iranian counterparties consists mostly of participations as lender and/or agent in a few large trade finance facilities arranged some years ago to finance the export contracts of exporters in Europe and Asia. The lifetime of most of these facilities is ten years or more and Deutsche Bank is legally obligated to fulfill its contractual obligations. Deutsche Bank does not believe its business activities with Iranian counterparties are material to its overall business, with the outstandings to Iranian borrowers representing substantially less than 0.1 % of the Bank's total assets as of December 31, 2009 and the revenues from all such activities representing substantially less than 0.1 % of the Bank's total revenues for the year ended December 31, 2009.

Deutsche Bank is aware, through press reports and other means, of initiatives by governmental and non-governmental entities in the United States and elsewhere to adopt laws, regulations or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with Iran. Such initiatives may result in Deutsche Bank being unable to gain or retain entities subject to such prohibitions as customers or as investors in its securities. In addition, Deutsche Bank's reputation may suffer due to its association with Iran. Such a result could have significant adverse effects on Deutsche Bank's business or the price of its securities.

GENERAL INFORMATION

Forward-Looking Statements; Third Party Information

This Registration Document contains certain forward-looking statements. Forward-looking statements are all statements that do not refer to historical facts or events, and such forward-looking statements containing wording such as "believes", "estimates", "assumes", "expects", "anticipates", "foresees", "intends", or "could", or similar expressions. This applies especially to all information in this Registration Document regarding intentions, beliefs, or current expectations of the Company regarding its future financial condition and results of operation, plans, liquidity, business outlooks, growth, strategy and profitability, as well as the economic conditions to which the Company is subjected.

The forward-looking statements are based on current, to the best of the knowledge undertaken assessments and assumptions of the Company. Such forward-looking statements are subject to risks and uncertainties, as they relate to events and are based on current assumptions, which, as the case may be, may not at all occur in the future. The Company warns that such forward-looking statements do not represent a guarantee for the future; the actual outcome of Deutsche Bank AG's or (as applicable) the Deutsche Bank Group's financial condition and results of operations, and the development of economic conditions, may differ materially from (in particular, be more negative than) those conditions expressly or implicitly assumed or described in such statements. Even if the actual results of the Company or (as applicable) the Deutsche Bank Group, including the financial condition and results of operations as well as the economic conditions, should accord with the forward-looking statements contained in this Registration Document, there is no warranty that this would also be the case in the future.

The Company does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments to the extent that it is not legally required to do so. The obligation pursuant to Section 12(3) sent. 1 of the German Securities Prospectus Act (WpPG) to include in a securities note (which, together with this Registration Document and a summary, forms a three-part prospectus) information on material changes and new developments which might impact the assessment of the public, remains unaffected.

Furthermore, this Registration Document contains industry and customer-related data as well as calculations taken or derived from industry reports published by third parties, market research reports, publicly available information and commercial publications ("external data"). Commercial publications generally state that the information they contain has originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on a series of assumptions. The external data has not been independently verified by the Company. Therefore, the Company cannot assume any responsibility for the accuracy of the external data taken or derived from public sources.

Particular note should be taken of the fact that external data was referred to in defining markets and in determining their size. In defining markets and determining their size, the categories applied by the respective sources were also used as a basis. These categories generally do not correspond to the categories applied by Deutsche Bank in determining its financial and other data. The ability to compare external data with the financial and other data of Deutsche Bank is therefore limited; in particular this limited comparability should be noted in regard to the statements made concerning Deutsche Bank's market shares. Many of Deutsche Bank's customers maintain customer relationships with several banks. For this reason, persons whom Deutsche Bank counts as its customers may also be considered by other financial institutions as their own customers. Calculations of market shares or other similar data on the basis of customer numbers may therefore result in one individual being counted as a customer by different institutions, and therefore multiply accounted for.

Where information in this Registration Document has been sourced from a third party, the Bank confirms that, to the best of its knowledge, this information has been accurately reproduced and that so far as the Bank is aware and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information inaccurate or misleading.

Note Regarding Currency and Financial Information

Figures contained in this Registration Document stated in "€" or "Euro" refer to the legal currency of the Federal Republic of Germany since January 1, 1999.

Figures contained in this Registration Document stated in "$" or "U.S.$" refer to the legal currency of the United States of America.

If not otherwise stated, the financial data contained in this Registration Document is taken from the audited non-consolidated financial statements of the Company prepared in accordance with the German Commercial Code (*Handelsgesetzbuch – HGB*) and the Regulation on Accounting by Credit Institutions and Financial Services Institutions (*Kreditinstituts-Rechnungslegungsverordnung*) for the fiscal year ended December 31, 2009, the audited consolidated financial statements of the Company prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as adopted by the EU (hereinafter referred to as the "IFRS") as of December 31, 2009, 2008 and 2007 and the reviewed condensed consolidated interim financial statements prepared in accordance with IFRS for the period ended March 31, 2010. The IFRS condensed consolidated interim financial statements, together with the review report, are included in the section "*Financial Statements*" of this Registration Document. The audited non-consolidated financial statements of the Company prepared in accordance with the German Commercial Code (HGB) for the fiscal year ended December 31, 2009 and the audited consolidated financial statements of the Company prepared in accordance with IFRS as of December 31, 2009, together with the respective auditor's reports, are also included in the section *"Financial Statements"* of this Registration Document. The consolidated financial statements of the Company as of December 31, 2008 and 2007, together with the respective auditor's reports, are incorporated into this Registration Document by reference to the Company's registration document dated April 9, 2009, see *"Documents Incorporated By Reference"*. Any financial data referred to as "unaudited" in this Registration Document means that the financial data was not subjected to any "audit" or "review" within the meaning of paragraph 20.4.3 or paragraph 20.6.1 of Annex I to the European Commission Regulation (EC) No. 809/2004. Provided this is explicitly stated, certain unaudited financial information has been derived from Deutsche Bank's Annual Report 2009 on Form 20-F which has been submitted to the U.S. Securities and Exchange Commission and can be found on Deutsche Bank's website (www.db.com/ir). For the avoidance of doubt it should be noted that the "pro-forma" data referenced in the section "*Risk Management — Balance Sheet Management*" and on page F-31 of this Registration Document do not constitute "pro forma financial information" within the meaning of paragraph 20.2 of Annex I to the European Commission Regulation (EC) No. 809/2004.

Individual figures (including percentages) stated in this Registration Document have been rounded using the common commercial method (*kaufmännische Rundung*). The sum totals or interim totals contained in the tables may possibly differ from the non-rounded figures contained elsewhere in this Registration Document due to this rounding. Furthermore, figures that have been rounded may possibly not exactly add up to the interim totals or sum totals contained in the tables or stated elsewhere in this Registration Document.

Statutory Auditors

The independent auditors of Deutsche Bank are KPMG AG Wirtschaftsprüfergesellschaft (formerly known as KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft) ("KPMG"), Marie-Curie-Strasse 30, 60439 Frankfurt am Main, Germany. The non-consolidated financial statements prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements prepared in accordance with IFRS for the fiscal years 2009, 2008 and 2007 (in each case, with comparative figures for the preceding year) have been audited by KPMG, and an unqualified auditor's report has been issued in each case. In addition, KPMG has reviewed the IFRS condensed consolidated interim financial statements as of March 31, 2010 and provided a review report which is included in the section "*Financial Statements*" of this Registration Document. KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

Documents on Display

While this Registration Document is valid, printed copies of the following documents may be inspected during customary business hours at the offices of the Company, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main:

- the Articles of Association of the Company;
- the reviewed IFRS condensed consolidated interim financial statements of Deutsche Bank AG for the three months ended March 31, 2010;
- the audited HGB non-consolidated financial statements of Deutsche Bank AG for the fiscal year ended December 31, 2009; and
- the audited IFRS consolidated financial statements of Deutsche Bank AG for the fiscal years ended December 31, 2009, 2008 and 2007.

In addition, these documents are available on the website of Deutsche Bank (www.db.com/ir).

INFORMATION ABOUT DEUTSCHE BANK

Corporate Name, Registered Office, Registration and Incorporation of the Company

The Bank's corporate name is Deutsche Bank Aktiengesellschaft. The Bank is registered in the Commercial Register of the District Court Frankfurt am Main under registration number HRB 30 000.

Deutsche Bank AG is a banking institution and a stock corporation incorporated under the laws of Germany. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Theodor-Heuss-Allee 70, 60486 Frankfurt am Main, Germany, (telephone: +49-69-910-00).

History and Development

Deutsche Bank originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the Local Court Frankfurt am Main on May 2, 1957.

Fiscal Year

The fiscal year of the Bank is the calendar year.

Objectives of the Company

The Company is a credit institution (*Kreditinstitut*) within the meaning of Section 1(1) of the German Banking Act (*Kreditwesengesetz – KWG*). The purpose of the Company as set forth in Section 2 of its Articles of Association is the transaction of banking business of every kind, the provision of financial and other services, and the promotion of the international economic relations. The Bank may realize these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the object of the Bank, in particular to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

Group Structure and Principle Investments

Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies. For information on the current material subsidiaries of Deutsche Bank AG see Note 38 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document.

Publications

In accordance with its Articles of Association, all notifications shall be published by the Company in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*). Notifications to the holders of the Company's admitted securities may also be made by way of data teletransmission.

Long-term Credit Ratings

The following table shows Deutsche Bank AG's long-term credit ratings at the date of this Registration Document:

Moody's Investors Service, New York[1]	Aa3
Standard & Poor's, New York[2]	A+
Fitch Ratings, New York[3]	AA–

1 Moody's rates Aa bonds lower than the best bonds (which it rates Aaa) because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat greater than Aaa securities. The numerical modifier 3 indicates that Moody's ranks the obligation in the lower end of the Aa category.

2 Standard and Poor's defines its A rating as somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The plus indicates a ranking in the upper end of the A category.

3 Fitch Ratings defines its AA rating as very high credit quality. Fitch Ratings uses the AA rating to denote a very low expectation of credit risk. According to Fitch Ratings, AA-ratings indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. Category AA is Fitch Ratings second-highest rating category; the minus indicates a ranking in the lower end of the AA category.

On March 4, 2010, Moody's Investors Service lowered Deutsche Bank AG's long-term rating from Aa1 to Aa3 (with outlook stable), citing Deutsche Bank's substantial reliance on capital market activities and the ensuing risk management challenges, the perceived delay in the acquisition of a majority holding in Deutsche Postbank AG and volatility of Deutsche Bank's non-investment banking business.

Each rating reflects the view of the rating agency only at the time it gave Deutsche Bank the rating. The rating agencies can change their ratings at any time if they believe that circumstances so warrant.

DIVIDEND POLICY AND EARNINGS PER COMMON SHARE

Dividend Policy

Under German law, the dividends are based on the unconsolidated results of Deutsche Bank AG as prepared in accordance with German accounting rules. In connection with the determination of the balance sheet profits available for distribution, the annual net income/loss is adjusted by accumulated income/losses in regard to the preceding year and allocations to and withdrawals from reserves. Certain reserves are required by law and must be deducted when calculating the amount of balance sheet profits available for distribution. The remaining amount is then allocated to other revenue reserves (or retained earnings) or balance sheet profits (or distributable profits). Up to one-half of this remainder may be allocated to other revenue reserves, and at least one-half must be allocated to balance sheet profits. The full amount of the balance sheet profits of Deutsche Bank AG is distributed if the Annual General Meeting so resolves. The Annual General Meeting may resolve a non-cash distribution instead of or in addition to a cash dividend. In so far as the Bank has issued participatory certificates (*Genussscheine*) and the respective conditions of participatory certificates accord the holders of the participatory certificates a claim to distribution from the distributable profits, the right of the shareholders to this portion of the distributable profits is excluded. If the Bank fails to meet the capital adequacy requirements or the liquidity requirements under the German Banking Act (KWG), the BaFin may suspend or limit the payment of dividends. The non-consolidated financial statements of the Company as of December 31, 2009 are included in the *"Financial Statements"* section of this Registration Document. Contrary to the consolidated financial statements which were prepared in accordance with IFRS, these unconsolidated financial statements have been prepared in accordance with the German Commercial Code (HGB). There are differences between HGB and IFRS accounting standards.

The Bank declares dividends at the Annual General Meeting and pays them once a year. Dividends approved at a General Meeting are payable on the first stock exchange trading day after that meeting, unless otherwise decided at that meeting. Under German law, dividend claims are generally subject to a three-year statute of limitations. In accordance with the German Stock Corporation Act (*Aktiengesetz*), the record date for determining which holders of the ordinary shares are entitled to the payment of dividends, if any, or other distributions whether cash, stock or property, is the date of the General Meeting at which such dividends or other distributions are declared. If the Bank issues a new class of shares, its Articles of Association permit it to declare a different dividend entitlement for the new class of shares.

Result per Share

The following table shows the earnings per share on a consolidated basis (IFRS) (audited) as well as the annual dividends per share proposed for the fiscal year 2009 and paid for the fiscal years 2008 and 2007:

	2009	2008	2007
Dividends per share in €	0.75[1]	0.50	4.50
Basic earnings per share in €[2]	7.92	(7.61)	13.65
Diluted earnings per share in €[3]	7.59	(7.61)	13.05

1 Proposal by Deutsche Bank AG's Management Board and Supervisory Board to the Annual General Meeting 2010 which decides on the distribution of dividends for the fiscal year 2009.

2 The result per share is determined by division of the Group result attributable to the Bank's shareholders by the average number of common shares outstanding in the respective reporting year. The average number of common shares results from the average number of issued shares adjusted by the average number of shares held by the Bank and the average number of shares acquired via forward transactions, which are performed by delivery of shares, plus unallocated unexpired shares from employee share plans.

3 Diluted earnings per share are based on the assumption of the conversion of securities in common shares or the exercise of contracts to issue common shares, convertible securities, share rights which have not become non-lapsable yet and forward contracts. Financial instruments will only be taken into account for the determination of diluted earnings per share if these have a diluting affect in the relevant reporting period.

Dividends distributed in the past are not a suitable measure for drawing any conclusions in regard to future dividend payments.

BUSINESS

Overview

Headquartered in Frankfurt am Main, Germany, Deutsche Bank is, in its opinion, the largest bank in Germany and, in its own estimation, one of the largest financial institutions in Europe and the world, as measured by total assets of € 1,670 billion as of March 31, 2010. As of that date, Deutsche Bank employed 80,849 people on a full-time equivalent basis and operated in 72 countries out of 1,999 branches worldwide, of which 49 % were in Germany. Deutsche Bank offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

Deutsche Bank is organized into three group divisions, two of which are further sub-divided into corporate divisions. The Bank's group divisions are:

- The Corporate and Investment Bank (CIB), comprising two corporate divisions:
  - Corporate Banking & Securities (CB&S)
  - Global Transaction Banking (GTB)
- Private Clients and Asset Management (PCAM), comprising two corporate divisions:
  - Asset and Wealth Management (AWM)
  - Private & Business Clients (PBC)
- Corporate Investments (CI)

These divisions are supported by infrastructure functions and the Corporate Center. In addition, Deutsche Bank has a regional management function that covers regional responsibilities worldwide.

Deutsche Bank has operations or dealings with existing or potential customers in most countries in the world. These operations and dealings include:

- subsidiaries and branches in many countries;
- representative offices in many other countries;
- and one or more representatives assigned to serve customers in a large number of additional countries.

The following table shows the net revenues by geographical region, based on Deutsche Bank's management reporting systems. The information presented for CIB and PCAM has been classified based primarily on the location of the Group's office in which the revenues are recorded. The information for Corporate Investments and Consolidation & Adjustments is presented on a global level only, as management responsibility for these areas is held centrally.

	2009	2008	2007
		in € m. *(audited)*	
Germany:			
CIB	2,353	2,997	3,012
PCAM	4,769	5,208	5,514
Total Germany	**7,122**	**8,205**	**8,525**
Europe, Middle East and Africa:			
CIB	8,483	(629)	7,713
PCAM	2,482	2,391	2,816
Total Europe, Middle East and Africa[(1)]	**10,964**	**1,762**	**10,530**
Americas (primarily U.S.):			
CIB	5,295	(838)	4,628
PCAM	724	971	1,331
Total Americas	**6,020**	**133**	**5,959**
Asia/Pacific:			
CIB	2,672	1,671	3,823
PCAM	289	471	468
Total Asia/Pacific	**2,961**	**2,142**	**4,291**
CI	1,044	1,290	1,517
Consolidation & Adjustments	(159)	82	7
Consolidated net revenues[(2)]	**27,952**	**13,613**	**30,829**

1 For each of the years ended December 31, 2009 and 2007, respectively, the United Kingdom accounted for roughly 60 % of these revenues. The United Kingdom reported negative revenues for the year ended December 31, 2008.

2 Consolidated net revenues comprise interest and similar income, interest expense and total noninterest income (including net commissions and fee income). Revenues are attributed to countries based on the location in which Deutsche Bank's booking office is located. The location of a transaction on Deutsche Bank's books is sometimes different from the location of the headquarters or other offices of a customer and different from the location of Deutsche Bank's personnel who entered into or facilitated the transaction. Where Deutsche Bank records a transaction involving its staff and customers and other third parties in different locations frequently depends on other considerations, such as the nature of the transaction, regulatory considerations and transaction processing considerations.

Corporate and Investment Bank

In CIB, Deutsche Bank carries out its capital markets business including its origination, sales and trading activities in debt, equity and other securities, as well as its advisory, credit and transaction banking businesses. CIB's institutional clients are public sector clients like sovereign countries and multinational organizations, and private sector clients like medium-sized companies and multinational corporations.

CIB is further sub-divided into the Corporate Divisions Corporate Banking & Securities (CB&S) and Global Transaction Banking (GTB).

CB&S includes the Corporate Divisions Global Markets and Corporate Finance, which globally carry out Deutsche Bank's securities origination, sales and trading businesses, as well as its mergers and acquisitions advisory and corporate finance businesses.

GTB includes Deutsche Bank's product offerings in trade finance, cash management and trust & securities services for financial institutions and other companies.

Private Clients and Asset Management

PCAM is further sub-divided into the Corporate Divisions Asset and Wealth Management (AWM) and Private & Business Clients (PBC).

AWM consists of the Asset Management Business Division (AM) and the Private Wealth Management Business Division (PWM). The global retail mutual fund business of Deutsche Bank's subsidiary DWS forms part of AM. Furthermore, AM offers a variety of products to institutional clients like pension funds and insurance

companies, including traditional investments, hedge funds as well as specific real estate investments. PWM offers its products globally to high net worth clients and ultra high net worth individuals, their families and selected institutions. PWM offers its demanding clients an integrated approach to wealth management, including succession planning and philanthropic advisory services.

PBC offers retail clients as well as small and medium sized business customers a variety of products including accounts, loan and deposit services as well as investment advice. Besides Germany, PBC has operated for a long time in Italy, Spain, Belgium and Portugal, and for several years in Poland. Furthermore, Deutsche Bank makes focused investments in emerging markets in Asia, for instance in China and India.

Corporate Investments

The CI Group Division manages Deutsche Bank's global principal investment activities.

Strategy

Identity and mission. Deutsche Bank is, in its own estimation, a leading global investment bank with a strong and growing private clients franchise. Deutsche Bank considers these to be mutually reinforcing businesses, and takes full advantage of the synergy potential between these businesses as a strategic priority for itself. Deutsche Bank is a leader in Europe, with strong positions in North America, Asia, and key emerging markets.

Deutsche Bank takes it as its mission to be the leading global provider of financial solutions creating lasting value for its clients, its shareholders, its people and the communities in which Deutsche Bank operates.

Management agenda. Beginning in 2002, Deutsche Bank initiated a multi-year and multi-phased agenda. The first phase of this agenda focused on management's priorities to transform the bank. The second phase focused on a strategy of achieving sustainable profitable growth. The third phase focused on leveraging opportunities for Deutsche Bank's repositioned franchise to achieve accelerated growth.

With the onset of the financial crisis in 2008, the banking landscape changed, new long-term challenges have emerged and Deutsche Bank recognized the underlying need to adapt its strategy and business model in order to capture the opportunities of a new era. Hence, Deutsche Bank added a new, fourth chapter to its management agenda, as a continuation of the transformation it first launched in 2002. This new phase comprises the following key pillars:

- Increasing profitability in Corporate and Investment Banking (CIB) with renewed risk and balance sheet discipline
- Focusing on core Private Clients and Asset Management businesses and home market leadership
- Focusing on Asia as a key driver of revenue growth
- Renewing emphasis on Deutsche Bank's performance culture

Strategies in CIB Businesses

In Deutsche Bank's ***Corporate Banking & Securities*** business, which comprises its Global Markets and Corporate Finance businesses, Deutsche Bank is targeting increased profitability and earnings quality.

In Global Markets, Deutsche Bank's focus is on continued improvement of asset efficiency, while it aims to further build on the position it reached in recent years as, in its own estimation, one of the world's leading investment banks. In response to the financial crisis, Deutsche Bank has taken steps to recalibrate and reduce the risk in its platform, adjusting its deployment of capital, its resource levels and its risk-weighted assets with an aim to achieve improved profitability, earnings quality and a truly diversified platform based on revenues by business area. Looking forward, Deutsche Bank will focus on strengthening its global equity, commodity and electronic trading platforms. Deutsche Bank will invest in cash equities and prime brokerage in North America and Asia as well as build out its listed / flow equity derivatives platform. In commodities, Deutsche Bank will focus on a product and regional build out including physical oil, Eastern European power and gas, and metals in Asia while investing in core risk management capabilities. Deutsche Bank also aims to develop a leading electronic cash equities trading product for existing and new clients, and intends to invest in foreign exchange / rates to maintain its market leading electronic trading position and protect market share.

In Corporate Finance, Deutsche Bank has built a powerful European franchise, and its principal strategic objective is to build a top 5 position globally, as measured by fees. Deutsche Bank aims to achieve this goal by building on its leading position in Europe, profitably growing market share and capitalizing on momentum in the Americas and Asia Pacific, and by making considered investments in specific industry groups and regions. In addition, following the financial crisis, Deutsche Bank has recalibrated its activities in Commercial Real Estate, tightening risk and underwriting parameters, and in Leveraged Finance setting strict limits on pipeline and concentration risk.

In ***Global Transaction Banking,*** Deutsche Bank focuses on maintaining profitable growth. Wherever GTB is present, Deutsche Bank offers comprehensive services for domestic and cross-border trade, including structuring, financing and risk mitigation. Deutsche Bank seeks to develop flexible, innovative solutions in areas such as the credit card business and low-value cross-currency payments. GTB seeks to grow by capitalizing on recent investments, focusing on high growth, fee and margin products, and also by seizing the right acquisition opportunities, for example the acquisition of parts of the corporate and commercial banking activities of ABN AMRO Bank N.V. ("ABN AMRO") in the Netherlands. This acquisition, which closed at the beginning of April 2010, is expected to strengthen GTB's footprint in Europe by achieving deeper client coverage and complementary product offerings.

Strategies in PCAM Businesses

Asset and Wealth Management is comprised of Deutsche Bank's Asset Management and Private Wealth Management businesses.

In Asset Management, Deutsche Bank will focus on its core businesses and investment competencies, seek to leverage market-leading positions through strategic partnerships and continue driving efficiency and cost reductions. The significant re-engineering initiatives achieved in 2008 and 2009, including globalization of the DWS business, repositioning of the Asia/Pacific region, right-sizing Deutsche Bank's RREEF business, and complexity reductions across functions and products have restored operating leverage to its platform and positioned Asset Management to execute its strategy.

In Private Wealth Management, Deutsche Bank aims to strengthen its position in its home market by capitalizing on opportunities such as those offered by its acquisition of the Sal. Oppenheim Group. In addition, Deutsche Bank seeks to strengthen its onshore position in the U.S. market via organic growth opportunities; expedite additional growth in emerging markets with a focus on Asia Pacific; develop its integrated Ultra High Net Worth (UHNW) platform; and drive profitability through key cost initiatives.

In ***Private & Business Clients (PBC)***, Deutsche Bank seeks to continue to strengthen its, in its own estimation, leading position in its home market, which has already been advanced by its acquisitions of Berliner Bank and Norisbank in 2007 and 2006 respectively. In addition, Deutsche Bank aims to further strengthen its advisory banking in mature markets in Europe. In Asia, Deutsche Bank increased its stake in Hua Xia Bank to generate further profits from its Asian franchise, and will also focus on branch expansion in India.

The recent strategic efficiency investments in Deutsche Bank's platform are designed to result in cost savings. In addition Deutsche Bank has entered into an agreement for cooperation with Deutsche Postbank, and one with SAP to develop and implement a new core banking platform. This new core banking platform aims to achieve a high degree of process standardization, resulting in sustainable efficiency gains.

Deutsche Bank recognizes that Asia has become a key driver of revenue growth in its industry. Deutsche Bank already has a substantial presence in Asia, and in the next two years Deutsche Bank plans to invest in the region in order to strengthen its growth potential and propel Deutsche Bank into even better competitive positions in CIB and GTB. At the same time, Deutsche Bank seeks to double the size of its Private Wealth Management business within the region.

Overall, Deutsche Bank aims to reinvigorate its performance culture, recommitting to efficiency across its businesses with an intense focus on costs and infrastructure optimization. As part of this, and to ensure clear accountability, Deutsche Bank plans to implement new performance metrics and a value-based management system aimed at delivering higher returns to shareholders. Deutsche Bank will continue to invest in its corporate culture. Diversity will be integral from recruitment through to leadership. Talent management will be further embedded into the Company's culture from career planning to compensation models.

Capital management strategy. Focused management of capital has been a critical part of all phases of Deutsche Bank's management agenda. In 2009, Deutsche Bank increased its Tier 1 capital over the course of the year from € 31.1 billion to € 34.4 billion. At the end of 2009, Deutsche Bank's Tier 1 capital ratio, as measured under Basel II, stood at 12.6 % as compared to 10.1 % at the end of 2008.

Competitive Environment

The financial services industries, and all of Deutsche Bank's businesses, are intensely competitive, and Deutsche Bank expects them to remain so. Deutsche Bank's main competitors are other commercial banks, savings banks, other public sector banks, brokers and dealers, investment banking firms, insurance companies, investment advisors, mutual funds and hedge funds. Deutsche Bank competes with some of its competitors globally and with some others on a regional, product or niche basis. Deutsche Bank competes on the basis of a number of factors, including the quality of client relationships, transaction execution, its products and services, innovation, reputation and price.

New Competitor Landscape

In 2008, the banking sector witnessed substantial consolidation and merger activity, some of which occurred against a backdrop of significant losses in certain financial institutions resulting from exposure to troubled assets. There was a decisive shift away from the large, independent, broker-dealer business model as some were acquired by large, integrated banks, others chose to become bank holding companies, and one collapsed in September 2008.

Following a period of acute stress in capital markets and interbank lending, remaining banks came under increasing pressure due to deteriorating asset values alongside a worsening credit environment as the financial crisis spread to the wider economy. As a result, central banks and governments intervened on an unprecedented scale, injecting liquidity into key markets and recapitalizing the most affected banks through direct equity investments. Many other banks were forced to raise capital from other sources in order to restore strategic flexibility. Banks that received direct capital assistance from governments or central banks were required in some instances to make commitments, such as to increase lending to certain categories of borrowers, adjust their strategies, suspend their dividends and other profit distributions and limit the compensation of their executives.

In 2009, the post-crisis environment has presented opportunities for those banks that did not participate in consolidation activity and some have emerged stronger as a result of the crisis. The competitor landscape has been transformed as some global banks no longer exist while others are restricted to de-risking and retrenching to focus on their core businesses in core markets rather than on growth initiatives. Banks that did not receive direct capital assistance as described above in many cases were able to preserve greater autonomy in their strategy, lending and compensation strategies. To the extent these banks also have been able to maintain adequate capital and the ability to absorb deteriorating credit quality, they may have competitive advantages to gain market share in the changing landscape.

In Germany, the retail banking market remains fragmented and Deutsche Bank's competitive environment remains influenced by the three pillar system of private banks, public banks and cooperative banks. However, following recent consolidation activity, particularly among public regional commercial banks (*Landesbanken*) and private banks, competitive intensity has increased. The merger of the second and third largest private sector banks, together with an infusion of capital into the combined entity by the German government, will affect the domestic competitive landscape and further increase concentration.

Regulatory Reform

In response to the financial markets crisis, governments, regulatory authorities and others have made and continue to make numerous proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. The wide range of current proposals includes, among others,

- Revising regulatory capital standards to require more capital in some cases, such as on trading book positions, in particular those resulting from securitization transactions, or for institutions that are of particular importance for the smooth functioning of the financial system more generally;
- Tightening and modifying the definition of capital for regulatory purposes;
- Introducing a maximum ratio of capital to total assets (leverage ratio);
- Enhancing regulatory liquidity requirements;
- Placing limits and restrictions on compensation practices;
- Charging special levies and contributions to fund governmental intervention during the current crisis or in the event of future interventions;
- Expanding the powers of regulators to restructure financial institutions that are in distress;
- Separating certain businesses such as proprietary trading from deposit taking, in some cases requiring the split-up of institutions;
- Breaking up financial institutions that are perceived to be too large for regulators to take the risk of their failure;
- Encouraging banks to formulate "living wills" to prevent systemic impact from collapse; and
- Reforming market infrastructures

The extent of such intervention measures is unclear at this stage, as is the degree of international coordination and risk of competitive distortions. However, there is no doubt that there will be significant implications for the wider banking industry. These will include increased pressure on balance sheet size and profitability, an imperative to improve risk management procedures and disclosure of exposures, as well as the alignment between long-term performance and compensation structures. Capital, risk management and balance sheet

utilization will therefore become increasingly important as competitive differentiators. Those banks which are well-capitalized and streamlined will be better-positioned to capture market share and extract sustainable growth opportunities from the changing landscape.

Deutsche Bank recognizes that its continued ability to compete effectively in its businesses depends on Deutsche Bank's ability to attract new employees and to retain and motivate its existing employees. Deutsche Bank is firmly committed to aligning compensation with sustained firm-wide profitability, considering overall risk while attracting and retaining the best talent in a competitive labor market. Deutsche Bank is also committed to full compliance with the recently announced G20 compensation guidelines for banks and other financial institutions designed to rein in risks by aligning rewards with long-term success. Deutsche Bank continues to work on developing its methodology for reflecting risk in performance measurement, implementing deferred compensation mechanisms and establishing sound governance standards for the overall compensation process.

Climate Change

Climate change has become a topic of intense public discussion in recent years. This discussion also includes the financial services industry, in particular in connection with projects that are perceived as contributing to or mitigating climate change. Projects and products that are perceived as contributing to climate change or other negative environmental or social impacts, as well as their financing and other services for these projects, are being reviewed more critically by investors, customers, environmental authorities, non-governmental organizations and others. Where Deutsche Bank's own assessment of these issues so indicates, Deutsche Bank may abstain from participating in such projects. By contrast, projects and products that aim to mitigate climate change are increasingly seeking financing and other financial services; these offer growth opportunities for many of Deutsche Bank's businesses. Moreover, Deutsche Bank notes that investors, customers and others increasingly take the overall approach of companies to climate change, including the direct and indirect carbon emissions of their operations, into consideration in their decisions, even where such emissions are minimal. Deutsche Bank has undertaken a number of measures to reduce its carbon emissions over time, such as the current comprehensive renovation of its world headquarters in Germany to bring the energy efficiency of these buildings to the highest possible level for similarly-situated office towers.

Competition in Deutsche Bank's Businesses

Corporate and Investment Bank Group Division

Deutsche Bank's investment banking operation competes in domestic and international markets in Europe, the Americas and Asia Pacific. Competitors include bank holding companies, investment advisors, brokers and dealers in securities and commodities, securities brokerage firms and certain commercial banks. Within Germany and other European countries, Deutsche Bank's competitors also include German private universal banks, public state banks and foreign banks.

Private Clients and Asset Management Group Division

In the retail banking business Deutsche Bank faces intense competition from savings banks and cooperative banks, other universal banks, insurance companies, home loan and savings companies and other financial intermediaries. In Germany, savings and cooperative banks form Deutsche Bank's biggest group of competitors. These banks generally operate regionally. In other European countries, private universal banks and savings banks are Deutsche Bank's main competitors. The large Asian markets (India and China), where Deutsche Bank has opened a limited number of retail branches, are dominated by local public and private sector banks. However, with deregulation, international financial institutions are likely to increase their investments in these markets and thereby intensify competition.

Deutsche Bank's private wealth management business faces competition from the private banking and wealth management units of other global and regional financial service companies and from investment banks.

Deutsche Bank's main competitors in the asset management business are asset management subsidiaries of major financial services companies and large stand-alone retail and institutional asset managers. Most of the main competitors are headquartered in Europe or the United States, though many operate globally.

Group Divisions

Corporate and Investment Bank Group Division

The Corporate and Investment Bank Group Division primarily serves large and medium-sized corporations, financial institutions and sovereign, public sector and multinational organizations. This group division generated 67 % of Deutsche Bank's net revenues in 2009, 24 % of its net revenues in 2008 and 62 % of its net revenues in 2007 (on the basis of the management reporting systems).

The Corporate and Investment Bank Group Division's operations are predominantly located in the world's primary financial centers, including London, New York, Frankfurt, Tokyo, Singapore and Hong Kong.

Deutsche Bank's businesses that comprise the Corporate and Investment Bank Group Division seek to reach and sustain a leading global position in corporate and institutional banking services, as measured by financial performance, market share, reputation and customer franchise, while making optimal usage of, and achieving optimal return on, its capital. The division also continues to exploit business synergies with the Private Clients and Asset Management Group Division and the Corporate Investments Group Division. The Corporate and Investment Bank Group Division's activities and strategy are primarily client-driven. Teams of specialists in each business division give clients of Deutsche Bank access not only to their own products and services, but also to those of the other businesses.

This group division includes two corporate divisions, comprising the following business divisions:

- Corporate Banking & Securities Corporate Division
  - Global Markets
  - Corporate Finance
- Global Transaction Banking Corporate Division
  - Trade Finance and Cash Management Corporates
  - Trust & Securities Services and Cash Management Financial Institutions

Corporate Banking & Securities includes the debt and equity sales and trading businesses, which are housed in the Global Markets Business Division. Global Markets has eight primary business lines and four horizontally-integrated client-facing groups (Debt Capital Markets/Corporate Coverage, the Institutional Client Group, Research, and the Structuring Group), unified at a local level by strong regional management. Corporate Banking & Securities also includes the Corporate Finance Business Division, which focuses on providing advisory, equity and debt financing and structuring services to corporates and financial institutional clients and also includes the commercial real estate business. CIB's client coverage functions are also a key part of the Corporate Finance Business Division.

Global Transaction Banking is closely aligned with Corporate Finance, but is a separately managed corporate division, providing trade finance, cash management and trust & securities services.

Corporate Banking & Securities and Global Transaction Banking are supported by the Loan Exposure Management Group (LEMG). LEMG has responsibility for a range of loan portfolios, actively managing the risk of these through the implementation of a structured hedging regime. LEMG manages the credit risk of loans and lending-related commitments related to both the investment-grade portfolio and the medium-sized German companies portfolio. LEMG has been given the mandate to price and manage risks in the leveraged syndication pipeline. This is distinct from the origination and syndication activities which occur within Leveraged Debt Capital Markets. LEMG has also been given the mandate to manage the risks associated with any new held-to-maturity leveraged lending, while existing legacy leveraged lending will remain in Corporate Finance.

Corporate Banking & Securities Corporate Division

Corporate Division Overview

Corporate Banking & Securities is made up of the business divisions Global Markets and Corporate Finance. These businesses offer financial products worldwide ranging from the underwriting of stocks and bonds to the tailoring of structured solutions for complex financial requirements.

On April 1, 2009, management responsibility for The Cosmopolitan Resort and Casino property changed from Corporate Banking & Securities to the group division Corporate Investments.

In July 2007, Deutsche Bank announced the acquisition of Abbey Life Assurance Company Limited, a U.K. company that consists primarily of unit-linked life and pension policies and annuities. The acquisition was completed in October 2007.

Products and Services

The Global Markets Business Division is responsible for origination, sales, financing, structuring and trading activities across a wide range of fixed income, equity, equity-linked, convertible bond, foreign exchange and commodities products. The division aims to deliver creative solutions to the capital-raising, investing, hedging and other financing needs of customers.

Within the Corporate Finance Business Division, Deutsche Bank's clients are offered mergers and acquisitions and general corporate finance advice, together with leveraged debt and equity origination services, and a variety of credit products and financial services. In addition, Deutsche Bank provides a variety of financial services to

the public sector. Corporate Finance also includes coverage functions related to corporate, financial and institutional clients globally.

Within Corporate Banking & Securities, Deutsche Bank conducts trading on its own account, in addition to providing products and services to customers. Most of this trading is undertaken in the normal course of facilitating client business. For example, to facilitate customer flow business, traders will maintain long positions (accumulating securities) and short positions (selling securities Deutsche Bank does not yet own) in a range of securities and derivative products, reducing the exposure to hedging transactions where appropriate. While these activities give rise to market and other risk, Deutsche Bank does not view this as proprietary trading. However, Deutsche Bank has also undertaken activities to exploit market opportunities outside of Deutsche Bank's main customer flow businesses and this is what Deutsche Bank terms proprietary trading.

All of Deutsche Bank's trading activities, including proprietary trading, are covered by its risk management procedures and controls which are described in detail in the section *"Risk Management — Market Risk"*.

Distribution Channels and Marketing

In the Corporate Banking & Securities Corporate Division, the focus of the corporate and institutional coverage bankers and sales teams is on the client relationships. Deutsche Bank has structured its client coverage model so as to provide varying levels of standardized or dedicated services to its customers depending on their needs and level of complexity.

Global Transaction Banking Corporate Division

Corporate Division Overview

Global Transaction Banking delivers commercial banking products and services for corporate clients and financial institutions, including domestic and cross-border payments, professional risk mitigation and financing for international trade, as well as the provision of trust, agency, depositary, custody and related services.

Deutsche Bank's business divisions include:

- Trade Finance and Cash Management Corporates
- Trust & Securities Services and Cash Management Financial Institutions

In December 2009, Deutsche Bank signed a definitive agreement to acquire parts of ABN AMRO's corporate and commercial banking activities in the Netherlands. The acquisition was completed at the beginning of April 2010. The businesses acquired remained the same as those in the original agreement announced in July 2008, encompassing a network of 15 ABN AMRO branches, two corporate client units serving large corporate clients and 13 commercial advisory branches serving medium-sized clients in the Netherlands. In addition, as part of the transaction, Deutsche Bank acquired the Rotterdam-based bank, Hollandsche Bank Unie N.V. and the Dutch IFN Finance B.V which provides factoring services.

In November 2009, Deutsche Bank closed the acquisition of Dresdner Bank's Global Agency Securities Lending business from Commerzbank AG.

In October 2008, Deutsche Bank closed the acquisition of the operating platform of Pago eTransaction GmbH into the Deutsche Card Services GmbH, based in Germany.

In January 2008, Deutsche Bank acquired HedgeWorks LLC, a hedge fund administrator based in the United States.

In July 2007, Deutsche Bank closed the acquisition of the institutional cross-border custody business of Türkiye Garanti Bankasi A.Ş.

Products and Services

Trade Finance offers local expertise, a range of international trade products and services, custom-made solutions for structured trade and the latest technology across Deutsche Bank's international network so that its clients can better manage the risks and other issues associated with their cross-border and domestic trades.

Cash Management caters to the needs of a diverse client base of corporates and financial institutions. With the provision of a comprehensive range of innovative and robust solutions, Deutsche Bank handles the complexities of global and regional treasury functions including customer access, payment and collection services, liquidity management, information and account services and electronic bill presentation and payment solutions.

Trust & Securities Services provides a range of trust, payment, administration and related services for selected securities and financial transactions, as well as domestic securities custody in more than 30 markets.

Distribution Channels and Marketing

The Global Transaction Banking Corporate Division develops and markets its own products and services in Europe, the Middle East, Asia and the Americas. The marketing is carried out in conjunction with the coverage functions both in this division and in the Corporate Banking & Securities Corporate Division.

Customers can be differentiated into two main groups: (i) financial institutions, such as banks, mutual funds and retirement funds, broker-dealers, fund managers and insurance companies, and (ii) multinational corporations, large local corporates and medium-sized companies, predominantly in Germany.

Private Clients and Asset Management Group Division

The Private Clients and Asset Management Group Division primarily serves retail and small corporate customers as well as affluent and wealthy clients and provides asset management services to retail and institutional clients. This group division generated 30 % of Deutsche Bank's net revenues in 2009, 67 % of its net revenues in 2008 and 33 % of its net revenues in 2007 (on the basis of the management reporting systems).

This group division includes the following corporate divisions:

- Asset and Wealth Management (AWM)
- Private & Business Clients (PBC)

The Asset and Wealth Management (AWM) Corporate Division consists of the Asset Management Business Division (AM) and the Private Wealth Management Business Division (PWM). AWM Corporate Division's operations are located in Europe, Middle East, Africa, the Americas and Asia.

The AWM Corporate Division is among the leading asset managers in the world as measured by total invested assets. The division serves a range of retail, private and institutional clients.

The Private & Business Clients (PBC) Corporate Division serves retail and affluent clients as well as small corporate customers in Deutsche Bank's key markets of Germany, Italy and Spain, as well as in Belgium, Portugal and Poland. This is complemented by Deutsche Bank's established market presence in India and China.

Asset and Wealth Management Corporate Division

Corporate Division Overview

Deutsche Bank AM Business Division is organized into four global business lines:

- Retail offers a range of products, including mutual funds and structured products, across many asset classes
- Alternative Investments manages real estate and infrastructure investments and private equity funds of funds
- Insurance provides specialist advisory and portfolio management services to insurers and re-insurers globally
- Institutional provides investment solutions across both traditional and alternative strategies to all other (non-insurance) institutional clients, such as pension funds, endowments and corporates

The PWM Business Division, which includes wealth management for high net worth clients and ultra high net worth individuals, their families and selected institutions, is organized into regional teams specialized in their respective regional markets.

In the second half of 2009, RREEF announced the decision to transition out of the property management business and assign these services to selected, specialized property management companies. RREEF will work closely with each third-party manager in Deutsche Bank's continuing role as asset manager for each of the properties, concentrating on the execution of asset business plans, investment strategies and risk management for the clients' portfolios of the Bank.

In October 2009, Deutsche Bank announced the signing of a framework agreement with the owners of Sal. Oppenheim jr. & Cie. S.C.A., which allowed Deutsche Bank to acquire 100 % of Sal. Oppenheim Group and 94.9 % of BHF Asset Servicing GmbH ("BAS"). The previous shareholders in Sal. Oppenheim have the option of a long-term shareholding of up to 20 % of the German subsidiary Sal. Oppenheim jr. & Cie. KGaA based in Cologne. The acquisition of Sal. Oppenheim Group was closed in mid-March 2010. The purchase price amounted to € 1.0 billion, excluding BAS which has been onsold. The acquisition of Sal. Oppenheim Group will strengthen Deutsche Bank's position among high net worth private clients, especially in Germany, and the Asset Management business.

In June 2009, PWM DB (Suisse) S.A. integrated its wholly-owned subsidiary Rüd, Blass & Cie AG Bankgeschäft in Switzerland.

In May 2009, RREEF Private Equity exited its minority stake in Aldus Equity, an alternative asset management and advisory boutique specializing in customized private equity investing for institutional and high net worth investors previously acquired in July 2007.

During the first quarter 2009, management responsibility for certain assets changed from the corporate division AWM to the group division Corporate Investments. These assets included Maher Terminals, a consolidated infrastructure investment, and RREEF Global Opportunity Fund III, a consolidated real estate investment fund.

In Switzerland PWM enhanced its presence by opening a representative office in St. Moritz in January 2009 to complement offices in Zurich, Geneva and Lugano.

In December 2008 RREEF Alternative Investments acquired a significant minority interest in Rosen Real Estate Securities LLC (RRES), a long/short real estate investment advisor.

In November 2008, Deutsche Bank acquired a 40 % stake in UFG Invest, the Russian investment management company of UFG Asset Management, with an option to become a 100 % owner in the future. The business will be branded Deutsche UFG Capital Management.

In June 2008, AM sold its Italian life insurance company DWS Vita SpA to Zurich Financial Services Group. The transaction includes an exclusive 7-year agreement for the distribution of life insurance products via Deutsche Bank's financial advisors network in Italy, Finanza & Futuro Banca SpA.

Also in June 2008, AM sold DWS Investments Schweiz AG, consisting of the Swiss fund administration business, to State Street Bank.

On June 30, 2008, AM consolidated Maher Terminal LLC and Maher Terminals of Canada Corp., collectively and hereafter referred to as Maher Terminals, a privately held operator of port terminal facilities in North America acquired in July 2007. RREEF Infrastructure acquired all third party investors' interests in the North Americas Infrastructure Fund, whose sole investment was Maher Terminals.

PWM increased its footprint in two large emerging markets with the opening of representative offices in St. Petersburg, Russia in April 2008 and Kolkata, India in February 2008.

Effective March 2008, AM completed the acquisition of a 60 % interest in Far Eastern Alliance Asset Management Co. Limited, a Taiwanese investment management firm.

In January 2008, AM increased its stake in Harvest Fund Management by 10.5 % to 30 %. Harvest is the third largest mutual fund manager in China, with a 6.0 % market share (source: Z-Ben Advisors, September 2008).

In July 2007, AM completed the sale of its local Italian mutual fund business and established long-term distribution arrangements with Deutsche Bank's strategic partner, Anima S.G.R.p.A.

In June 2007, AM closed the sale of part of its Australian business to Aberdeen Asset Management. As a result of the repositioning, AM's Australian operation migrated from being primarily a domestic manufacturing platform to become a distribution platform with specialist investment management capabilities.

Products and Services

AWM's portfolio/fund management products include active fund management, passive/quantitative fund management, alternative investments, discretionary portfolio management and wealth advisory services.

AM focuses primarily on active investing. Its products and services encompass a broad range of investment strategies and asset classes, and cover many industries and geographic regions. AM's product offering includes mutual funds, structured products, commingled funds and separately managed accounts.

AM's global retail brand is DWS. The product range of DWS covers all regions and sectors as well as many forms and styles of investment. DWS Investments is one of Europe's leading retail asset managers and is the largest retail mutual fund management group in Germany (as measured by publicly available invested asset data, including Deutsche Bank fund products). DWS also operates in the U.S. and key markets in Asia/Pacific.

In the Alternative Investments business line, real estate, infrastructure and private equity funds of funds investment management products and services are offered under the RREEF brand. RREEF is one of the world's largest real estate investment organizations (as reflected by publicly available invested asset data).

The Insurance platform provides clients with customized investment programs designed to address an insurer's specific needs. It offers investment solutions across multiple asset classes, including traditional fixed income, equities, asset allocation services, and alternative asset classes such as hedge funds and real estate.

Institutional products and services are marketed under the DB Advisors brand. The Institutional business offers its clients access to AM's full range of products and services, including both traditional and alternative investments. The single-manager/multi-manager hedge fund business operates within DB Advisors.

PWM provides a fully-integrated service offering for its clients based on dynamic strategic asset allocation including individual risk-management according to the clients' risk/return profile.

PWM offers discretionary portfolio management, in which the portfolio managers of Deutsche Bank have discretion to manage clients' investments within the clients' general guidelines. The portfolio managers invest client funds in various investment products, such as stocks, bonds, mutual funds, hedge funds and other alternative investments including derivatives, where appropriate. In addition, Deutsche Bank offers wealth advisory services for actively-involved clients with customized investment advice via a combination of risk management and portfolio optimization.

PWM also provides brokerage services in which the relationship managers and client advisors provide investment advice to clients but do not exercise investment discretion. An integrated approach to wealth management is the core of the advisory services. The investment advice covers stocks, bonds, mutual funds, hedge funds and other alternative investments, including derivatives where appropriate. The relationship managers also advise their clients on the products of third parties in all asset classes. Furthermore, the solutions include wealth preservation strategies and succession planning, philanthropic advisory services, art advisory services, family office solutions and services for financial intermediaries.

PWM continued to expand its offering of alternative investments in 2009, especially with respect to innovative solutions within the private equity and hedge funds asset classes. Going forward, real estate offerings will be broadened. PWM generates foreign exchange products, as well as structured investment products in cooperation with the Global Markets Business Division.

PWM's loan/deposit products include traditional and specialized deposit products (including current accounts, time deposits and savings accounts) and both standardized and specialized secured and unsecured lending. It also provides payment, account & remaining financial services, processing and disposition of cash and non-cash payments in local currency, international payments, letters of credit, guarantees, and other cash transactions.

AWM generates revenues from other products, including direct real estate investments included in the alternative investments business, rental revenues and gains and losses earned on real estate deal flows and revenues that are not part of the core business, specifically, the gain on sale of businesses.

Distribution Channels and Marketing

AM markets its retail products in Germany and other Continental European countries generally through the established internal distribution channels in PWM and PBC. Deutsche Bank also distributes its funds through other banks, insurance companies and independent investment advisors. Deutsche Bank markets its retail funds outside Europe via its own Asset and Wealth Management distribution channels and through third-party distributors. DWS Investments distributes its retail products to U.S. investors primarily through financial representatives at major national and regional wirehouses, independent and bank-based broker dealers, and independent financial advisors and registered investment advisors.

Products for institutional clients are distributed through the substantial sales and marketing network within AM and through third-party distribution channels. They are also distributed through the other businesses, notably the Corporate and Investment Bank Group Division.

Alternative investment products are distributed through the sales and marketing network within Asset and Wealth Management and through third-party distribution channels, predominantly to high net worth clients, institutions and retail customers worldwide.

Insurance asset management solutions are marketed and distributed by AM's specialist insurance unit, which provides advisory and portfolio management services for insurers and re-insurers globally.

PWM pursues an integrated business model to cater to the complex needs of high net worth clients and ultra high net worth individuals, their families and selected institutions. The relationship managers work within target customer groups, assisting clients in developing individual investment strategies and creating enduring relationships with the clients.

In Deutsche Bank's PWM onshore business, wealthy customers are served via its relationship manager network in the respective countries. Where PBC has a presence, customers of Deutsche Bank also have access to the retail branch network and other general banking products. The offshore business encompasses all of the clients who establish accounts outside their countries of residence. These customers are able to use Deutsche Bank's offshore services to access financial products that may not be available in their countries of residence.

In addition, the client advisors of the U.S. Private Client Services business focus on traditional brokerage offering and asset allocation, including a wide range of third party products.

A major competitive advantage for PWM is the fact that it is a private bank within Deutsche Bank, with its leading investment banking, corporate banking and asset management activities. In order to make optimal use of the potential offered by cross-divisional cooperation, since 2007 PWM has established Key Client Teams in order to serve clients with very complex assets and highly sophisticated needs. PWM offers these clients the opportunity to make direct additional purchases, coinvest in its private equity activities or obtain direct access to its trading units. Many family-owned businesses are increasingly expecting wealth management and investment banking operations to work hand in hand. Cooperation with the corporate banking division also helps to identify potential PWM clients at a very early stage.

Private & Business Clients Corporate Division

Corporate Division Overview

The Private & Business Clients Corporate Division operates under a single business model across Europe and selected Asian markets with a focused, sales-driven management structure predominantly under the Deutsche Bank brand. PBC serves retail and affluent clients as well as small and medium sized business customers.

In 2009, Deutsche Bank continued its balanced growth in selected European and Asian markets, supported by a comprehensive efficiency program to optimize efficiency in its middle and back offices and increase sales efficiency.

In the German core market, Deutsche Bank was able to expand its already strong position by attracting new customers and business volume in a challenging market environment. Furthermore, in the context of the acquisition of a minority interest in Deutsche Postbank AG, Deutsche Bank signed a comprehensive business cooperation agreement with Postbank. The cooperation agreement encompasses financing and investment products, business banking and commercial loans as well as customer oriented services. Additionally, the agreement covers areas such as sourcing and IT infrastructure and other fields of possible cooperation are continually reviewed by both institutions.

In its European core markets, Deutsche Bank further increased its customer base and continued to steadily acquire new business volume. To cope with the impacts from the financial crisis, Deutsche Bank aligned its business strategy, focusing on low risk products and advisory services for affluent customers.

The development of PBC in Asia has also maintained momentum. PBC further invested in its strategic partnership with Hua Xia Bank in China and intends to further increase its direct shareholding from 13.7 % to 17.1 % by exercising the existing call option with Sal. Oppenheim jr. & Cie. KGaA, investing € 82 million. The transaction was signed in November 2009 and is pending approval from Hua Xia Bank's board and the Chinese regulators expected for the third quarter of 2010. As a result of the acquisition of the Sal. Oppenheim Group (to which Sal. Oppenheim jr. & Cie. KGaA also belongs), which was completed in the first quarter 2010, and its inclusion in Deutsche Bank's group of consolidated companies, the interest in Hua Xia Bank indirectly attributable to Deutsche Bank has already increased to 17.1%. Moreover, Deutsche Bank announced on May 6, 2010 that it had signed a binding agreement to subscribe to newly issued shares in Hua Xia Bank in connection with a capital increase. As a result, subject to regulatory approvals, the shareholding will increase to 19.99 %. Additionally, as part of the strategic partnership, Deutsche Bank and Hua Xia Bank have jointly developed and distributed credit cards in China since June 2007. Moreover, PBC has currently three branches in China and thirteen branches in India with the target of continuous expansions. Deutsche Bank's 10 % stake in Habubank in Vietnam, including a business cooperation arrangement, further demonstrates PBC's confidence in the growth potential of Asia.

Products and Services

PBC offers a similar range of banking products and services throughout Europe and Asia, with some variations among countries that are driven by local market, regulatory and customer requirements.

In offering portfolio/fund management and brokerage services, Deutsche Bank provides investment advice, brokerage services, discretionary portfolio management and securities custody services to its clients.

Deutsche Bank provides loan and deposit services, with the most significant being property financing (including mortgages) and consumer and commercial loans, as well as traditional current accounts, savings accounts and time deposits. The property finance business, which includes mortgages and construction finance, is the most significant lending business. Deutsche Bank provides property finance loans primarily for private purposes, such as home financing. Most of the mortgages have an original fixed interest period of five or ten years. Loan and deposit products also include the home loan and savings business in Germany, offered through the subsidiary Deutsche Bank Bauspar AG.

PBC's payments, account & remaining financial services consist of administration of current accounts in local and foreign currency as well as settlement of domestic and cross-border payments on these accounts. They also include the purchase and sale of payment media and the sale of insurance products, home loan and savings contracts and credit cards. In 2009, Deutsche Bank strengthened its focus on gathering deposits, resulting in a significant increase in assets under management.

Other products include primarily activities related to asset and liability management.

Distribution Channels and Marketing

To achieve a strong brand position internationally, Deutsche Bank markets its services consistently throughout the European and Asian countries in which PBC is active. In order to make banking products and services more attractive to clients, Deutsche Bank seeks to optimize the accessibility and availability of its services. To accomplish this, Deutsche Bank looks to self-service functions and technological advances to supplement its branch network with an array of access channels to PBC's products and services. These channels consist of the following in-person and remote distribution points:

- Investment and Finance Centers. Investment and Finance Centers offer Deutsche Bank's entire range of products and advice. In 2009, several of its Investment and Finance Centers were refurbished according to innovative concepts which illustrate how Deutsche Bank sees branch banking in the future and which were introduced and tested in Deutsche Bank's flagship "Branch of the future – Q 110" in Berlin.
- Financial Agents. In most countries, Deutsche Bank markets its retail banking products and services through self-employed financial agents.
- Call Centers. Call centers provide clients with remote services supported by automated systems. Remote services include access to account information, securities brokerage and other basic banking transactions.
- Internet. On its website, Deutsche Bank offers clients brokerage services, account information and product information on proprietary and third-party investment products. These offerings are complemented with services that provide information, analysis tools and content to support the client in making independent investment decisions.
- Self-service Terminals. These terminals support the branch network and allow clients to withdraw and transfer funds, receive custody account statements and make appointments with the financial advisors.

In addition to its branch network and financial agents, Deutsche Bank enters into country-specific distribution arrangements. In Germany, for example, Deutsche Bank has a cooperation agreement with Deutsche Vermögensberatung AG (referred to as DVAG) whereby Deutsche Bank distributes its mutual funds and other banking products through DVAG's independent distribution network. Deutsche Bank also works together with ADAC (Germany's and Europe's largest automobile club with more than 15 million members), with whom Deutsche Bank has an exclusive sales cooperation agreement in place. In 2009, Deutsche Bank started a cooperation with Vodafone enabling both parties to benefit from each other's customer base. In order to complement its product range, Deutsche Bank has signed distribution agreements, in which PBC distributes the products of reputable product suppliers. These include an agreement with Zurich Financial Services for insurance products, and a strategic alliance with nine fund companies for the distribution of their investment products.

Corporate Investments Group Division

The Corporate Investments Group Division manages Deutsche Bank's global principal investment activities. The principal investment activities include Deutsche Bank's industrial holdings, certain private equity and venture capital investments, private equity fund investments, certain corporate real estate investments, Deutsche Bank's minority stake in Deutsche Postbank AG, certain credit exposures and certain other non-strategic investments. Historically, its mission has been to provide financial, strategic, operational and managerial capital to enhance the values of the portfolio companies in which the group division has invested.

Deutsche Bank believes that the group division enhances the bank's portfolio management and risk management capability.

Corporate Investments held interests in a number of manufacturing and financial services corporations (the "Industrial Holdings") which were to a large extent sold during the last years. The largest remaining positions of these Industrial Holdings by market value at December 31, 2009 were interests of 5.75 % in Germany1 Acquisition Limited, a special purpose acquisition company, and 0.75 % in European Aeronautic Defence and Space Company EADS N.V. via Deutsche Bank's 10 % holding in Dedalus GmbH & Co. KGaA.

In 2009, Deutsche Bank reduced its investment in Daimler AG from 2.7 % to 0.04 % and sold its remaining stake in Linde AG.

In 2008, Deutsche Bank reduced its investment in Daimler AG from 4.4 % to 2.7 % and its investment in Linde AG from 5.2 % to 2.4 %. Deutsche Bank sold its remaining stake in Allianz SE and its investment in Arcor AG & Co. KG.

In July 2008, Deutsche Bank acquired a 7.6 % stake in Germany1 Acquisition Ltd., a vehicle established for the purpose of acquiring ownership in companies in Germany, Austria and Switzerland.

In February 2007, Deutsche Bank signed a contract to acquire a 10 % stake in Dedalus GmbH & Co. KGaA, economically representing a 0.75 % participation in European Aeronautic Defence and Space Company EADS N.V. The transaction closed in March 2007.

In 2007, Deutsche Bank reduced its investment in Linde AG from 7.8 % to 5.2 % and its investment in Allianz SE from 2.2 % to 1.7 %.

On February 25, 2009, Deutsche Bank completed the acquisition of a minority stake in Deutsche Postbank AG, one of Germany's major financial service providers. As of that date, Deutsche Bank also entered into a mandatorily-exchangeable bond as well as options to increase its stake in the future. For further information on Deutsche Postbank AG see Note 16 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document.

In February 2009, Corporate Investments participated in a liquidity facility for Sicherungseinrichtungsgesellschaft deutscher Banken mbH ("SdB") acquiring € 2.3 billion of ECB-eligible notes guaranteed by the German Financial Market Stabilization Fund (*Sonderfonds Finanzmarktstabilisierung,* the "SoFFin").

In December 2009, the existing liquidity facility for Deutsche Pfandbriefbank AG (formerly Hypo Real Estate Bank AG) in which Deutsche Bank participated in November 2008 with € 12.0 billion was fully repaid at which point Corporate Investments participated in a new liquidity facility for Deutsche Pfandbriefbank AG by subscribing to € 9.2 billion of ECB-eligible notes fully guaranteed by SoFFin.

Corporate Investments also holds certain private equity type investments that have been transacted both on behalf of clients and for its own account, directly and through private equity funds, including venture capital opportunities and leveraged buy-out funds.

In 2009, Corporate Investments further reduced the legacy private equity on-balance sheet exposure by € 55 million due to various transactions.

On April 1, 2009, management responsibility for The Cosmopolitan Resort and Casino property changed from CB&S to Corporate Investments.

During the first quarter of 2009, management responsibility for certain assets changed from AWM to Corporate Investments. These assets included Maher Terminals, a consolidated infrastructure investment, and RREEF Global Opportunity Fund III, a consolidated real estate investment fund.

In 2008, Deutsche Bank continued to reduce its private equity on-balance sheet exposure in Corporate Investments, with holdings declining by approximately € 200 million due to various transactions.

In 2007, Deutsche Bank sold a portfolio of Latin America direct private equity investments and its investment in Odontoprev.

The Corporate Investments' portfolio also covers certain real estate holdings, many of which Deutsche Bank occupies.

In 2007, Deutsche Bank sold and leased back the bank-occupied building 60 Wall Street in New York City. In addition, Deutsche Bank disposed of its interest in the building at 31 West 52nd Street in New York City.

In 2007, Deutsche Bank reduced its stake in HCL Technologies Limited from 2.4 % to 1.2 % in a partial sale.

Infrastructure and Regional Management

Deutsche Bank's infrastructure group consists of its centralized business support areas and its Corporate Center. These areas principally comprise control and service functions supporting the CIB, PCAM and CI businesses. The Corporate Center comprises those functions that directly support the Management Board in its management of the Group.

This infrastructure group is organized to reflect the areas of responsibility of those Management Board members that are not in charge of a specific business line. The Infrastructure group is organized into COO functions (e.g., information technology, transactional and other business services, global sourcing, corporate real estate services and human resources), CFO functions (e.g., finance, tax, audit, insurance and group strategy & planning), CRO functions (e.g., risk management, treasury, legal and compliance), and CEO functions (e.g., communications & corporate social responsibility and economics).

The Regional Management function covers regional responsibilities worldwide. It focuses on governance, franchise development and performance development. Regional and country heads and management

committees are established in the regions to enhance client-focused product coordination across businesses and to ensure compliance with regulatory and control requirements, both from a local and Group perspective. In addition the Regional Management function represents regional interests at the Group level and enhances cross-regional coordination.

All expenses and revenues incurred within the Infrastructure and Regional Management areas are fully allocated to the Group Divisions CIB, PCAM and CI.

Property and Equipment

As of March 31, 2010, Deutsche Bank operated in 72 countries out of 1,999 branches around the world, of which 49 % were in Germany. Deutsche Bank leases a majority of its offices and branches under long-term agreements.

One of the material properties is Deutsche Bank's head office in Frankfurt am Main, Taunusanlage 12 which is currently undergoing a comprehensive modernization. The following table shows the material properties occupied bei Deutsche Bank as of the date of this Registration Document:

Premises	Address	Size (sqm)	Use of Property	Ownership
Taunusanlage 12	Taunusanlage 12, Frankfurt	70,305	Office building	owned
Unter den Linden	Unter den Linden 15, Berlin	11,813	Office building/ Branch	owned
60 Wall Street	60 Wall Street, New York	151,012	Office building/ Trading room	leased
International Commerce Center	1 Austin Road, Hong Kong	39,366	Office building	leased
One Raffles Quay	One Raffles Quay, Singapore	25,989	Office building	leased
Winchester House	1 Great Winchester Street, London	29,082	Office building/Trading room	leased

As of March 31, 2010, Deutsche Bank had property and equipment with a total carrying amount of € 3.2 billion. Included in this amount were owner occupied properties with a carrying amount of € 1.2 billion. Additional information on Deutsche Bank Group's property and equipment and related lease arrangements is set out in Note 21 and Note 22 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document.

Intellectual Property Rights, Licences, Domains

The Company has protected or filed applications for protection under trademark law for a large number of service marks in Germany and in some foreign jurisdictions. These include, for example, the trademarks "Deutsche Bank", the blip of the diagonal within the quadrate frame, the so called "logo" as well as the relevant service trademarks. In addition to the Internet domain "deutsche-bank.de", the Company has registered numerous other Internet domains and believes that it has thereby established a sufficient basis for its online banking and its further Internet operations. The Company endeavors to protect its goods and services in their target markets, in particular under trademark law, to the extent economically reasonable. The Company believes that Deutsche Bank's patents, design and utility models play a subordinate role in its business.

Investments

The following table shows the investments by Deutsche Bank in property and equipment, in equity method investments as well as in acquisitions accounted for as business combinations for fiscal years 2009, 2008 and 2007, determined based on information in the Company's consolidated statement of cash flows and the notes to its consolidated financial statements for fiscal years 2009 and 2008:

	Fiscal year as of December 31		
in million €	**2009**	**2008**	**2007**
	(audited, unless stated otherwise)		
Property and equipment	592	939	675
Equity method investments	3,730	881	1,265
Business combinations[1]	20	135	2,410

1 Unaudited. Source: Deutsche Bank Group data.

The investments in property and equipment in 2007 predominantly concerned the procurement of furniture and equipment (€ 353 million) and fittings in rented premises (€209 million), and in 2008 these investments involved

construction projects in particular (plants under construction) (€ 484 million) and the procurement of furniture and equipment (€ 253 million). In 2009 investments in property and equipment predominantly concerned construction projects (plants under construction) (€ 277 million) and the procurement of furniture and equipment (€ 242 million).

Investments in entities accounted for using the equity method, relate to the purchase of a multitude of shareholdings and arise as part of the daily business in the Global Markets und Asset Management businesses. In 2009 a minority stake totaling 29.88 % was acquired in Deutsche Postbank AG. Included therein was a 22.9 % stake in Deutsche Postbank AG, which was acquired in exchange for a capital increase in kind for 50 million Deutsche Bank shares together with certain value guaranty considerations (mixed contributions in kind). This acquisition became effective upon the registration of the implementation of the capital increase in the commercial register on March 6, 2009. In addition to the acquisition of the shares, a mandatory exchangeable bond for € 3.0 billion was acquired, which must be converted in 2012 into an additional 27.4 % stake in Deutsche Postbank AG. The transaction also includes call and put options for a further share of 12.1 % in Deutsche Postbank AG. Further information about investments in companies, which are accounted for using the equity method, is included in Note 16 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009, which are contained in the section *"Financial Statements"* of this Registration Document.

Business combinations transacted in 2007 included in particular the respective acquisition of 100 % of Berliner Bank AG & Co. KG for a cash consideration of € 645 million, MortgageIT Holdings, Inc., a real estate investment trust in the United States, for a cash consideration of € 326 million, and the British insurance company Abbey Life Assurance Company Limited for a cash consideration of € 1.412 billion. By contrast, the relevant investments in business combinations in 2008 were considerably lower than those of previous years. Deutsche Bank's acquisitions accounted for as business combinations in 2008 included 100% of HedgeWorks, LLC, a hedge fund administrator in the United States, for a cash consideration of € 19 million (and a further amount of € 15 million payable for achieving certain performance targets). In November 2009 Deutsche Bank acquired the Global Agency Securities Lending business of Dresdner Bank for a cash consideration of € 20 million. Furthermore, in 2008 Deutsche Bank invested € 423 million in Hua Xia Bank in connection with a capital increase and thereby increased its stake from 9.9% to 13.7%.

Over the course of 2010 to date, a significant portion of investments was allotted to the acquisition of the Sal. Oppenheim Group closed in the first quarter of 2010 for a purchase price of € 1.0 billion paid in cash (excluding BHF Asset Servicing which is being on-sold) and the acquisition of parts of ABN AMRO's corporate and commercial banking activities in the Netherlands for a cash purchase price of € 700 million, which was completed at the beginning of the second quarter of 2010. Deutsche Bank's principal investments in progress relate to the investments in the current modernization of Deutsche Bank's world headquarters in Frankfurt am Main, and the increase in its direct stake in Hua Xia Bank in China for € 82 million. By exercising a call option vis-à-vis Sal. Oppenheim jr. Cie. KGaA at a price of € 82 million, the stake in Hua Xia Bank is expected to increase from 13.7% to 17.1%. The transaction was signed in November 2009. Consummation of the transaction, which is subject to the consent of Hua Xia Bank's board and the Chinese regulators, is expected for the third quarter of 2010. Moreover, Deutsche Bank announced on May 6, 2010 that it had signed a binding agreement to subscribe to newly issued shares in Hua Xia Bank in connection with a capital increase for a total subscription price of up to approximately € 636 million. As a result, subject to regulatory approvals, the shareholding will increase to 19.99%. Deutsche Bank's principal investments in progress are thus made in Germany as well as in other countries. These investments are funded by Deutsche Bank's available cash flow.

There are currently no proposed material future investments of the Bank on which its management bodies have already made firm commitments.

Litigation

Other than set out herein, Deutsche Bank is not involved (whether as defendant or otherwise) in, nor does it have knowledge of, any pending or threatened legal, arbitration, administrative or other proceedings that may have, or have had in the recent past, a significant effect on the financial position or profitability of Deutsche Bank AG or Deutsche Bank Group. Furthermore there have been no legal, arbitration, administrative or other proceedings within the last twelve months and no such proceedings have been concluded during such period which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Bank or Deutsche Bank Group.

General

Due to the nature of its business, Deutsche Bank AG and its subsidiaries are involved in litigation, arbitration and regulatory proceedings in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of its businesses, including as specifically described below. In accordance with applicable accounting requirements, the Group provides for potential losses that may arise out of contingencies, including contingencies in respect of such matters, when the potential losses are probable and estimable. Contingencies in respect of legal matters are subject to many uncertainties and the outcome of

individual matters is not predictable with assurance. Significant judgment is required in assessing probability and making estimates in respect of contingencies, and the Group's final liabilities may ultimately be materially different. The Group's total liability recorded in respect of litigation, arbitration and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, the Group's experience and the experience of others in similar cases, and the opinions and views of legal counsel. Although the final resolution of any such matters could have a material effect on the Group's consolidated operating results for a particular reporting period, the Group believes that it will not materially affect its consolidated financial position. In respect of each of the matters specifically described below, some of which consist of a number of claims, it is the Group's belief that the reasonably possible losses relating to each such claim in excess of any provisions are either not material or not estimable.

The Group's significant legal proceedings are described below.

Tax-Related Products

Deutsche Bank AG, along with certain affiliates, and current and/or former employees, have collectively been named as defendants in a number of legal proceedings brought by customers in various tax-oriented transactions. Deutsche Bank provided financial products and services to these customers, who were advised by various accounting, legal and financial advisory professionals. The customers claimed tax benefits as a result of these transactions, and the United States Internal Revenue Service has rejected those claims. In these legal proceedings, the customers allege that the professional advisors, together with Deutsche Bank, improperly misled the customers into believing that the claimed tax benefits would be upheld by the Internal Revenue Service. The legal proceedings are pending in numerous state and federal courts and in arbitration, and claims against Deutsche Bank are alleged under both U.S. state and federal law. Many of the claims against Deutsche Bank are asserted by individual customers, while others are asserted on behalf of a putative customer class. No litigation class has been certified as against Deutsche Bank. Approximately 91 legal proceedings have been resolved and dismissed with prejudice with respect to Deutsche Bank. Approximately nine other legal proceedings remain pending as against Deutsche Bank and are currently at various pre-trial stages, including discovery. Deutsche Bank has received a number of unfiled claims as well, and has resolved certain of those unfiled claims. Approximately five unfiled claims also remain pending against Deutsche Bank.

The United States Department of Justice ("DOJ") is also conducting a criminal investigation of tax-oriented transactions that were executed from approximately 1997 through early 2002. In connection with that investigation, DOJ has sought various documents and other information from Deutsche Bank and has been investigating the actions of various individuals and entities, including Deutsche Bank, in such transactions. In the latter half of 2005, DOJ brought criminal charges against numerous individuals based on their participation in certain tax-oriented transactions while employed by entities other than Deutsche Bank. In the latter half of 2005, DOJ also entered into a Deferred Prosecution Agreement with an accounting firm (the "Accounting Firm"), pursuant to which DOJ agreed to defer prosecution of a criminal charge against the Accounting Firm based on its participation in certain tax-oriented transactions provided that the Accounting Firm satisfied the terms of the Deferred Prosecution Agreement. On February 14, 2006, DOJ announced that it had entered into a Deferred Prosecution Agreement with a financial institution (the "Financial Institution"), pursuant to which DOJ agreed to defer prosecution of a criminal charge against the Financial Institution based on its role in providing financial products and services in connection with certain tax-oriented transactions provided that the Financial Institution satisfied the terms of the Deferred Prosecution Agreement. Deutsche Bank provided similar financial products and services in certain tax-oriented transactions that are the same or similar to the tax-oriented transactions that are the subject of the above-referenced criminal charges. Deutsche Bank also provided financial products and services in additional tax-oriented transactions as well. In December 2008, following a trial of four of the individuals against whom DOJ had brought criminal charges in 2005, three of those individuals were convicted. In May 2009, following a trial of four additional individuals against whom DOJ had brought criminal charges based on their participation in certain tax-oriented transactions while employed by an entity other than Deutsche Bank, those individuals were convicted. In June 2009, DOJ brought criminal charges against five additional individuals, based on their participation in certain tax-oriented transactions while employed by entities other than Deutsche Bank, and two former employees of Deutsche Bank based on their participation in certain tax-oriented transactions while employed by Deutsche Bank. DOJ's criminal investigation is ongoing. Deutsche Bank is engaged in discussions with DOJ concerning a resolution of the investigation.

Kirch Litigation

In May 2002, Dr. Leo Kirch personally and as an assignee of two entities of the former Kirch Group, i.e., PrintBeteiligungs GmbH and the group holding company TaurusHolding GmbH & Co. KG, initiated legal action against Dr. Rolf-E. Breuer and Deutsche Bank AG alleging that a statement made by Dr. Breuer (then the Spokesman of Deutsche Bank AG's Management Board) in an interview with Bloomberg television on February 4, 2002 regarding the Kirch Group was in breach of laws and resulted in financial damage.

On January 24, 2006, the German Federal Supreme Court sustained the action for the declaratory judgment only in respect of the claims assigned by PrintBeteiligungs GmbH. Such action and judgment did not require a proof of any loss caused by the statement made in the interview. PrintBeteiligungs GmbH is the only company of the Kirch Group which was a borrower of Deutsche Bank AG. Claims by Dr. Kirch personally and by TaurusHolding GmbH & Co. KG were dismissed. In May 2007, Dr. Kirch filed an action for payment as assignee of PrintBeteiligungs GmbH against Deutsche Bank AG and Dr. Breuer. After having changed the basis for the computation of his alleged damages in the meantime, Dr. Kirch currently claims payment of approximately € 1.3 billion plus interest. In these proceedings Dr. Kirch will have to prove that such statement caused financial damages to PrintBeteiligungs GmbH and the amount thereof. In the view of Deutsche Bank AG, the causality in respect of the basis and scope of the claimed damages has not been sufficiently substantiated.

On December 31, 2005, KGL Pool GmbH filed a lawsuit against Deutsche Bank AG and Dr. Breuer. The lawsuit is based on alleged claims assigned from various subsidiaries of the former Kirch Group. KGL Pool GmbH seeks a declaratory judgment to the effect that Deutsche Bank AG and Dr. Breuer are jointly and severally liable for damages as a result of the interview statement and the behavior of Deutsche Bank AG in respect of several subsidiaries of the Kirch Group. In December 2007, KGL Pool GmbH supplemented this lawsuit by a motion for payment of approximately € 2.0 billion plus interest as compensation for the purported damages which two subsidiaries of the former Kirch Group allegedly suffered as a result of the statement by Dr. Breuer. On March 31, 2009 the District Court Munich I dismissed the lawsuit in its entirety. The plaintiff appealed the decision. In the view of Deutsche Bank, due to the lack of a relevant contractual relationship with any of these subsidiaries there is no basis for such claims and neither the causality in respect of the basis and scope of the claimed damages nor the effective assignment of the alleged claims to KGL Pool GmbH has been sufficiently substantiated.

Asset Backed Securities Matters

Deutsche Bank AG, along with certain affiliates, has received subpoenas and requests for information from certain regulators and government entities concerning its activities regarding the origination, purchase, securitization, sale and trading of asset backed securities, asset backed commercial paper and credit derivatives, including, among others, residential mortgage backed securities, collateralized debt obligations and credit default swaps. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information. Deutsche Bank has also been named as defendant in various civil litigations (including putative class actions), brought under federal and state securities laws and state common law, related to residential mortgage backed securities. Included in those litigations are (1) a putative class action pending in California Superior Court in Los Angeles County regarding the role of Deutsche Bank's subsidiary Deutsche Bank Securities Inc. ("DBSI"), along with other financial institutions, as an underwriter of offerings of certain securities issued by Countrywide Financial Corporation or an affiliate ("Countrywide"), and a putative class action pending in the United States District Court for the Central District of California regarding the role of Deutsche Bank Securities Inc. ("DBSI"), along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by Countrywide; (2) a putative class action pending in the United States District Court for the Southern District of New York regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of Novastar Mortgage Funding Corporation; (3) a putative class action pending in the United States District Court for the Southern District of New York regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of IndyMac MBS, Inc.; (4) a putative class action pending in the United States District Court for the Northern District of California regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of Wells Fargo Asset Securities Corporation; and (5) a putative class action in the United States District Court for the Southern District of New York regarding the role of a number of financial institutions, including DBSI, as underwriter, of certain mortgage pass-through certificates issued by affiliates of Residential Accredit Loans, Inc., from which DBSI was dismissed without prejudice on March 31, 2010; and (6) a lawsuit filed by the Federal Home Loan Bank of San Francisco ("FHLB SF") pending in the San Francisco Superior Court regarding the role of a number of financial institutions, including certain affiliates of Deutsche Bank, as issuer and underwriter of certain mortgage pass-through certificates purchased by FHLB SF. In addition, certain affiliates of Deutsche Bank, including DBSI, have been named in a putative class action pending in the United States District Court for the Eastern District of New York regarding their roles as issuer and underwriter of certain mortgage pass-through securities. On April 5, 2010, the Court granted in part and denied in part Deutsche Bank's motion to dismiss this complaint. At the date of this Registration Document, each of the civil litigations is otherwise in its early stages.

Auction Rate Securities

Deutsche Bank AG and DBSI are the subjects of a putative class action, filed in the United States District Court for the Southern District of New York, asserting various claims under the federal securities laws on behalf of all persons or entities who purchased and continue to hold auction rate preferred securities and auction rate securities (together "ARS") offered for sale by Deutsche Bank AG and DBSI between March 17, 2003 and

February 13, 2008. On March 24, 2010, the court dismissed the putative class action but granted plaintiff permission to file an amended complaint, which plaintiff filed on April 23, 2010. Deutsche Bank AG, DBSI and/or Deutsche Bank Alex. Brown, a division of DBSI, have also been named as defendants in 17 individual actions asserting various claims under the federal securities laws and state common law arising out of the sale of ARS. Thirteen of the individual actions are pending, and four of the individual actions have been resolved and dismissed with prejudice. Deutsche Bank AG was also named as a defendant, along with ten other financial institutions, in two putative class actions, filed in the United States District Court for the Southern District of New York, asserting violations of the antitrust laws. The putative class actions allege that the defendants conspired to artificially support and then, in February 2008, restrain the ARS market. On or about January 26, 2010, the court dismissed the two putative class actions, and the plaintiffs have filed appeals of the dismissals.

Deutsche Bank AG and DBSI have also been the subjects of proceedings by state and federal securities regulatory and enforcement agencies relating to the marketing and sale of ARS. In August 2008, Deutsche Bank AG and its subsidiaries, entered into agreements in principle with the New York Attorney General's Office ("NYAG") and the North American Securities Administration Association, representing a consortium of other states and U.S. territories, pursuant to which Deutsche Bank AG and its subsidiaries agreed to purchase from their retail, certain smaller and medium-sized institutional, and charitable clients, ARS that those clients purchased from Deutsche Bank AG and its subsidiaries prior to February 13, 2008; to work expeditiously to provide liquidity solutions for their larger institutional clients who purchased ARS from Deutsche Bank AG and its subsidiaries; to pay an aggregate penalty of U.S.$15 million to state regulators; and to be subject to state orders requiring future compliance with applicable state laws. On June 3, 2009, DBSI finalized settlements with the NYAG and the New Jersey Bureau of Securities that were consistent with the August 2008 agreements in principle, and DBSI entered into a settlement with the Securities and Exchange Commission ("SEC") that incorporated the terms of the agreements in principle with the states and contained certain additional terms, including authority by the SEC to seek an additional monetary penalty from DBSI if the SEC believes that DBSI has not complied with its undertakings under the settlement. DBSI has since received proposed settled orders from a number of state and territorial agencies pursuant to which those agencies have claimed their respective shares of the U.S.$15 million penalty. DBSI expects to finalize those settled orders and pay the requisite shares of the penalty to the requesting states over the next several months.

ÖBB Litigation

In September 2005, Deutsche Bank AG entered into a Portfolio Credit Default Swap ("PCDS") transaction with ÖBB Infrastruktur Bau AG ("ÖBB"), a subsidiary of Österreichische Bundesbahnen-Holding Aktiengesellschaft. Under the PCDS, ÖBB assumed the credit risk of a € 612 million AAA rated tranche of a diversified portfolio of corporates and asset backed securities ("ABS"). As a result of the developments in the ABS market since mid 2007, the market value of the PCDS declined.

In June 2008, ÖBB filed a claim against Deutsche Bank AG in the Vienna Trade Court, asking that the Court declare the PCDS null and void. ÖBB argued that the transaction violates Austrian law, and alleged to have been misled about certain features of the PCDS. ÖBB's claim was dismissed by the Trade Court in January 2009. On June 25, 2009, the Vienna Higher Court dismissed ÖBB's appeal against the decision of the Trade Court. On September 21, 2009, ÖBB filed an extraordinary further appeal in the matter to the Austrian Supreme Court. On January 15, 2010, ÖBB and Deutsche Bank AG agreed to settle the case. The settlement did not have a material adverse impact on Deutsche Bank AG.

Trust Preferred Securities

Deutsche Bank AG and certain of its affiliates and officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. Claims are asserted under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933. An amended and consolidated class action complaint was filed on January 25, 2010. At the date of this Registration Document, the litigation is in its early stages.

IPO Allocation Litigation

DBSI and its predecessor firms, along with numerous other securities firms, have been named as defendants in over 80 putative class action lawsuits pending in the United States District Court for the Southern District of New York. These lawsuits allege violations of securities and antitrust laws in connection with the allocation of shares in a large number of initial public offerings ("IPOs") by issuers, officers and directors of issuers, and underwriters of those securities. DBSI is named in these suits as an underwriter. The securities cases allege material misstatements and omissions in registration statements and prospectuses for the IPOs and market manipulation with respect to aftermarket trading in the IPO securities. A related putative antitrust class action was finally dismissed in 2007. Among the allegations in the securities cases are that the underwriters tied the receipt of allocations of IPO shares to required aftermarket purchases by customers and to the payment of

undisclosed compensation to the underwriters in the form of commissions on securities trades, and that the underwriters caused misleading analyst reports to be issued. In the securities cases, the motions to dismiss the complaints of DBSI and others were denied on February 13, 2003. Plaintiffs' motion to certify six "test" cases as class actions in the securities cases was granted on October 13, 2004. On December 5, 2006, the U.S. Court of Appeals for the Second Circuit vacated the decision and held that the classes in the six cases, as defined, could not be certified. On March 26, 2008, the trial court granted in part and denied in part motions to dismiss plaintiffs' amended complaints. The extent to which the court granted the motions did not affect any cases in which DBSI is a defendant. Following mediation, a settlement was reached and approved by the trial court on October 6, 2009. On October 23, 2009, an objector filed a petition with the Second Circuit, seeking leave to appeal the trial court's certification of the settlement class in connection with all 310 cases, including the cases in which DBSI was named as a defendant. The plaintiffs objected, and all the underwriter defendants responded, to the petition on November 2, 2009. The petition was subsequently withdrawn and substituted with an appeal of the district court's order. At the date of this Registration Document, that appeal is pending before the Second Circuit.

Parmalat Litigation

Following the bankruptcy of the Italian company Parmalat, the Special Administrator of Parmalat, Mr. Enrico Bondi, sued Deutsche Bank for damages totaling € 2.2 billion and brought claw-back actions against Deutsche Bank S.p.A. for a total of € 177 million. Deutsche Bank, Deutsche Bank S.p.A., Parmalat and Mr. Bondi (on behalf of their respective groups) agreed a settlement of all of these actions in February 2009.

In addition, following the Parmalat insolvency, the prosecutors in Milan conducted a criminal investigation which led to criminal indictments on charges of alleged market manipulation against various banks, including Deutsche Bank and Deutsche Bank S.p.A., and some of their employees. Trial before the Court of Milan (Second Criminal Section) commenced in January 2008 and is ongoing. Prosecutors in Parma have conducted a criminal investigation against various bank employees, including employees of Deutsche Bank, on charges of fraudulent bankruptcy. The trial commenced in September 2009 and is ongoing. One former Deutsche Bank employee entered into a plea bargain in respect of the charges against him in Milan and Parma (most of which related to the period prior to his employment with Deutsche Bank) which have accordingly been withdrawn.

Certain retail bondholders and shareholders have alleged civil liability against Deutsche Bank in connection with the above-mentioned criminal proceedings. Deutsche Bank has made a formal settlement offer to those retail investors who have asserted claims against Deutsche Bank. This offer has been accepted by some of the retail investors.

Huntsman

On June 23, 2009, DBSI and Credit Suisse Securities (USA) LLC ("CSUSA") settled a lawsuit that had been brought against them by Huntsman Corporation ("Huntsman") in Texas state court in late 2008. The lawsuit arose out of the failed merger of Hexion Specialty Chemicals, Inc. ("Hexion") and Huntsman, the financing for which was to have been provided by affiliates of DBSI and CSUSA under a July 2007 commitment letter. The suit alleged, among other things, that DBSI and CSUSA had fraudulently induced Huntsman to terminate a prior merger agreement with Basell in favor of the Hexion merger agreement and had tortiously interfered with Huntsman's merger agreements with both Basell and Hexion. The suit also alleged that DBSI and CSUSA had conspired with non-party Apollo Management LLP to interfere with Huntsman's contractual rights. After the trial commenced on June 15, 2009, the parties settled the action. As part of the settlement, each of DBSI and CSUSA paid U.S.$316 million in cash to Huntsman and provided U.S.$550 million of financing to be repaid over seven years.

Sebastian Holdings

Deutsche Bank AG is in litigation in the United Kingdom and the United States with Sebastian Holdings Inc., a Turks and Caicos company ("SHI"). The dispute arose in October 2008 when SHI accumulated trading losses and subsequently failed to meet margin calls issued by Deutsche Bank AG. The U.K. action is brought by Deutsche Bank AG to recover approximately U.S.$230 million owed by SHI after the termination of two sets of master trading agreements with SHI. Deutsche Bank AG has also commenced a related restitutionary action in the U.K. against Alexander M. Vik, a Norwegian businessman and the sole director of SHI, and Vik Millahue, a Chilean company, seeking repayment to Deutsche Bank AG of certain funds transferred from SHI's accounts with Deutsche Bank AG. The U.S. action is a damages claim brought by SHI against Deutsche Bank AG in New York State court, arising out of the same circumstances as Deutsche Bank AG's suit against SHI in the U.K. and seeking damages of at least U.S.$750 million. In the U.K. action against SHI, the trial court held that it has jurisdiction over Deutsche Bank AG's suit and rejected SHI's claim that the U.K. is an inconvenient forum for the case to be heard. SHI is appealing from those determinations. The court found that the English courts did not have jurisdiction to hear the U.K. action against Vik and the Chilean company. In the U.S. action against Deutsche Bank AG, the trial court denied SHI's request to enjoin Deutsche Bank AG's suits in the UK. The trial

court denied Deutsche Bank AG's motion to dismiss or stay the U.S. action in favor of the London action, while granting Deutsche Bank AG's motion to dismiss SHI's tort claims but not its contract and quasi-contractual claims. The trial court denied SHI's motion for reargument of the trial court's decision, and both parties are pursuing appeals with the New York Appellate Division.

Ocala

Deutsche Bank AG is a secured creditor of Ocala Funding LLC ("Ocala"), a commercial paper vehicle sponsored by Taylor Bean & Whitaker Mortgage Corp., which ceased mortgage lending operations and filed for bankruptcy protection in August 2009. Bank of America is the trustee, collateral agent, custodian and depository agent for Ocala. Deutsche Bank AG has commenced a civil litigation in the United States District Court for the Southern District of New York against Bank of America for breach of contract, breach of fiduciary duty and contractual indemnity resulting from Bank of America's failure to secure and safeguard cash and mortgage loans that secured Deutsche Bank AG's commercial paper investment. At the date of this Registration Document, the litigation is in its early stages.

Adelphia Communications Corporation

Certain of Deutsche Bank AG's affiliates are among numerous financial institutions and other entities that were named as defendants in two adversary proceedings commenced in 2003 by a creditors committee and an equity committee of Adelphia Communications Corporation. In October 2007, the Adelphia Recovery Trust filed an amended complaint consolidating the two adversary proceedings, which was amended again in February 2008. The consolidated suit sought to avoid and recover certain loan payments, including approximately U.S.$50 million allegedly paid to DBSI in connection with margin loans, and sought affirmative damages from defendants collectively based on statutory claims and common law tort claims. The bank defendants filed several motions to dismiss the consolidated complaint, which were granted in part and denied in part, and certain of those rulings are the subject of a pending appeal and various motions. The claims that remain pending in the district court include a Bank Holding Company Act claim, common law tort claims, and an avoidance claim relating to the margin loans. Summary judgment motions are being filed, and a trial date has been set for September 2010.

City of Milan Civil Litigation and Criminal Proceedings

In January 2009, the City of Milan (the "City") issued civil proceedings in the District Court of Milan (the "Court") against Deutsche Bank AG and three other banks (together the "Banks") in relation to a 2005 bond issue by the City (the "Bond") and a related swap transaction which was subsequently restructured several times between 2005 and 2007 (the "Swap") (the Bond and Swap together the "Transaction"). The City seeks damages and/or other remedies on the grounds of alleged fraudulent and deceitful acts and alleged breach of advisory obligations as follows: in respect of the interest rate element of the Swap, the City suggests a permanent restructuring of the Swap and claims (i) € 23.6 million as the difference between sums already paid to date under the existing Swap and what the City would have paid under its suggested structure; and (ii) the difference between the sums yet to be paid under the existing Swap until maturity and what the City would have to pay under its suggested structure. In respect of the credit default element of the Swap, the City claims future reimbursement of any amount it would have to pay under the Swap on the occurrence of any credit event or on the occurrence of an early redemption of the credit default element. In the event that the Court does not grant the above damages, the City claims € 88.8 million in respect of alleged "hidden" fees embedded into the Swap; and not less than € 150 million as general compensation for damages arising from the Swap. The claims are made jointly and severally against each of the Banks. No date has yet been set for the civil trial.

On March 17, 2010, at the Milan Prosecutor's request, the Milan criminal court approved the criminal indictment of each of the Banks and certain of their employees (including two current employees of Deutsche Bank). The indictments are for alleged criminal offences relating to the Transaction, in particular fraud against a public authority. The Milan Prosecutor some time ago seized certain assets of the Banks in anticipation of such a trial, including € 25.1 million in cash from Deutsche Bank. The Milan Prosecutor considers this sum to be equivalent to Deutsche Bank's proceeds from the alleged fraud, and it is subject to confiscation (and could be increased or reduced) should the judge so decide following the trial. The trial is due to commence in May 2010.

Recent Developments and Outlook

Recent Developments

Deutsche Bank had a profitable start into fiscal year 2010. At the date of this Registration Document, there have been no material changes to Deutsche Bank's financial or liquidity position compared to March 31, 2010.

In mid-March 2010, Deutsche Bank AG closed the acquisition of Sal. Oppenheim Group. As all significant legal and regulatory approvals have been obtained by January 29, 2010, the date of first-time consolidation was set for that date and accordingly, Deutsche Bank commenced consolidation of the Sal. Oppenheim Group in the first quarter 2010. For further information on the acquisition of Sal. Oppenheim Group and on assets held for

sale see "*Other Financial Information — Significant Transactions, — Assets held for Sale*" in the notes to the consolidated interim financial statements of Deutsche Bank as of March 31, 2010 which are included in the section "*Financial Statements*" of this Registration Document.

Following the signing of a definitive agreement with ABN AMRO Bank N.V. in December 2009 to fully acquire parts of ABN AMRO's corporate and commercial banking activities in the Netherlands, Deutsche Bank announced on April 1, 2010 the completion of the acquisition for € 700 million in cash. The closing followed the approval by the European Commission and other regulatory bodies. As of the closing date, Deutsche Bank obtained control over the acquired businesses and accordingly will consolidate them.

The acquisition encompasses the following businesses:

- two corporate client units in Amsterdam and Eindhoven, serving large corporate clients,
- 13 commercial branches that serve small and medium-sized enterprises,
- Rotterdam-based bank Hollandsche Bank Unie N.V. (HBU),
- IFN Finance B.V., the Dutch part of ABN AMRO's factoring unit IFN Group.

The corporate client units, the 13 branches and HBU were renamed as Deutsche Bank Nederland N.V. immediately after the acquisition. Both, Deutsche Bank Nederland N.V. and IFN Finance B.V., have become direct subsidiaries of Deutsche Bank. The acquired businesses, which serve over 34,000 clients and employ 1,300 people, will use the Deutsche Bank brand name and become part of the Group's GTB corporate division.

Under the terms and conditions of the acquisition, ABN AMRO will provide initial credit risk coverage for the acquired portfolio (excluding IFN Finance B.V.). The coverage is also expected to provide regulatory capital relief. As the initial accounting for the business combination is not completed, disclosures on the fair values for identifiable assets acquired and liabilities assumed as of the acquisition date could not yet be made.

Deutsche Bank announced on May 6, 2010 that it had signed a binding agreement to subscribe to newly issued shares in Hua Xia Bank in connection with a capital increase for a total subscription price of up to approximately € 636 million. As a result, subject to regulatory approvals, Deutsche Bank's shareholding in Hua Xia Bank will increase from 17.1% to 19.99%.

Outlook

Global Economy and Banking Industry

The global economic recovery remains intact although some regions have seen activity in the first quarter 2010 dampened by the cold winter. World trade continues to improve and will in Deutsche Bank's view likely expand by over 12% this year, after dropping 11.5% in 2009. In Deutsche Bank's expectations the global economy looks set to expand by more than 4% on average in 2010, supported in particular by growth in the Asian emerging markets and in the U.S. Growth in the euro area will likely remain weak, at just over 1%. While Germany is expected to see growth of 2%, countries like Spain, Ireland and Greece will likely feel the dampening effects of structural adjustments, especially in the construction sector, and of fiscal consolidation efforts. Real GDP in these countries will probably shrink in 2010, with Greece suffering the largest contraction of up to 4%. Despite the recent support package announced by the EU and the IMF, Greece's public finances continue to pose high risks to growth and interest rates in the euro area and the euro-exchange rate. Additional risks to the global economy could result from the necessary exit from highly expansionary monetary and fiscal policies.

The outlook for the banking sector, in Deutsche Bank's view, is shaped by two contrasting developments in recent months. While the global economy's return to growth has positively affected operating performance, uncertainty about the sustainability of public finances and future fiscal policies in a number of smaller and larger industrial countries continued to increase.

For investment banking, in the view of Deutsche Bank, 2010 appears to be on the path to another successful year, even though revenue levels in most market segments are likely to be lower than in the previous year. Retail banking should stabilize thanks to the recovery in financial markets and the performance of labor markets in many developed economies, ranging from nascent improvement to continuing resilience. Loan volumes are expected to grow modestly in most cases, while loan losses could decline moderately. By contrast, the market environment for corporate banking will likely remain difficult. Although banks have stopped tightening credit standards, Deutsche Bank expects loan volumes to stagnate due to a large number of corporate insolvencies and firms' still-low propensity to invest. The performance of asset management will, in the Bank's view, be determined by the development of capital markets, which in turn depends on the strength of the economic recovery and on a credible scenario for stabilizing the long-term fiscal position of many countries.

Deutsche Bank assumes that the banking industry will also continue to be the focus of significant regulatory discussion, as governments and regulators seek to prevent a repeat of the financial crisis. Discussions are already underway, and in some cases concrete proposals exist. Several areas are likely to remain in focus of

these discussions: the adequacy and quality of capital, overall and in respect of specific trading book activities; balance sheet leverage; liquidity and funding, including both quantity and quality of bank funding bases; engagement in specific activities, including proprietary trading and in-house private equity and hedge fund activity; the trading and settlement of derivative instruments; specific taxes or levies on profits or assets; and increased governance of bank executive compensation. However, as of the date of this Registration Document, most measures are still under discussion and the final version of large parts of current proposals is not only still unknown but also hard to predict. While many changes are unlikely to be officially enacted in the near future, banks can be expected to take early action to conform to any new regulations.

The Deutsche Bank Group

During 2009, Deutsche Bank defined the fourth phase of its management agenda, which was launched in 2002. 'Phase 4' of its management agenda sets out four specific priorities:

- Increasing profitability in Corporate and Investment Banking (CIB) with renewed risk and balance sheet discipline
- Focusing on core Private Clients and Asset Management businesses and home market leadership
- Focusing on Asia as a key driver of revenue growth
- Renewing emphasis on the performance culture of Deutsche Bank

Against the background of an improving but still uncertain economic environment, Deutsche Bank AG's Management Board has taken a series of steps to ensure that Deutsche Bank is well placed to exploit the competitive opportunities which will arise as the economy emerges from recession. In particular, in the CIB businesses, Deutsche Bank has both reduced its balance sheet and reduced risk exposures in key areas while simultaneously improving profitability and earnings quality. In PCAM, Deutsche Bank has continued to position itself so as to achieve undisputed home market leadership, and re-positioned its platform to take account of the new environment. Meanwhile, the Group increased its commitment to Asia, where it was already well-positioned in all of its core businesses. Deutsche Bank is also putting renewed emphasis on its culture of performance and accountability. This culture recognizes the importance of cost discipline, efficient infrastructure and clear accountability.

Deutsche Bank has launched a special "complexity reduction program" as an element of the Bank's plans to reinforce its performance culture. This program is aimed at cutting costs by identifying and reducing unnecessary complexity all over the Bank. In the medium term Deutsche Bank wants to achieve efficiency gains of € 1 billion in total, contributing to the € 10 billion potential income before income taxes from its core businesses (before Corporate Investments and Consolidation & Adjustments), which it outlined as part of Phase 4 of its Management Agenda.

Through the acquisition of the renowned private wealth manager Sal. Oppenheim, Deutsche Bank is building on its, in its own estimation, leading position in the coverage of wealthy private clients in its home market, Germany. While integration and exit costs may significantly impact the Group's short-term performance, Deutsche Bank expects a positive contribution from 2012 onwards and substantial upside potential.

Deutsche Bank believes that there is still a large degree of uncertainty as to the economic outlook. Although the recovery of the global economy is now moving forward, the economic situation remains susceptible to change, particularly in industrialized countries. Indications of this are the high unemployment levels and the still sluggish real estate markets. Furthermore, the time is drawing closer for exiting the current very expansive monetary and interest rate policies as well as the numerous economic stimulus programs. There is also a growing need for budget consolidation measures in many countries to bring down the large state deficits. Not least, the considerable global current account imbalances have been a cause of uncertainty.

Deutsche Bank will continue to be impacted both by the changing competitive landscape and emerging regulatory developments. With the flight to quality in the post-crisis competitive environment, Deutsche Bank believes there are opportunities for it to capture market share. At the same time, it is mindful of the uncertain regulatory environment. In particular, as described above, capital requirements are likely to increase and there is likely to be increased supervisory scrutiny of risk and liquidity management capabilities. Capital, risk management and balance sheet efficiency will therefore become increasingly important as competitive differentiators for Deutsche Bank. Deutsche Bank has also already redesigned its compensation model to take account of guidelines issued by the G20 governments, and regulators, including the Fed, FSA and BaFin.

This phase of Deutsche Bank's management agenda is contingent upon certain environmental assumptions, including no further major market dislocations, a normalization of asset valuations, high single-digit growth in the global fee pool, margins stabilizing at levels which remain higher than the pre-crisis period, and modest but positive global GDP growth of at least 2 % during the next two years. The anticipated implications of this outlook for its businesses are detailed by Deutsche Bank below.

Corporate Banking & Securities

Deutsche Bank assumes that the investment banking business will face a mixed environment in 2010. It expects capital markets to remain more liquid and less volatile than during the crisis. Although the strength of the economic recovery is uncertain, it anticipates that Corporate Finance fee pools will continue to recover in 2010. Trading volumes are expected to remain robust and there should be stabilization of margins below levels reached in early 2009, but higher than pre-crisis levels. Customer-focused businesses will grow as economic recovery continues and investor sentiment improves. However, the aforementioned outlook for possible changes in the regulatory environment, notably in connection with trading activities, could affect risk appetite and business returns.

In sales and trading, revenues on 'flow' products such as foreign exchange trading, money market and interest rate trading should normalize at lower levels than at the peak of the crisis due to narrowing of bid-offer spreads, lower volatility and lower volumes. This effect will likely be counterbalanced by non-recurrence of mark-downs and losses taken on legacy positions in 2009, and by business growth. Deutsche Bank expects to generate substantial revenues through its, in its own estimation, leading market position with clients across these products, as well as through the successful reorientation of its credit trading and equity derivative trading businesses toward more liquid 'flow' products and through previous investments in Emerging Markets Debt trading, Commodities and Cash Equities. In the wake of the financial crisis, Deutsche Bank discontinued designated proprietary credit trading, and very significantly reduced proprietary equities trading. Consequently, although the impact of regulation of proprietary activities is as yet unknown, Deutsche Bank does not expect potential restrictions on proprietary trading to materially affect sales and trading revenues in 2010.

As the economy recovers the business environment for corporate finance will likely become more stable. The increase in fee pools will be led by increased activity in equity issuance as companies continue to rebuild balance sheets and raise capital through IPOs, and, in the case of Financial Institutions, respond to regulatory change. More generally, demand for recapitalization and restructuring advice is expected to remain strong. In debt markets a robust market for both Investment Grade and high yield bonds is expected to continue at least for the first half of the year 2010 as issuers continue to take advantage of low interest rates and improved spread levels. M&A activity remains in the early stages of a cyclical recovery, as corporate clients reposition themselves in the post-crisis environment; however, volumes are expected to improve in comparison to 2009. Commercial real estate is expected to lag the rest of the market, but as asset values stabilize and improve Deutsche Bank should start to see renewed activity.

Global Transaction Banking

The outlook for transaction banking will likely be influenced by both negative and positive factors in 2010. The very low interest rate levels seen in most markets during 2009 will likely continue to adversely impact net interest income in the near term, while the moderate pace of economic recovery in the eurozone and other major markets could limit the scope for growth in trade finance. A weakening of the Euro may benefit transaction banking by supporting export related business from the eurozone. Growth momentum in Asia, the stabilization of the U.S. economy and a potential upturn in U.S. interest rates would all favorably impact the outlook for revenue generation.

Deutsche Bank's Global Transaction Banking (GTB) business will likely be impacted by the environmental challenges outlined above. Deutsche Bank believes that sustained momentum of profitable growth and client acquisition in recent years, together with its leading position in major markets, leaves GTB 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 expects that the acquisition of parts of ABN AMRO's corporate and commercial banking activities in the Netherlands, which was completed at the beginning of April 2010, will further strengthen GTB's footprint in Europe by achieving deeper client coverage and complementary product offerings. The business 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 GTB's product offering, such as supply chain finance and 'FX4Cash', a platform for high-volume, low value foreign exchange payments, contribute favorably to the outlook.

Asset and Wealth Management

The outlook for the asset and wealth management business is expected to be influenced by multiple factors in 2010. Recovery in equity markets in late 2009 and a return to growth in the global economy in 2010 should foster an increase in revenues from performance fees and commissions. Market appetite to regain prior years' losses may stimulate investments in multi-asset, alternative and equity products, while signs of broad based recovery in the real estate market should improve prospects in alternative investments. Long term trends, including the ongoing shift from state pension dependency to private retirement funding, ageing populations in mature markets, and growing wealth in emerging economies, will also positively impact revenues and new invested assets opportunities. Conversely, revenues may come under pressure in the near term if market volatility reoccurs and investors continue to retreat to cash or simpler, lower fee products.

Deutsche Bank believes that its Asset and Wealth Management (AWM) continues to be a leading and diversified global service provider, strongly positioned to benefit from the market indicators outlined above. In Asset Management (AM), operating leverage obtained via platform re-engineering and cost efficiency efforts that began in 2008 and continued throughout 2009 underpins the business's ability to benefit from improved capital markets and growth in the economy, as well as absorb the potential for modest market volatility or investor comfort towards fixed income, lower fee products. In addition, AM is well positioned to gain from the aforementioned long term trends in the industry.

In Private Wealth Management (PWM), Invested Assets could grow in line with market recovery, net new asset growth in Asia and a further increase of market share in the US. While a market recovery may be volatile and include periods with downward trends, volatility could positively impact earnings due to short term increases in the number of client transactions.

The recent shift in client buying patterns, toward lower margin, simpler and capital protected products will likely reverse over time, combined with a shift into discretionary mandates supported by PWM's introduction of dynamic asset allocation model. Investment themes such as commodities and increasing client demand for alternative investments are expected to support global wealth valuation. Even though these opportunities should enable PWM to improve gross margins during the course of 2010 and beyond, onshore markets and mature market regions may continue to see pressure on gross margins. Cost efficiency measures and productivity enhancements initiated during 2009 should contribute to achieve cost income ratio improvement. The completion of the acquisition of Sal. Oppenheim in the first quarter of 2010 and the costs related to the integration of the business may be a factor for Deutsche Bank in the near term.

PWM should achieve a diversification of its earnings base through continued focus on the Ultra High Net Worth (UHNWI) segment and provisions of high quality services through integrated platforms and product offerings with Deutsche Bank's Investment Bank to existing and new relationships. Changes in the regulatory framework for banks and the uncertainties related to offshore banking models, given recent political discussions, may impact the prospects of PWM's business.

Private and Business Clients

Deutsche Bank's proposition for private and business clients is based on a solid business model with a leading position in the home market, Germany, solid positions in other important European markets, and growth options in key Asian countries. Thanks to its strong advisory proposition, Deutsche Bank expects to be able to gain market share in Germany via customer acquisition, expansion of its sales force by hiring highly qualified employees and a selective expansion of its branch network. Its cooperation with Deutsche Postbank creates additional optionality for it to become a clear leader in Germany and to close the gap to leading European retail banks.

Capitalizing on its advisory strength, Deutsche Bank intends to develop PBC's profitable European franchise towards an affluent proposition with a focus on wealthy regions. The expansion of its branch network in India and the increase of its stake in Hua Xia Bank in China will benefit PBC's Asian high growth option.

PBC continues to face uncertainties in its operating environment, particularly with respect to the development of investment product markets. During 2009, client activity remained low despite increasing stock indices. Based on the macroeconomic outlook, increasing insolvencies and unemployment rates might negatively impact loan loss provisions, despite mitigating measures introduced in 2009. Continued low interest rates might further negatively affect revenues in PBC.

Deutsche Bank expects PBC's cost base to be positively impacted by efficiency measures contained in PBC's announced Growth and Efficiency program, which will be completed in 2010, and consequently by severance charges which will be appreciably lower than in 2009. In addition, Deutsche Bank sees potential benefit from its co-operation agreement with Deutsche Postbank, which involves collaboration in IT and purchasing as well as marketing of complementary products.

SELECTED BUSINESS AND FINANCIAL DATA

The following tables summarize selected business and financial data of Deutsche Bank Group for the three-month periods ended March 31, 2010 and March 31, 2009 and the fiscal years 2009, 2008 and 2007. The consolidated income statement data and cash flow statement data for the three-month period ended March 31, 2010 (as well as the comparative figures for the quarter ended March 31, 2009) and the consolidated balance sheet data as of March 31, 2010 were derived from Deutsche Bank's condensed consolidated interim financial statements for the quarter ended March 31, 2010 (with comparative figures for the quarter ended March 31, 2009) prepared in accordance with IFRS. The consolidated income statement data and cash flow statement data for the fiscal years 2009, 2008 and 2007, as well as the consolidated balance sheet data for the fiscal years 2009 and 2008 were derived from Deutsche Bank's consolidated financial statements for the fiscal year 2009 (with comparative figures for the preceding years) prepared in accordance with IFRS. The consolidated balance sheet data for the fiscal year 2007 has been derived from Deutsche Bank's consolidated financial statements for the fiscal year 2008 (with comparative figures for the preceding year) prepared in accordance with IFRS. The condensed consolidated interim financial statements for the three months ended March 31, 2010 have been reviewed by KPMG, and KPMG provided a review report. The consolidated financial statements for the fiscal years 2009, 2008 and 2007 have been audited by KPMG, and KPMG issued an unqualified auditor's report in each case. The information provided herein with respect to capital resources and capital ratios for the first quarter ended March 31, 2010 was derived from the notes to the aforementioned consolidated interim financial statements, and for 2009, 2008 and 2007 from the notes to the aforementioned audited consolidated financial statements unless stated otherwise.

The following tables should be read in conjunction with the condensed consolidated interim financial statements as of March 31, 2010 and the consolidated financial statements of Deutsche Bank for the fiscal years 2009, 2008 and 2007. The condensed consolidated interim financial statements as of March 31, 2010 and the consolidated financial statements for 2009 are contained in the section *"Financial Statements"* of this Registration Document. The consolidated financial statements for 2008 and 2007 are incorporated by reference into this Registration Document, see *"Documents Incorporated by Reference"*.

Consolidated Income Statement Data

in € m. (except per share data)	Three months ended March 31, 2010	2009	Year ended December 31, 2009	2008	2007
	(reviewed)			*(audited)*	
Interest and similar income	6,541	8,799	26,953	54,549	64,675
Interest expense	2,870	4,956	14,494	42,096	55,826
Net interest income	**3,671**	**3,843**	**12,459**	**12,453**	**8,849**
Provision for credit losses	262	526	2,630	1,076	612
Net interest income after provision for credit losses	**3,409**	**3,317**	**9,829**	**11,377**	**8,237**
Commissions and fee income	2,461	2,179	8,911	9,741	12,282
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	2,579	2,264	7,109	(9,992)	7,175
Net gains (losses) on financial assets available for sale	27	(504)	(403)	666	793
Net income (loss) from equity method investments	172	(187)	59	46	353
Other income (loss)	89	(357)	(183)	699	1,377
Total noninterest income	**5.328**	**3,395**	**15,493**	**1,160**	**21,980**
Compensation and benefits	3,575	2,976	11,310	9,606	13,122
General and administrative expenses	2,200	1,983	8,402	8,339	8,038
Policyholder benefits and claims	140	(62)	542	(252)	193
Impairment of intangible assets	29	–	(134)	585	128
Restructuring activities	–	–	–	–	(13)
Total noninterest expenses	**5,944**	**4,897**	**20,120**	**18,278**	**21,468**
Income (loss) before income taxes	**2,793**	**1,815**	**5,202**	**(5,741)**	**8,749**
Income tax expense (benefit)	1,016	633	244	(1,845)	2,239
Net income (loss)	**1,777**	**1,182**	**4,958**	**(3,896)**	**6,510**
Net income (loss) attributable to noncontrolling interests[1]	15	(3)	(15)	(61)	36
Net income (loss) attributable to Deutsche Bank shareholders	1,762	1,185	4,973	(3,835)	6,474
Basic earnings per share (in €)[2]	2.77	1.97	7.92	(7.61)	13.65
Diluted earnings per share (in €)[2]	2.66	1.92	7.59	(7.61)	13.05

1 Until December 31, 2009 reported as "Net income (loss) attributable to minority interest".

2 The result per share is determined by division of the group result attributable to the Bank's shareholders by the average number of common shares outstanding in the reporting year. The average number of common shares results from the average number of issued shares adjusted by the average number of shares held by the Bank and the average number of shares acquired via forward transactions, which are performed by delivery of shares, plus unallocated unexpired shares from employee share plans. Diluted earnings per share are based on the assumption of the conversion of securities in common shares or the exercise of contracts to issue common shares, convertible securities, share rights which have not become non-lapsable yet and forward contracts. The diluted earnings per share for each period have been calculated by dividing the Bank's net income (loss) by the weighted-average number of common shares outstanding after assumed conversions. Financial instruments are included in the calculation of diluted earnings per share only if they are dilutive in the respective reporting period.

Consolidated Balance Sheet Data

in € m.	March 31, 2010	December 31, 2009	2008	2007
	(reviewed)		*(audited)*	
Assets:				
Cash and due from banks	10,010	9,346	9,826	8,632
Interest-earning deposits with banks	59,985	47,233	64,739	21,615
Central bank funds sold and securities purchased under resale agreements	9,757	6,820	9,267	13,597
Securities borrowed	48,760	43,509	35,022	55,961
Financial assets at fair value through profit or loss	1,034,166	965,320	1,623,811	1,378,011
Financial assets available for sale	26,726	18,819	24,835	42,294
Equity method investments	8,011	7,788	2,242	3,366
Loans	266,835	258,105	269,281	198,892
Property and equipment	3,226	2,777	3,712	2,409
Goodwill and other intangible assets	11,627	10,169	9,877	9,383
Other assets	181,585	121,538	137,829	183,638
Income tax assets	9,754	9,240	11,982	7,205
Total assets	**1,670,442**	**1,500,664**	**2,202,423**	**1,925,003**
Liabilities and equity:				
Deposits	366,040	344,220	395,553	457,946
Central bank funds purchased and securities sold under repurchase agreements	47,714	45,495	87,117	178,741
Securities loaned	8,350	5,564	3,216	9,565
Financial liabilities at fair value through profit or loss	799.946	722,274	1,333,765	870,085
Other short-term borrowings	43,993	42,897	39,115	53,410
Other liabilities	203,418	154,281	160,598	171,444
Provisions	1,724	1,307	1,418	1,295
Income tax liabilities	4,595	4,298	6,138	6,601
Long-term debt	143,687	131,782	133,856	126,703
Trust preferred securities	10,737	10,577	9,729	6,345
Obligation to purchase common shares	54	–	4	3,553
Total liabilities	**1,630,258**	**1,462,695**	**2,170,509**	**1,885,688**
Common shares, no par value, nominal value of € 2.56	1,589	1,589	1,461	1,358
Additional paid-in capital	14,744	14,830	14,961	15,808
Retained earnings	25,749	24,056	20,074	26,051
Common shares in treasury, at cost	(107)	(48)	(939)	(2,819)
Equity classified as obligation to purchase common shares	(54)	–	(3)	(3,552)
Net gains (losses) not recognized in the income statement, net of tax	(2,803)	(3,780)	(4,851)	(1,047)
Total shareholders' equity	**39,118**	**36,647**	**30,703**	**37,893**
Minority interest	1,066	1,322	1,211	1,422
Total equity	**40,184**	**37,969**	**31,914**	**39,315**
Total liabilities and equity	**1,670,442**	**1,500,664**	**2,202,423**	**1,925,003**

Cashflow Statement Data of the Group

in € m.	Three months ended March 31, 2010	2009	Year ended December 31, 2009	2008	2007
	(reviewed)			(audited)	
Net income (loss)	1,777	1,182	4,958	(3,896)	6,510
Income (loss) adjusted for non-cash charges, credits and other items	2,829	2,634	8,229	(3,083)	5,657
Net cash provided by (used in) operating activities	9,308	(23,535)	(13,786)	37,117	16,790
Net cash provided by (used in) investing activities	981	(2,380)	401	(769)	(4,388)
Net cash provided by (used in) financing activities	(1,122)	(353)	(1,020)	3,220	(3,369)
Net effect of exchange rate changes on cash and cash equivalents	769	1,766	690	(402)	(289)
Total	**61,485**	**40,762**	**51,549**	**65,264**	**26,098**

Capital Resources and Capital Ratios of the Group

	March 31, 2010	December 31, 2009	2008	2007
	(reviewed, unless stated otherwise)	(audited, unless stated otherwise)		
Return on average shareholders' equity (post tax)[1]	18.6%	14.6%	(11.1)%	17.9%
Pre-tax return on average shareholders' equity[1]	29.3%	15.3%	(16.5)%	24.1%
Pre-tax return on average active equity[1][2]	29.5%	15.1%	(17.7)%	29.0%
Cost/income ratio[1][3]	66.0%	72.0%	134.3%	69.6%
Total assets (in bn. €)	1,670	1,501	2,202	1,925
Shareholders' equity (in bn. €)	39.1	36.6	30.7	37.9
Tier-1 capital ratio[4]	11.2%	12.6%	10.1%	8.6%

1 Unaudited. Source: Deutsche Bank Interim Report as of March 31, 2010, Deutsche Bank Annual Report 2009 on Form 20-F.

2 This adjusted measure of the return on average shareholders equity is calculated to make it easier to compare Deutsche Bank to Deutsche Bank's competitors. Deutsche Bank refers to this adjusted measure as Deutsche Bank's "Pre-tax return on average active equity". However, this is not a measure of performance under IFRS and investors should not compare this ratio to other companies' ratios without considering the difference in calculation of the ratios. The item for which Deutsche Bank's adjusts the average shareholders' equity of € 37,914 million for the first quarter 2010; € 34,016 million for 2009; € 34,442 million for 2008; € 36,134 million for 2007 are the average unrealized net gains on assets available for sale/ average fair value adjustment on cash flow hedges, net of applicable tax of € 210 million for the first quarter 2010; € (884) million for 2009; € 619 million for 2008 and € 3,841 million for 2007 and the average dividend accruals of € 524 million for the first quarter 2010; € 287 million for 2009; of € 1,743 million for 2008 and € 2,200 million for 2007. The dividend payment is paid once a year following its approval by the general shareholders' meeting.

3 Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.

4 The Tier 1 capital ratio shown for 2010, 2009 and 2008 is pursuant to the German Banking Act (KWG) and the Solvency Regulation (*Solvabilitätsverordnung*), which adopted the revised capital framework presented by the Basel Committee in 2004 ("Basel II") into German law, while the ratio presented for 2007 is based on the Basel I framework. Basel II Tier 1 capital excludes transitional items pursuant to Section 64h(3) of the German Banking Act (KWG).

Share Information

in € per share	Three months ended March 31, 2010	Year ended December 31, 2009	2008	2007
Share price (XETRA)				
Share price at the end of the reporting period	57.03	49.42	27.83	89.40
Share price high	59.11	58.29	89.80	118.51
Share price low	42.31	15.38	18.59	81.33

Source: Deutsche Bank Interim Report as of March 31, 2010, Deutsche Bank Annual Report 2009 on Form 20-F

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Deutsche Bank Group's financial condition and results of operations contains forward-looking statements based on assumptions about Deutsche Bank AG's future business development. Deutsche Bank Group's results could differ materially from the expectations reflected in these forward-looking statements; see "General Information — Forward-Looking Statements; Third Party Information". This discussion should be read in conjunction with Deutsche Bank's condensed consolidated interim financial statements for the first quarter ended March 31, 2010 and Deutsche Bank's consolidated financial statements for 2009 and 2008 and the notes thereto.

The condensed consolidated interim financial statements for the first quarter ended March 31, 2010 were prepared in accordance with IFRS, were reviewed by KPMG, and KPMG provided a review report with respect to them. The consolidated financial statements for the fiscal years 2009, 2008 and 2007 were prepared in accordance with IFRS, and have been audited by KPMG and an unqualified auditor's report has been issued in each case.

The condensed consolidated interim financial statements for the first quarter ended March 31, 2010 and the consolidated financial statements for the fiscal years 2009 are contained in the section "Financial Statements" of this Registration Document. The consolidated financial statements for the fiscal years 2008 and 2007 are incorporated by reference into this Registration Document; see "Documents Incorporated by Reference".

Results of Operations

Comparison of the Three-month Periods ended March 31, 2010 and 2009

The following discussion and analysis must be read in conjunction with Deutsche Bank's condensed consolidated interim financial statements as of March 31, 2010 which are included in the section *"Financial Statements"* of this Registration Document.

Overview

The comparison between the first quarter ended March 31, 2010 and the first quarter ended March 31, 2009 is limited due to several factors. The first quarter of 2009 included significant mark-downs and impairment charges, which did not repeat in 2010, whereas the first quarter in 2010 included three specific features which were not present in the first quarter 2009. Firstly, the first quarter 2010 included the consolidation of Sal. Oppenheim Group ("Sal. Oppenheim") for the first time. In Asset and Wealth Management, mainly Private Wealth Management, the inclusion of Sal. Oppenheim resulted in additional revenues of € 79 million and additional noninterest expenses of € 134 million, with an overall negative effect of € 58 million on the division's results. In addition, Corporate Investments included revenues of € 68 million related to BHF-Bank AG, which was acquired as part of the Sal. Oppenheim transaction. Secondly, the first quarter 2010 reflected approximately € 350 million of higher deferred compensation expenses. This amount included € 298 million of accelerated amortization of deferred compensation for employees eligible for career retirement at the date of grant of the awards in February 2010. The awards granted in the first quarter 2009 did not have such a feature. Of the € 298 million, € 230 million relates to Corporate Banking & Securities, € 41 million to Asset and Wealth Management, € 20 million to Global Transaction Banking and € 8 million to Private & Business Clients. Thirdly, the first quarter 2010 reflected € 120 million of U.K. bank payroll tax related to the deferred compensation, which is attributed to Corporate Banking & Securities.

The following table presents the condensed consolidated statement of income of Deutsche Bank Group for the three-month periods ended March 31, 2010 and 2009 on the basis of Deutsche Bank's consolidated interim financial statements for the first quarter 2010.

in € m.	Three months ended March 31, 2010	2009	Change in € m.	in %
	(reviewed)		*(unaudited)*	
Net Interest Income	**3,671**	**3,843**	**(172)**	**(4)**
Provision for credit losses	262	526	(264)	(50)
Net interest income after provision for credit losses	**3,409**	**3,317**	**92**	**3**
Commissions and fee incomes	2,461	2,179	282	13
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	2,579	2,264	315	14
Net gains (losses) on financial assets available for sale	27	(504)	531	N/M
Net income (loss) from equity method investments	172	(187)	359	N/M
Other income (loss)	89	(357)	446	N/M
Total noninterest income	**5,328**	**3,395**	**1,933**	**57**
Total net revenues	**8,999**	**7,238**	**1,761**	**24**
Compensation and Benefits	3,575	2,976	599	20
General and administrative expenses	2,200	1,983	217	11
Policyholder benefits and claims	140	(62)	202	N/M
Impairment of intangible assets	29	–	29	N/M
Restructuring activities	–	–	–	N/M
Total noninterest expenses	**5,944**	**4,897**	**1,047**	**21**
Income (loss) before income taxes	**2,793**	**1,815**	**978**	**54**
Income tax expenses (benefit)	1,016	633	383	61
Net income (loss)	**1,777**	**1,182**	**595**	**50**
Net income (loss) attributable to noncontrolling interests[1]	15	(3)	18	N/M
Net income (loss) attributable to Deutsche Bank shareholders	1,762	1,185	577	49

N/M – Not meaningful

1 Until December 31, 2009 reported as "Net income (loss) attributable to minority interest".

Consolidated Results of Operations

Net revenues of Deutsche Bank for the first quarter 2010 were € 9.0 billion, up 24 % versus € 7.2 billion for the first quarter of 2009. This performance reflects strong revenues in Corporate Banking & Securities as well as lower mark-downs and impairments. First quarter revenues in 2010 reflected € 241 million of net mark-downs predominantly related to monoline insurers. The first quarter of 2009 included € 1.0 billion of mark-downs, primarily against monoline insurers, and an impairment charge of € 500 million on The Cosmopolitan Resort and Casino property.

In the Corporate and Investment Bank (CIB), net revenues were € 6.6 billion versus € 4.9 billion in the first quarter 2009.

In Corporate Banking & Securities (CB&S), net revenues in the first quarter of 2010 were € 6.0 billion, up from € 4.3 billion in the first quarter 2009. Revenues in Sales & Trading (debt and other products) were € 3.8 billion, virtually unchanged versus the first quarter 2009. The impact of lower mark-downs and a strong performance in the first quarter of 2010 in Credit Trading was offset by lower revenues in Foreign Exchange, Money Markets and Rates arising from the expected normalization of the market environment. In Sales & Trading (equity), net revenues were € 944 million in the first quarter 2010, versus € 215 million in the first quarter 2009. This improvement primarily reflected the non-recurrence of losses in Equity Derivatives which occurred in the first quarter of 2009 as well as increased contributions from Equity Trading. Revenues in Origination and Advisory were € 563 million in the quarter, up from € 349 million in the first quarter 2009. Debt Origination revenues increased by € 186 million, reflecting increased volumes and the non-recurrence of mark-downs in leveraged lending. Equity Origination revenues were up by 29 %, reflecting significantly increased market activity compared to the first quarter 2009. Loan products revenues were € 513 million for the first quarter 2010, compared to € 645 million in the first quarter 2009. The decrease was primarily due to losses from reductions of legacy assets. Other products revenues were € 170 million in the first quarter 2010, compared to negative revenues of € 765 million in the first quarter 2009. The swing in profitability of € 935 million was mainly attributable to an impairment of € 500 million in the first quarter 2009 related to The Cosmopolitan Resort and

Casino property. The improvement also reflects a positive movement in mark-to-market results on investments held to back policyholder claims in Abbey Life, which are offset in noninterest expenses. Additionally, the prior year quarter was burdened by impairment losses on certain private equity investments.

In Global Transaction Banking (GTB), net revenues were € 636 million, compared to € 666 million in the first quarter 2009. Growth in Trade Finance revenues was offset by lower revenues in Corporate Cash Management and Trust and Securities Services, reflecting prevailing low interest rates and lower transaction volumes in Deutsche Bank's domestic custody business.

In Private Clients and Asset Management (PCAM), net revenues were € 2.2 billion in the first quarter 2010, compared to € 1.9 billion in the first quarter 2009.

In Asset and Wealth Management (AWM), net revenues were € 831 million in the first quarter 2010, compared to € 514 million in the first quarter 2009. The increase was favorably impacted by the non-recurrence of impairment charges of € 120 million in the RREEF business recorded in the first quarter 2009. The development was also aided by the acquisition of Sal. Oppenheim which added € 79 million in revenues since January 29, 2010, upon receipt of all significant legal and regulatory approvals. In addition, the first quarter 2010 included higher revenues from discretionary portfolio management/fund management, credit products and advisory/brokerage activities.

In Private & Business Clients (PBC), net revenues were € 1.4 billion in the first quarter 2010, up 2 % versus the first quarter 2009. This reflected higher revenues from discretionary portfolio management/fund management and from deposits, partially offset by reduced revenues from other products.

Revenues in Corporate Investments (CI) were € 220 million in the first quarter 2010 versus € 153 million in the first quarter 2009. Revenues in the first quarter 2010 included € 148 million related to Deutsche Postbank AG and € 68 million related to BHF-Bank AG, which was acquired as part of the Sal. Oppenheim transaction.

In Consolidation & Adjustments (C&A), revenues were negative € 93 million in the first quarter 2010 versus positive net revenues of € 267 million in the first quarter 2009, mainly reflecting effects of different accounting methods used for management reporting and IFRS in relation to economically hedged short-term positions.

Provision for credit losses was € 262 million in the first quarter 2010 versus € 526 million in the first quarter 2009. CIB recorded a net charge of € 90 million in the first quarter 2010, compared to a net charge of € 357 million in the prior year quarter. The decrease was partly attributable to reduced provisions for credit losses on assets reclassified in accordance with IAS 39. The remaining reduction reflects improved credit conditions. In PCAM, provision for credit losses was € 173 million, versus € 169 million in the first quarter 2009. This reflects lower credit losses in Spain, but also included the positive effect of a € 60 million one-time release in the first quarter of 2009 and lower provisions of € 28 million in the first quarter 2010, both in relation to revised parameter and model assumptions.

Noninterest expenses were € 5.9 billion in the first quarter 2010, versus € 4.9 billion in the first quarter 2009. Compensation and benefits were € 3.6 billion, compared to € 3.0 billion in the first quarter 2009, reflecting approximately € 350 million of increased deferred compensation expenses, predominantly including accelerated amortization of deferred compensation for employees eligible for career retirement. In addition, the U.K. bank payroll tax attributable to the first quarter of 2010 was € 120 million. Both items related to deferred compensation awards granted during the quarter. The aforementioned inclusion of Sal. Oppenheim increased compensation and benefits by € 90 million. The ratio of compensation and benefits to revenues was 40 %, versus 41 % in the first quarter 2009. General and administrative expenses were € 2.2 billion, compared to € 2.0 billion in the first quarter 2009. General and administrative expenses in the first quarter 2010 included higher IT and professional services costs as well as € 95 million expenses relating to the inclusion of Sal. Oppenheim for the first time. Other noncompensation expenses in the first quarter 2010 included € 140 million of policyholder benefits and claims and an impairment charge on intangible assets of € 29 million.

Income before income taxes was € 2.8 billion in the first quarter 2010, versus € 1.8 billion in the first quarter 2009. The cost-income ratio for the first quarter 2010 was 66 %, compared to 68 % in the first quarter 2009.

Net income was € 1.8 billion in the first quarter 2010, versus € 1.2 billion in the first quarter 2009. The effective tax rate for the first quarter 2010 was 36.4 % compared to 34.9 % in the first quarter 2009. The increase was mainly driven by the geographic mix of income and the non-tax deductible bank payroll tax in the U.K. Earnings per share, on a diluted basis, were € 2.66, compared to € 1.92 in the first quarter 2009.

Segment Results of Operations

The following is a discussion of the results of Deutsche Bank's business segments. Deutsche Bank's segment reporting follows the organizational structure as reflected in its internal management reporting systems. For further information on the segment reporting and the measurement of segment profit or loss see the section *"Segment Information"* in the notes to the consolidated interim financial statements of Deutsche Bank as of March 31, 2010, which are included in the *"Financial Statements"* section of this Registration Document.

During the first three months of 2010, there were no material changes in the organizational structure which affected the composition of the business segments. Restatements due to minor changes in the organizational structure have been implemented in the presentation of prior period comparables if they were considered in the Group's management reporting systems.

In the first quarter 2010 product revenue categories were reviewed. As a result, in CIB the assignment of specific revenue components to the product categories was adjusted. In PCAM the product classification was amended. Both changes are described in more detail in the section "*Segment Information*" of the consolidated interim financial statements for the period ended March 31, 2010 which are contained in the section *"Financial Statements"* of this Registration Document.

The following tables present the results of the business segments, including the reconciliation to the consolidated results under IFRS, for the three months ended March 31, 2010 and March 31, 2009.

Three months ended	**Corporate and Investment Bank**			**Private Clients and Asset Management**					
March 31, 2010 *(reviewed)* in € m. (unless stated otherwise)	**Corporate Banking & Securities**	**Global Transaction Banking**	**Total**	**Asset and Wealth Management**	**Private & Business Clients**	**Total**	**Corporate Investments**	**Consolidation & Adjustments**	**Total Consolidated**
Net revenues	**5,992**	**636**	**6,628**	**831**	**1,412**	**2,244**	**220**	**(93)**	**8,999**
Provision for credit losses	**93**	**(4)**	**90**	**3**	**170**	**173**	**0**	**(0)**	**262**
Total noninterest expenses	**3,295**	**520**	**3,816**	**832**	**1,053**	**1,885**	**156**	**87**	**5,944**
therein:									
Policyholder benefits and claims	140	–	140	0	–	0	–	–	140
Impairment of intangible assets	–	29	29	–	–	–	–	–	29
Restructuring activities	–	–	–	–	–	–	–	–	–
Noncontrolling interests	**14**	**–**	**14**	**1**	**0**	**1**	**(1)**	**(15)**	**–**
Income (loss) before income taxes	**2,589**	**119**	**2,708**	**(5)**	**189**	**184**	**65**	**(165)**	**2,793**
Cost/income ratio	55%	82%	58%	100%	75%	84%	71%	N/M	66%
Assets[1]	1,442,197	57,377	1,483,087	57,028	129,831	186,830	43,802	10,624	1,670,442
Average active equity[2]	14,914	1,277	16,191	5,754	3,400	9,154	5,264	6,992	37,601
Pre-tax return on average active equity[3]	69%	37%	67%	(0)%	22%	8%	5%	N/M	30%

N/M – Not meaningful

1 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to 'Total Consolidated'.

2 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. The Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their economic risk exposures, which comprise economic capital, goodwill and unamortized other intangible assets.

3 For an explanation of the return on average active equity see Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document. For 'Total Consolidated' pre-tax return on average shareholders' equity is 29 %.

Three months ended	**Corporate and Investment Bank**			**Private Clients and Asset Management**					
March 31, 2009 *(reviewed)* in € m. (unless stated otherwise)	**Corporate Banking & Securities**	**Global Transaction Banking**	**Total**	**Asset and Wealth Management**	**Private & Business Clients**	**Total**	**Corporate Investments**	**Consolidation & Adjustments**	**Total Consolidated**
Net revenues	**4,255**	**666**	**4,922**	**514**	**1,381**	**1,896**	**153**	**267**	**7,238[1]**
Provision for credit losses	**356**	**1**	**357**	**5**	**165**	**169**	**(0)**	**(0)**	**526**
Total noninterest expenses	**2,581**	**438**	**3,019**	**687**	**1,010**	**1,697**	**89**	**91**	**4,897**
therein:									
Policyholder benefits and claims	(64)	–	(64)	0	–	0	–	2	(62)
Impairment of intangible assets	–	–	–	–	–	–	–	–	–
Restructuring activities	–	–	–	–	–	–	–	–	–
Noncontrolling interests	**1**	**–**	**1**	**(4)**	**(0)**	**(4)**	**0**	**3**	**–**
Income (loss) before income taxes	**1,318**	**227**	**1,545**	**(173)**	**206**	**33**	**65**	**173**	**1,815**
Cost/income ratio	61%	66%	61%	134%	73%	90%	58%	N/M	68%
Assets (as of Dec 31, 2009)[2]	1,308,222	47,414	1,343,824	43,761	131,014	174,739	28,456	9,556	1,500,664
Average active equity[3]	20,328	1,163	21,491	4,715	3,681	8,395	2,913	347	33,146
Pre-tax return on average active equity[4]	26%	78%	29%	(15)%	22%	2%	9%	N/M	22%

N/M – Not meaningful

1 Includes an impairment charge of € 278 million on industrial holdings, which is excluded from the Group's target definitions.

2 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to 'Total Consolidated'.
3 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. The Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their economic risk exposures, which comprise economic capital, goodwill and unamortized other intangible assets.
4 For an explanation of the return on average active equity see Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document. For 'Total Consolidated' pre-tax return on average shareholders' equity is 23 %.

Corporate and Investment Bank Group Division (CIB)

in € m.	**Three months ended March 31,**		**Change**	
	2010	**2009**	**in € m.**	**in %**
	(reviewed)		*(unaudited)*	
Net revenues	6,628	4,922	1,706	35
Provision for credit losses	90	357	(267)	(75)
Noninterest expenses	3,816	3,019	797	26
Noncontrolling interests	14	1	13	N/M
Income before income taxes	**2,708**	**1,545**	**1,164**	**75**

N/M – Not meaningful

Corporate Banking & Securities Corporate Division (CB&S)

in € m.	**Three months ended March 31,**		**Change**	
	2010	**2009**	**in € m.**	**in %**
	(reviewed)		*(unaudited)*	
Net revenues	5,992	4,255	1,736	41
Provision for credit losses	93	356	(262)	(74)
Noninterest expenses	3,295	2,581	714	28
Noncontrolling interests	14	1	13	N/M
Income before income taxes	**2,589**	**1,318**	**1,271**	**96**

N/M – Not meaningful

Sales & Trading (debt and other products) net revenues were € 3.8 billion in the first quarter 2010, virtually unchanged versus the first quarter of 2009. Mark-downs were € 255 million in the first quarter 2010 versus € 980 million in the first quarter 2009 (both mainly related to provisions against monoline insurers). Credit Trading had a record first quarter 2010 reflecting strong performance in 'flow' products across all regions and the non-recurrence of losses from legacy positions. These factors were offset by expected lower revenues in Foreign Exchange, Money Markets and Rates, driven by lower volatility and tighter bid-offer spreads compared to the first quarter 2009. Emerging Markets and Commodities recorded solid revenues.

Sales & Trading (equity) generated revenues of € 944 million in the first quarter 2010, an increase of € 729 million compared to the first quarter 2009. Equity Trading benefited from good commission levels despite the decline in primary volumes. Prime Finance performed well in an increasingly competitive environment. The increase in revenues compared to the first quarter 2009 partly reflects the non-recurrence of losses incurred in Equity Derivatives in the first quarter of 2009. Equity Proprietary Trading revenues were positive and the business continues to operate with low levels of risk.

Origination and Advisory generated revenues of € 563 million in the first quarter 2010, an increase of € 214 million compared to the first quarter 2009. Debt Origination revenues increased significantly by € 186 million to € 316 million in the first quarter of 2010. In Investment Grade debt, Deutsche Bank's ranking improved to fifth globally and, by volume, Deutsche Bank achieved a number one position in All Bonds issued in Euros and maintained its third position in the All International Bonds league table. Equity Origination revenues increased by € 26 million in the first quarter 2010, or 29 %, reflecting significantly increased market activity versus the first quarter 2009. In Advisory, revenues were consistent with the first quarter of 2009, reflecting similar low levels of market activity as in the same period of the first quarter 2009. In that environment Deutsche Bank's M&A business gained market share and improved its ranking by three positions to fifth globally. In the Americas Deutsche Bank grew market share significantly and improved its ranking by eight positions to number four. (Source for rankings and market share data by fees: Thomson Reuters, Dealogic).

Loan products revenues of Deutsche Bank were € 513 million in the first quarter 2010, a decrease of € 131 million, or 20 %, from the same period last year. The decrease was primarily due to losses from reductions in legacy assets. In addition, there were net mark-to-market losses across the investment grade fair value loan portfolio and hedges, compared to net mark-to-market gains in the prior year quarter.

Other products revenues were € 170 million in the first quarter, an increase of € 935 million from negative € 765 million in the previous year quarter. The increase was due to the absence of an impairment charge of € 500 million relating to The Cosmopolitan Resort and Casino property and private equity investment losses recorded in the first quarter 2009, as well as increased mark-to-market gains on investments held to back insurance policyholder claims in Abbey Life, which are offset in noninterest expenses.

In provision for credit losses, CB&S recorded a net charge of € 93 million in the first quarter 2010, compared to a net charge of € 356 million in the prior year quarter. The decrease was partially attributable to a reduction of € 115 million in provisions for credit losses related to assets which had been reclassified in accordance with IAS 39, mainly in relation to leveraged loans. The remaining reduction of € 148 million is primarily attributable to improved credit conditions in the first quarter 2010.

Noninterest expenses were € 3.3 billion in the first quarter 2010, an increase of € 714 million, or 28 %, compared to the first quarter 2009. The development was primarily driven by increased deferred compensation expenses, which includes accelerated amortization of deferred compensation for employees eligible for career retirement, the related U.K. bank payroll tax, and the aforementioned effects from Abbey Life.

Income before income taxes was € 2.6 billion in the first quarter 2010, compared to € 1.3 billion in the prior year quarter.

Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets"

Under the amendments to IAS 39 and IFRS 7, issued in October 2008, certain financial assets were reclassified in the second half of 2008 and the first quarter 2009 from financial assets at fair value through profit or loss and the available for sale classifications into the loans classification. For further information see *"— Comparison of the Fiscal Years ended December 31, 2009 and 2008 — Results of Operations by Segment — Corporate and Investment Bank Group Division — Amendments to IAS 39 and IFRS, "Reclassification of Financial Assets" "*.

The tables below show the net contribution of the reclassification accounting for CB&S. In the first quarter 2010 the reclassifications resulted in a € 406 million gain foregone to the income statement and a € 125 million gain foregone to net gains (losses) not recognized in the income statement. For the first quarter 2009, the reclassifications resulted in € 1.2 billion gains to the income statement and € 405 million gains to net gains

(losses) not recognized in the income statement. The consequential effect on credit market risk disclosures is provided in the section "– *Update on Key Credit Market Exposures*" following below.

	March 31, 2010		**Three months ended March 31, 2010**	
	Carrying value in € bn.	Fair value in € bn.	Impact on income before income taxes in € m.	Impact on net gains (losses) not recognized in the income statement in € m.
	(unaudited)		*(unaudited)*	
Sales & Trading – Debt				
Trading assets reclassified to loans	18.0	16.0	(338)	–
Financial assets available for sale reclassified to loans	9.2	8.2	4	(125)
Origination and advisory				
Trading assets reclassified to loans	5.8	5.5	(72)	–
Loan products				
Financial assets available for sale reclassified to loans	–	–	–	–
Total	**33.0**	**29.7**	**(406)[1]**	**(125)**
of which related to reclassifications made in 2008	30.2	27.0	(357)	(125)
of which related to reclassifications made in 2009	2.8	2.7	(49)	–

Source: Deutsche Bank Interim Report as of March 31, 2010

1 In addition to the impact in CB&S, income before income taxes decreased by € 1 million in PBC.

	March 31, 2009		**Three months ended March 31, 2009**	
	Carrying value in € bn.	Fair value in € bn.	Impact on income before income taxes in € m.	Impact on net gains (losses) not recognized in the income statement in € m.
	(unaudited)		*(unaudited)*	
Sales & Trading – Debt				
Trading assets reclassified to loans	19.4	16.5	892	–
Financial assets available for sale reclassified to loans	11.2	8.7	46	519
Origination and advisory				
Trading assets reclassified to loans	7.3	6.1	121	–
Loan products				
Financial assets available for sale reclassified to loans	0.2	0.1	106[1]	(114)[1]
Total	**38.1**	**31.4**	**1,165[2]**	**405**
of which related to reclassifications made in 2008	35.1	28.6	1,002	405
of which related to reclassifications made in 2009	3.0	2.8	163	–

Source: Deutsche Bank Interim Report as of March 31, 2010

1 The negative amount shown as the quarterly movement in net gains (losses) not recognized in the income statement is due to an instrument being impaired in the first quarter 2009. The decrease in fair value since reclassification that would have been recorded in gains (losses) not recognized in the income statement would then be recognized through the income statement. The income statement difference is due to differences between the impairment models for available for sale instruments compared to loans and receivables.

2 In addition to the impact in CB&S, income before income taxes decreased by € 1 million in PBC.

During the first quarter 2010 reclassified assets with a carrying value of € 604 million were sold and settled by the Group. The sales resulted in a net loss on sale of € 2 million. Sales were made due to circumstances that were unforeseeable at the time of reclassification.

Update on Key Credit Market Exposures

The following is an update on the development of certain key credit positions (including protection purchased from monoline insurers) of those CB&S businesses on which Deutsche Bank has previously provided additional risk disclosures.

Mortgage related exposure in CDO trading and origination, U.S. and European residential mortgage businesses[1,2]

in € m.	March 31, 2010	December 31, 2009
	(unaudited)	
Subprime and Alt-A CDO exposure in trading and origination businesses:		
CDO subprime exposure – Trading[3]	286	317
CDO subprime exposure – Available for sale	32	34
CDO Alt-A exposure – Trading	24	22
Residential mortgage trading businesses:		
Other U.S. residential mortgage business exposure[4,5]	832	1,301
European residential mortgage business exposure[6]	172	179

Source: Deutsche Bank Interim Report as of March 31, 2010

1 Disclosure above relates to key credit market positions exposed to fair value movements through the income statement.

2 Exposure is net of hedges and other protection purchased. Exposure represents Deutsche Bank's potential loss in the event of a 100 % default of securities and associated hedges, assuming zero recovery. Excludes assets reclassified from trading or available for sale to loans and receivables in accordance with the amendments to IAS 39 with a carrying value as of March 31, 2010 of € 1.9 billion (thereof European residential mortgage exposure € 1.1 billion, Other U.S. residential mortgage exposure € 374 million, CDO subprime exposure – Trading € 449 million) and as of December 31, 2009 by € 1.9 billion (thereof European residential mortgage exposure € 1.1 billion, Other U.S. residential mortgage exposure € 370 million, CDO subprime exposure – Trading € 432 million).

3 Classified as subprime if 50 % or more of the underlying collateral are home equity loans.

4 Analysis excludes both agency mortgage-backed securities and agency eligible loans, which Deutsche Bank does not consider to be credit sensitive products, and interest-only and inverse interest-only positions which are negatively correlated to deteriorating markets due to the effect on the position of the reduced rate of mortgage prepayments. The slower repayment rate extends the average life of these interest-only products which in turn leads to a higher value due to the longer expected interest stream.

5 Thereof € 341 million Alt-A, € (46) million Subprime, € 229 million Other and € 308 million Trading-related net positions as of March 31, 2010 and € 389 million Alt-A, € 71 million Subprime, € 244 million Other and € 597 million Trading-related net positions as of December 31, 2009.

6 Thereof United Kingdom € 138 million, Italy € 26 million and Germany € 8 million as of March 31, 2010 and United Kingdom € 145 million, Italy € 26 million and Germany € 8 million as of December 31, 2009.

Commercial Real Estate whole loans[1]

in € m.	March 31, 2010	December 31, 2009
	(unaudited)	
Loans held on a fair value basis, net of risk reduction[2]	1,581	1,806
Loans reclassified in accordance with the amendments to IAS 39[3]	5,184	6,453
Loans related to asset sales[4]	2,205	2,083

Source: Deutsche Bank Interim Report as of March 31, 2010

1 Excludes Deutsche Bank's portfolio of secondary market commercial mortgage-backed securities which are actively traded and priced and loans that have been held on Deutsche Bank's hold book since inception.

2 Risk reduction trades represent a series of derivative or other transactions entered into in order to mitigate risk on specific whole loans. Fair value of risk reduction amounted to € 1.0 billion as of March 31, 2010 and € 1.0 billion as of December 31, 2009.

3 Carrying value.

4 Carrying value of vendor financing on loans sold since January 1, 2008. For further information see section "– *Special Purpose Entities*".

Leveraged Finance[1]

in € m.	March 31, 2010	December 31, 2009
	(unaudited)	
Loans held on a fair value basis	909	505
thereof: loans entered into since January 1, 2008	876	385
Loans reclassified in accordance with the amendments to IAS 39[2]	5,808	6,152
Loans related to asset sales[3]	6,072	5,804

Source: Deutsche Bank Interim Report as of March 31, 2010

1 Includes unfunded commitments and excludes loans transacted before January 1, 2007 which were undertaken before the market disruption and loans that have been held on Deutsche Bank's hold book since inception.

2 Carrying value.

3 Carrying value of vendor financing on loans sold since January 1, 2008. Please refer to the section "— *Special Purpose Entities*" for more information.

Monoline exposure related to U.S. residential mortgages[1,2]	**March 31, 2010**				**December 31, 2009**			
in € m.	**Notional amount**	**Fair value prior to CVA[3]**	**CVA[3]**	**Fair value after CVA[3]**	**Notional amount**	**Fair value prior to CVA[3]**	**CVA[3]**	**Fair value after CVA[3]**
		(unaudited)				*(unaudited)*		
AA Monolines[4]:								
Other subprime	143	61	(6)	55	142	70	(6)	64
Alt-A	4,433	1,840	(368)	1,472	4,337	1,873	(172)	1,701
Total AA Monolines	**4,576**	**1,901**	**(374)**	**1,527**	**4,479**	**1,943**	**(178)**	**1,765**

Source: Deutsche Bank Interim Report as of March 31, 2010

1 Excludes counterparty exposure to monoline insurers that relates to wrapped bonds of € 93 million as of March 31, 2010 and € 100 million as of December 31, 2009, which represents an estimate of the potential mark-downs of wrapped assets in the event of monoline defaults.

2 A portion of the mark-to-market monoline exposure has been mitigated with CDS protection arranged with other market counterparties and other economic hedge activity.

3 Credit valuation adjustments ("CVA") are assessed using a model-based approach with numerous input factors for each counterparty, including the likelihood of an event (either a restructuring or insolvency), an assessment of any potential settlement in the event of a restructuring and recovery rates in the event of either restructuring or insolvency.

4 Ratings are the lower of Standard & Poor's, Moody's or Deutsche Bank's own internal credit ratings as of March 31, 2010 and December 31, 2009.

Other Monoline exposure[1,2]	**March 31, 2010**				**December 31, 2009**			
in € m.	**Notional amount**	**Fair value prior to CVA[3]**	**CVA[3]**	**Fair value after CVA[3]**	**Notional amount**	**Fair value prior to CVA[3]**	**CVA[3]**	**Fair value after CVA[3]**
		(unaudited)				*(unaudited)*		
AA Monolines[4]:								
TPS-CLO	2,724	838	(77)	761	2,717	925	(85)	840
CMBS	1,064	57	(5)	52	1,004	68	(6)	62
Corporate single name/ Corporate CDO	1,944	1	–	1	2,033	(3)	–	(3)
Student loans	290	33	(3)	30	232	39	(4)	35
Other	942	261	(24)	237	902	249	(23)	226
Total AA Monolines	**6,963**	**1,189**	**(109)**	**1,080**	**6,888**	**1,277**	**(117)**	**1,160**
Non Investment Grade Monolines[4]:								
TPS-CLO	919	251	(91)	160	876	274	(100)	174
CMBS	5,522	790	(346)	444	5,932	813	(355)	458
Corporate single name/ Corporate CDO	2,306	21	(10)	11	4,366	26	(12)	14
Student loans	1,294	649	(370)	279	1,221	560	(319)	241
Other	1,800	271	(96)	175	1,645	278	(102)	176
Total Non Investment Grade Monolines	**11,841**	**1,982**	**(913)**	**1,069**	**14,040**	**1,950**	**(887)**	**1,063**
Total	**18,803**	**3,171**	**(1,022)**	**2,149**	**20,928**	**3,227**	**(1,004)**	**2,223**

Source: Deutsche Bank Interim Report as of March 31, 2010

1 Excludes counterparty exposure to monoline insurers that relates to wrapped bonds of € 54 million as of March 31, 2010 and € 54 million as of December 31, 2009, which represents an estimate of the potential mark-downs of wrapped assets in the event of monoline defaults.

2 A portion of the mark-to-market monoline exposure has been mitigated with CDS protection arranged with other market counterparties and other economic hedge activity.

3 Credit valuation adjustments ("CVA") are assessed using a model-based approach with numerous input factors for each counterparty, including the likelihood of an event (either a restructuring or insolvency), an assessment of any potential settlement in the event of a restructuring and recovery rates in the event of either restructuring or insolvency.

4 Ratings are the lower of Standard & Poor's, Moody's or Deutsche Bank's own internal credit ratings as of March 31, 2010 and December 31, 2009.

The following table shows the roll-forward of credit valuation adjustment held against monoline insurers from December 31, 2009 to March 31, 2010.

Credit valuation adjustment in € m.	**Three months ended March 31, 2010**
	(unaudited)
Balance, beginning of period	**1,182**
Increase	214
Balance, end of period	**1,396**

Source: Deutsche Bank Interim Report as of March 31, 2010

Global Transaction Banking Corporate Division (GTB)

	Three months ended March 31,		**Change**	
in € m.	**2010**	**2009**	**in € m.**	**in %**
	(reviewed)		*(unaudited)*	
Net revenues	636	666	(30)	(5)
Provision for credit losses	(4)	1	(5)	N/M
Noninterest expenses	520	438	82	19
Noncontrolling interests	–	–	–	N/M
Income before income taxes	**119**	**227**	**(107)**	**(47)**

N/M – Not meaningful

GTB generated net revenues of € 636 million in the first quarter 2010, a decrease of € 30 million, or 5 %, compared to the first quarter 2009. The decrease was predominantly attributable to the prevailing low U.S. dollar and euro interest rate environment as well as lower transaction volumes in Deutsche Bank's domestic custody business. In contrast, revenues in Trade Finance improved, driven by higher demand for more complex financing products in Germany and the Americas. The first quarter 2010 included a positive impact of € 29 million related to a revision of Deutsche Bank's risk-based funding framework in the second quarter 2009.

Noninterest expenses were € 520 million in the first quarter 2010, up € 82 million, or 19 %, compared to the first quarter 2009. The increase included an impairment of intangible assets of € 29 million relating to the client portfolio of an acquired domestic custody services business as well as higher deferred compensation and regulatory expenses, mainly related to deposit protection.

Income before income taxes was € 119 million for the first quarter 2010, a decrease of € 107 million, or 47 %, compared to the prior year quarter.

Private Clients and Asset Management Group Division (PCAM)

	Three months ended March 31,		**Change**	
in € m.	**2010**	**2009**	**in € m.**	**in %**
	(reviewed)		*(unaudited)*	
Net revenues	2,244	1,896	348	18
Provision for credit losses	173	169	3	2
Noninterest expenses	1,885	1,697	188	11
Noncontrolling interests	1	(4)	5	N/M
Income before income taxes	**184**	**33**	**151**	**N/M**

N/M – Not meaningful

Asset and Wealth Management Corporate Division (AWM)

in € m.	Three months ended March 31, 2010	2009	Change in € m.	in %
	(reviewed)		(unaudited)	
Net revenues	831	514	317	62
Provision for credit losses	3	5	(2)	(41)
Noninterest expenses	832	687	146	21
Noncontrolling interests	1	(4)	5	N/M
Income (loss) before income taxes	**(5)**	**(173)**	**168**	**(97)**

N/M – Not meaningful

AWM reported net revenues of € 831 million in the first quarter 2010, an increase of € 317 million, or 62 %, compared to the same period in 2009. Revenues from credit products were € 77 million in the first quarter 2010, an improvement of € 20 million, or 35 %, compared to the first quarter 2009, primarily due to increased loan volumes and margins. Deposits and payment services revenues were € 33 million, down by € 3 million, or 8 %, driven by margin compression. Advisory/brokerage revenues improved by € 27 million, or 16 %, to € 197 million. The increase included € 19 million related to Sal. Oppenheim. Discretionary portfolio management/fund management revenues were up by € 50 million, or 15 %, in Asset Management (AM) and by € 32 million, or 52 %, in Private Wealth Management (PWM). The increases reflected the positive impact of favorable market conditions and higher asset valuations on asset based fees. Additionally, in PWM the first consolidation of Sal. Oppenheim contributed € 20 million. Revenues from other products increased by € 191 million compared to the same period last year. The prior year's quarter included impairment charges related to RREEF investments of € 120 million in AM. In addition, PWM's revenues from other products in the first quarter 2010 reflected € 36 million related to Sal. Oppenheim.

Noninterest expenses in the first quarter 2010 were € 832 million. The increase of € 146 million, or 21 %, versus the first quarter 2009 was mainly driven by the first consolidation of Sal. Oppenheim in PWM and by the aforementioned deferred compensation expenses in both, AM and PWM.

In the first quarter 2010, AWM recorded a loss before income taxes of € 5 million compared to a loss before income taxes of € 173 million in the first quarter last year.

Invested assets in AWM were € 808 billion as of March 31, 2010, up by € 122 billion from December 31, 2009, of which € 17 billion related to market appreciation. In AM, invested assets increased by € 41 billion, or 8 %, during the first quarter 2010, reflecting favorable market conditions and net new money of € 4 billion. Also included was an increase of € 14 billion related to the consolidation of certain Sal. Oppenheim asset management activities. In PWM, invested assets were up by € 81 billion, of which € 68 billion related to the first consolidation of Sal. Oppenheim. Excluding Sal. Oppenheim, net new money in the first quarter 2010 was € 5 billion.

Private & Business Clients Corporate Division (PBC)

in € m.	Three months ended March 31, 2010	2009	Change in € m.	in %
	(reviewed)		(unaudited)	
Net revenues	1,412	1,381	31	2
Provision for credit losses	170	165	5	3
Noninterest expenses	1,053	1,010	42	4
Noncontrolling interests	0	(0)	0	N/M
Income before income taxes	**189**	**206**	**(17)**	**(8)**

N/M – Not meaningful

Net revenues in PCM in the first quarter 2010 were € 1.4 billion, up € 31 million, or 2 %, compared to the first quarter 2009. Credit products revenues increased € 9 million, or 2 %, compared to the first quarter 2009, driven by higher loan revenues due to increased volumes, partly offset by lower sales of credit related insurance products. Deposits and payment services increased by € 40 million, or 10 %, compared to the first quarter 2009, driven by increased deposit margins. Advisory/brokerage decreased by € 11 million, or 5 %, mainly due to lower sales of closed-end funds. This decline was more than offset by an increase of € 51 million, or 126 %, in revenues from discretionary portfolio management/fund management, benefiting from more stable revenue

flows from discretionary portfolio management products. Revenues from other products decreased by € 59 million, or 44 %, compared to the same period last year. This development was mainly driven by PBC's asset and liability management function and a gain on the disposal of an available for sale security position in the prior year's quarter.

Provision for credit losses was € 170 million in the first quarter 2010, up € 5 million, or 3 %, compared to the same quarter in 2009. Due to revised parameter and model assumptions in the prior year, the first quarter 2009 included a positive one-time effect of € 60 million, while the first quarter 2010 impact was a positive € 28 million. Net of model changes, the lower credit losses were mainly attributable to Spain.

Noninterest expenses were € 1.1 billion in the first quarter 2010, an increase of € 42 million, or 4 %, compared to the first quarter 2009. The increase mainly reflected the aforementioned deferred compensation expenses, and expenses for strategic projects, partly offset by savings resulting from measures to improve platform efficiency implemented during 2009.

Income before income taxes was € 189 million in the first quarter 2010, a decrease of € 17 million, or 8 %, compared to the first quarter 2009.

Invested assets were € 197 billion as of March 31, 2010, up by € 3 billion compared to December 31, 2009, mainly due to market appreciation. Inflows of € 2 billion in securities products were offset by outflows mainly resulting from maturities of time deposits.

PBC's total number of clients was 14.5 million. During the first quarter 2010, PBC's client flows were net 82 thousand negative, in particular related to the aforementioned maturities in time deposits.

Corporate Investments Group Division (CI)

	Three months ended March 31,		Change	
in € m.	**2010**	**2009**	**in € m.**	**in %**
	(reviewed)		*(unaudited)*	
Net revenues	220	153	67	44
Provision for credit losses	0	(0)	1	N/M
Noninterest expenses	156	89	67	75
Noncontrolling interests	(1)	0	(1)	N/M
Income before income taxes	**65**	**65**	**0**	**1**

N/M – Not meaningful

Net revenues in CI in the first quarter 2010 were € 220 million, an increase of € 67 million compared to the first quarter 2009. Revenues in the first quarter 2010 included € 148 million related to Deutsche Postbank AG and € 68 million related to BHF-Bank AG, which was acquired as part of the Sal. Oppenheim transaction. In the first quarter 2009, net revenues were € 153 million. These included mark-to-market gains of € 321 million from derivatives related to the acquisition of Deutsche Postbank AG shares, gains of € 60 million from the sale of industrial holdings and mark-to-market gains from Deutsche Bank's option to increase its share in Hua Xia Bank Co. Ltd., partly offset by impairment charges of € 302 million on Deutsche Bank's industrial holdings.

Noninterest expenses were € 156 million in the first quarter 2010, an increase of € 67 million compared to the first quarter 2009 mainly reflecting the inclusion of BHF-Bank AG.

Income before income taxes was € 65 million in the first quarter 2010, flat compared to the first quarter 2009.

Consolidation & Adjustments (C&A)

	Three months ended March 31,		Change	
in € m.	**2010**	**2009**	**in € m.**	**in %**
	(reviewed)		*(unaudited)*	
Net revenues	(93)	267	(360)	N/M
Provision for credit losses	(0)	(0)	(0)	N/M
Noninterest expenses	87	91	(4)	(4)
Noncontrolling interests	(15)	3	(18)	N/M
Income (loss) before income taxes	**(165)**	**173**	**(337)**	**N/M**

N/M – Not meaningful

Loss before income taxes in C&A was € 165 million in the first quarter 2010 compared to an income of € 173 million in the prior year quarter. The development was mainly due to different accounting methods used for management reporting and IFRS. In the prior year quarter, euro interest rates decreased significantly, resulting in a gain on economically hedged short-term positions, which was partly offset by the reversal of prior period gains on such positions. The first quarter 2010 included a small loss from the reversal of such gains from prior periods.

Comparison of the Fiscal Years ended December 31, 2009 and 2008

Overview

In 2009, the worldwide economy was significantly impacted by the global recession. The collapse in world trade affected especially Germany. Government stimulus measures worldwide prevented a further downturn. In the banking industry losses from traditional lending business reached record levels in 2009 in both Europe and the U.S., while investment banking revenues improved significantly versus 2008.

In this environment, Deutsche Bank generated a net income of € 5.0 billion and made the strength of its capital base a top priority, raising its Tier 1 capital ratio to 12.6 %. In addition, Deutsche Bank reduced its risk-weighted assets to € 273 billion and improved its leverage ratio. Deutsche Bank also reoriented its platforms in some core businesses, and closed its dedicated credit proprietary platform.

Deutsche Bank recorded income before income taxes of € 5.2 billion for 2009, compared with a loss before income taxes of € 5.7 billion for 2008. Net revenues of € 28.0 billion in 2009 were significantly above the € 13.6 billion reported for 2008. Deutsche Bank's pre-tax return on average active equity was 15 % in 2009, versus negative 18 % in 2008. Deutsche Bank's pre-tax return on average shareholders' equity was 15 % in 2009 and negative 16 % in 2008. Deutsche Bank's net income was € 5.0 billion in 2009, compared with a net loss of € 3.9 billion in 2008. Diluted earnings per share were € 7.59 in 2009 and negative € 7.61 in 2008.

CIB's net revenues increased from € 3.2 billion in 2008 to € 18.8 billion in 2009. Overall Sales & Trading net revenues for 2009 were € 12.5 billion compared with negative € 514 million in 2008. This primarily reflects significantly lower mark-downs on credit-related exposures in 2009, and the non-recurrence of losses in Credit Trading, Equity Derivatives and Equity Proprietary Trading incurred in 2008. Origination and Advisory revenues were € 2.2 billion in 2009, an increase of € 2.0 billion versus 2008, mainly reflecting the non-recurrence of significant net mark-downs of € 1.7 billion on leveraged loans and loan commitments in the prior year. PCAM's net revenues were € 8.3 billion in 2009, a decrease of € 777 million compared to 2008. The decrease included lower asset-based fees as a consequence of lower asset valuations during the first nine months of 2009, higher impairments related to real estate asset management in AWM and lower brokerage revenues in PBC as a consequence of the continued wariness on the part of retail investors. In CI, net revenues in 2009 included gains of € 1.0 billion related to Deutsche Bank's minority stake in Deutsche Postbank AG. Revenues in Consolidation & Adjustments (C&A) reflected gains of approximately € 460 million from derivative contracts used to hedge effects on shareholders' equity, resulting from obligations under share-based compensation plans.

Deutsche Bank's noninterest expenses were € 20.1 billion in 2009, versus € 18.3 billion in 2008. The development was mainly driven by increased variable compensation as a result of the improved operating performance. It was also impacted by the bank payroll tax announced in the U.K. However, this increase was partially counterbalanced by the impact of changes to the bank's compensation structure, mainly reflecting an increase in the relative share of deferred compensation compared with prior periods.

In 2009, provision for credit losses was € 2.6 billion, versus € 1.1 billion in 2008. The increase was due to the overall deteriorating credit environment, including its impact on required positions for assets reclassified in accordance with IAS 39.

The following table presents the condensed consolidated statement of income for 2009, 2008 and 2007 on the basis of Deutsche Bank's consolidated financial statements for 2009:

in € m. (unless stated otherwise)	2009	2008	2007	2009 increase (decrease) from 2008		2008 increase (decrease) from 2007	
				in € m.	in %	in € m.	in %
		(audited)		(unaudited)		(unaudited)	
Net interest income	**12,459**	**12,453**	**8,849**	**6**	**0**	**3,604**	**41**
Provision for credit losses	2,630	1,076	612	1,554	144	464	76
Net interest income after provision for credit losses	**9,829**	**11,377**	**8,237**	**(1,548)**	**(14)**	**3,140**	**38**
Commissions and fee income	8,911	9,741	12,282	(830)	(9)	(2,541)	(21)
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	7,109	(9,992)	7,175	17,101	N/M	(17,167)	N/M
Net gains (losses) on financial assets available for sale	(403)	666	793	(1,069)	N/M	(127)	(16)
Net income (loss) from equity method investments	59	46	353	13	28	(307)	(87)
Other income (loss)	(183)	699	1,377	(882)	N/M	(678)	(49)
Total noninterest income	**15,493**	**1,160**	**21,980**	**14,333**	**N/M**	**(20,820)**	**(95)**
Total net revenues	**25,322**	**12,537**	**30,217**	**12,785**	**102**	**(17,680)**	**(59)**
Compensation and benefits	11,310	9,606	13,122	1,704	18	(3,516)	(27)
General and administrative expenses	8,402	8,339	8,038	63	1	301	4
Policyholder benefits and claims	542	(252)	193	794	N/M	(445)	N/M
Impairment of intangible assets	(134)	585	128	(719)	N/M	457	N/M
Restructuring activities	–	–	(13)	–	N/M	13	N/M
Total noninterest expenses	**20,120**	**18,278**	**21,468**	**1,842**	**10**	**(3,190)**	**(15)**
Income (loss) before income taxes	**5,202**	**(5,741)**	**8,749**	**10,943**	**N/M**	**(14,490)**	**N/M**
Income tax expense (benefit)	244	(1,845)	2,239	2,089	N/M	(4,084)	N/M
Net income (loss)	**4,958**	**(3,896)**	**6,510**	**8,854**	**N/M**	**(10,406)**	**N/M**
Net income (loss) attributable to minority interest	(15)	(61)	36	46	75	(97)	N/M
Net income (loss) attributable to Deutsche Bank shareholders	4,973	(3,835)	6,474	8,808	N/M	(10,309)	N/M

N/M – Not meaningful

The following discussion and analysis must be read in conjunction with Deutsche Bank's consolidated financial statements for the fiscal year 2009 which are included in the section *"Financial Statements"* of this Registration Document.

Results of Operations of the Group

Net Interest Income

The following table sets forth data related to Deutsche Bank's net interest income.

in € m. (unless stated otherwise)	2009	2008	2009 increase (decrease) from 2008 in € m.	in %
	(audited, unless stated otherwise)		*(unaudited)*	
Total interest and similar income	26,953	54,549	(27,596)	(51)
Total interest expenses	14,494	42,096	(27,602)	(66)
Net interest income	**12,459**	**12,453**	**6**	**0**
Average interest-earning assets[(1)(2)]	879,601	1,216,666	(337,065)	(28)
Average interest-bearing liabilities[(1)(2)]	853,383	1,179,631	(326,248)	(28)
Gross interest yield[(1)(3)]	3.06%	4.48%	(1.42) ppt	(32)
Gross interest rate paid[(1)(4)]	1.70%	3.57%	(1.87) ppt	(52)
Net interest spread[(1)(5)]	1.37%	0.91%	0.46 ppt	51
Net interest margin[(1)(6)]	1.42%	1.02%	0.40 ppt	39

ppt – Percentage points

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 Average balances for each year are calculated in general based upon month-end balances.

3 Gross interest yield is the average interest rate earned on Deutsche Bank's average interest-earning assets.

4 Gross interest rate paid is the average interest rate paid on Deutsche Bank's average interest-bearing liabilities.

5 Net interest spread is the difference between the average interest rate earned on average interest-earning assets and the average interest rate paid on average interest-bearing liabilities.

6 Net interest margin is net interest income expressed as a percentage of average interest-earning assets.

Net interest income in 2009 was € 12.5 billion, virtually unchanged compared to 2008. Interest income and interest expenses decreased significantly by € 27.6 billion each, mainly reflecting decreasing interest rate levels as a result of further rate cuts by central banks in 2009, in response to the credit crunch, and targeted asset reductions. Average interest earning assets, mainly trading assets, were reduced more significantly than average interest-bearing liabilities. The resulting decline in net interest income was offset by the positive effects from lower funding rates compared to 2008. These developments resulted in a widening of Deutsche Bank's net interest spread by 46 basis points and of its net interest margin by 40 basis points.

The development of Deutsche Bank's net interest income is also impacted by the accounting treatment of some of its hedging-related derivative transactions. Deutsche Bank enters into nontrading derivative transactions primarily as economic hedges of the interest rate risks of Deutsche Bank's nontrading interest-earning assets and interest-bearing liabilities. Some of these derivatives qualify as hedges for accounting purposes while others do not. When derivative transactions qualify as hedges of interest rate risks for accounting purposes, the interest arising from the derivatives is reported in interest income and expense, where it offsets interest flows from the hedged items. When derivatives do not qualify for hedge accounting treatment, the interest flows that arise from those derivatives will appear in trading income.

Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss

The following table sets forth data related to Deutsche Bank's Net gains (losses) on financial assets/liabilities at fair value through profit or loss.

in € m. (unless stated otherwise)	2009	2008	2009 increase (decrease) from 2008 in € m.	in %
	(unaudited)		*(unaudited)*	
CIB – Sales & Trading (equity)	1,125	(1,513)	2,638	N/M
CIB – Sales & Trading (debt and other products)	4,375	(6,647)	11,022	N/M
Other	1,609	(1,832)	3,441	N/M
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	**7,109**	**(9,992)**	**17,101**	**N/M**

Source: Deutsche Bank Annual Report 2009 on Form 20-F
N/M – Not meaningful

Net gains (losses) on financial assets/liabilities at fair value through profit or loss from Sales & Trading (debt and other products) were gains of € 4.4 billion in 2009, compared to losses of € 6.6 billion in 2008. This development was mainly driven by significant losses in Deutsche Bank's credit trading businesses and mark-downs relating to provisions against monoline insurers, residential mortgage-backed securities and commercial real estate loans recorded in 2008. In addition, the result in 2009 included a strong performance in 'flow' trading products. In Sales & Trading (equity), net gains (losses) on financial assets/liabilities at fair value through profit or loss were gains of € 1.1 billion in 2009, compared to losses of € 1.5 billion in 2008, mainly due to the non-recurrence of losses recognized in Equity Derivatives and Equity Proprietary Trading in 2008. In Other products, net gains of € 1.6 billion on financial assets/liabilities at fair value through profit or loss in 2009 were mainly related to Deutsche Bank's minority stake in Deutsche Postbank AG recognized in CI and to gains from derivative contracts used to hedge effects on shareholders' equity, resulting from obligations under share-based compensation plans recorded in C&A. Net losses of € 1.8 billion from Other products in 2008 included net mark-downs of € 1.7 billion on leveraged finance loans and loan commitments.

Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss

Deutsche Bank's trading and risk management businesses include significant activities in interest rate instruments and related derivatives. Under IFRS, interest and similar income earned from trading instruments and financial instruments designated at fair value through profit or loss (e.g. coupon and dividend income), and the costs of funding net trading positions are part of net interest income. Deutsche Bank's trading activities can periodically shift income between net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss depending on a variety of factors, including risk management strategies.

In order to provide a more business-focused discussion, the following table presents net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss by group division and by product within the Corporate and Investment Bank.

in € m. (unless stated otherwise)	2009	2008	2009 increase (decrease) from 2008 in € m.	in %
	(audited)		(unaudited)	
Net interest income	12,459	12,453	6	0
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	7,109	(9,992)	17,101	N/M
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**19,568**	**2,461**	**17,107**	**N/M**
Breakdown by Group Division/CIB product[1]:				
Sales & Trading (equity)	2,047	(1,895)	3,942	N/M
Sales & Trading (debt and other products)	9,735	317	9,418	N/M
Total Sales & Trading	11,782	(1,578)	13,360	N/M
Loan products[2]	767	1,014	(247)	(24)
Transaction services	1,177	1,358	(180)	(13)
Remaining products[3]	239	(1,821)	2,060	N/M
Total Corporate and Investment Bank	13,966	(1,027)	14,993	N/M
Private Clients and Asset Management	4,160	3,871	290	7
Corporate Investments	793	(172)	965	N/M
Consolidation & Adjustments	649	(211)	859	N/M
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**19,568**	**2,461**	**17,107**	**N/M**

N/M – Not meaningful

1 This breakdown reflects net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss only. For a discussion of the group divisions' total revenues by product please refer to "— *Results of Operations by Segment*".

2 Includes the net interest spread on loans as well as the fair value changes of credit default swaps and loans designated at fair value through profit or loss.

3 Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss of origination, advisory and other products.

Corporate and Investment Bank (CIB). Combined net interest income and net gains (losses) on financial assets/ liabilities at fair value through profit or loss from Sales & Trading were € 11.8 billion in 2009, compared to negative € 1.6 billion in 2008. The main drivers for the increase were the non-recurrence of losses in Equity Derivatives, Equity Proprietary Trading and Credit Trading, as well as significantly lower mark-downs on credit-related exposures. In addition, the result in 2009 included a strong performance in 'flow' trading products. The decrease in Loan products was driven by a lower interest income and gains (losses) on financial assets/liabilities at fair value through profit or loss in the commercial real estate business, partly offset by mark-to-market gains in 2009, versus losses in 2008, on the fair value loan and hedge portfolio. In Transaction services, combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss decreased by € 180 million, primarily attributable to the low interest rate environment and lower depository receipts. The improvement of € 2.1 billion in Remaining products resulted mainly from significantly lower net mark-downs on leveraged loans and loan commitments in 2009 compared to 2008.

In addition mark-to-market gains in 2009, versus mark-to-market losses in 2008, on investments held to back insurance policyholder claims in Abbey Life (offset in Policyholder benefits and claims in Noninterest expenses) contributed to the increase.

Private Clients and Asset Management (PCAM). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 4.2 billion in 2009, an increase of € 290 million, or 7 %, compared to 2008. The increase included higher net interest income from Loan products, mainly in PBC from increased loan margins, and from Other products, mainly driven by PBC's asset and liability management function.

Corporate Investments (CI). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 793 million in 2009, compared to negative € 172 million in 2008. The development primarily reflects gains related to Deutsche Bank's minority stake in Deutsche Postbank AG recognized during 2009.

Consolidation & Adjustments. Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 649 million in 2009, compared to negative € 211 million in 2008. The 2009 result included gains from derivative contracts used to hedge effects on shareholders' equity, resulting from obligations under share-based compensation plans, and higher net interest income on non divisionalized assets/liabilities, including taxes, compared to 2008.

Provision for Credit Losses

Provision for credit losses was € 2.6 billion in 2009, versus € 1.1 billion in 2008. The provision in CIB was € 1.8 billion, versus € 408 million in the prior year, primarily reflecting a significant increase in the provision for assets reclassified in accordance with IAS 39, relating predominantly to exposures in Leveraged Finance. The remaining increase reflects impairment charges taken on a number of Deutsche Bank's counterparty exposures in the Americas and in Europe on the back of an overall deteriorating credit environment. The provision in PCAM was € 806 million, versus € 668 million in the prior year, predominantly reflecting a more challenging credit environment in Spain and Poland. Provision for credit losses in 2009 was positively impacted by changes in certain parameter and model assumptions, which reduced the provision by € 87 million in CIB and by € 146 million in PCAM.

For further information on the provision for loan losses see *"Risk Management — Credit Risk — Movements in the Allowance for Loan Losses"*.

Remaining Noninterest Income

The following table sets forth information on the remaining noninterest income.

in € m. (unless stated otherwise)	2009	2008	2009 increase (decrease) from 2008 in € m.	in %
	(audited)		(unaudited)	
Commissions and fee income[1]	8,911	9,741	(830)	(9)
Net gains (losses) on financial assets available for sale	(403)	666	(1,069)	N/M
Net income (loss) from equity method investments	59	46	13	28
Other income (loss)	(183)	699	(882)	N/M
Total remaining noninterest income	**8,384**	**11,152**	**(2,768)**	**(25)**

N/M – Not meaningful

1 Includes:

	2009	2008	in € m.	in %
	(audited, unless stated otherwise)		(unaudited)	
Commissions and fees from fiduciary activities:				
Commissions for administration[1]	392	384	8	2
Commissions for assets under management[1]	2,319	2,815	(496)	(18)
Commissions for other securities business[1]	214	215	(1)	(0)
Total	**2,925**	**3,414**	**(489)**	**(14)**
Commissions, broker's fees, mark-ups on securities underwriting and other securities activities:				
Underwriting and advisory fees[1]	1,767	1,341	426	32
Brokerage fees[1]	1,682	2,449	(767)	(31)
Total	**3,449**	**3,790**	**(341)**	**(9)**
Fees for other customer services	2,537	2,537	0	0
Total commissions and fee income	**8,911**	**9,741**	**(830)**	**(9)**

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

Commissions and fee income. Total commissions and fee income was € 8.9 billion in 2009, a decrease of € 830 million, or 9 %, compared to 2008. Commissions and fees from fiduciary activities decreased € 489 million compared to the prior year, driven by lower assets under management in AM, as a consequence of the prevailing weak market conditions (mainly in the first nine months of 2009). Underwriting and advisory fees improved by € 426 million, or 32 %, mainly from increased primary issuances as market activity increased across all regions, partly offset by decreased fees from advisory as a result of continued low volumes of market activity. Brokerage fees decreased by € 767 million, or 31 %, primarily driven by lower customer demand in 2009 following the market turbulence in 2008. Fees for other customer services were unchanged compared to 2008.

Net gains (losses) on financial assets available for sale. Net losses on financial assets available for sale were € 403 million in 2009, versus net gains of € 666 million in 2008. The losses in 2009 were primarily attributable to impairment charges related to investments in CB&S and to AM's real estate business. The net gains in 2008 were mainly driven by gains of € 1.3 billion from the sale of industrial holdings in CI, partly offset by impairment charges in CIB's sales and trading areas, including a € 490 million impairment loss on available for sale positions.

Net income (loss) from equity method investments. Net income from equity method investments was € 59 million and € 46 million in 2009 and 2008, respectively. In 2009, income from Deutsche Bank's investment in Deutsche Postbank AG, recorded in CI, was partly offset by impairment charges on certain equity method investments in its commercial real estate business in CB&S. There were no significant individual items included in 2008.

Other income. Total Other income (loss) was a loss of € 183 million in 2009. The decrease of € 882 million compared to 2008 reflected primarily an impairment charge of € 575 million on The Cosmopolitan Resort and Casino property in 2009 and a lower result from derivatives qualifying for hedge accounting in 2009 compared to 2008.

Noninterest Expenses

The following table sets forth information on the noninterest expenses.

in € m. (unless stated otherwise)	2009	2008	2009 increase (decrease) from 2008 in € m.	in %
	(audited)		(unaudited)	
Compensation and benefits	11,310	9,606	1,704	18
General and administrative expenses[1]	8,402	8,339	63	1
Policyholder benefits and claims	542	(252)	794	N/M
Impairment of intangible assets	(134)	585	(719)	N/M
Restructuring activities	–	–	–	N/M
Total noninterest expenses	**20,120**	**18,278**	**1,842**	**10**

N/M – Not meaningful

1 Includes:

	2009	2008	in € m.	in %
	(audited)		(unaudited)	
IT costs	1,759	1,818	(59)	(3)
Occupancy, furniture and equipment expenses	1,457	1,434	23	2
Professional service fees	1,088	1,164	(76)	(7)
Communication and data services	672	698	(26)	(4)
Travel and representation expenses	408	504	(96)	(19)
Payment, clearing and custodian services	406	415	(9)	(2)
Marketing expenses	278	373	(95)	(25)
Other expenses	2,334	1,933	401	21
Total general and administrative expenses	**8,402**	**8,339**	**63**	**1**

Compensation and benefits. The increase of € 1.7 billion, or 18 %, in 2009 compared to 2008 reflected a higher variable compensation as a result of improved operating performance. It was also impacted by € 225 million in respect of the bank payroll tax announced by the U.K. government. However, this increase was partially offset by the positive impact of changes to the compensation structure, mainly reflecting an increased proportion of deferred compensation compared with prior periods, in line with the requirements of the BaFin and the guidelines agreed at the G-20 meeting in Pittsburgh in the U.S., in September 2009.

General and administrative expenses. General and administrative expenses increased by € 63 million in 2009 compared to 2008. The development in both years was impacted by specific significant charges. Such charges were higher in 2009 than in 2008. In 2009, these included € 316 million from a legal settlement with Huntsman Corp. and € 200 million related to Deutsche Bank's offer to repurchase certain products from private investors, both reflected in Other expenses. In 2008, a provision of € 98 million related to the obligation to repurchase Auction Rate Preferred ("ARP") securities / Auction Rate Securities ("ARS") at par from retail clients following a settlement in the U.S. was recorded in Other expenses. Without these specific charges, General and administrative expenses were down in 2009 compared to 2008, mainly from lower expenses for marketing, travel, professional services and IT.

Policyholder benefits and claims. The charge of € 542 million in 2009, compared to a credit of € 252 million in 2008, resulted primarily from the aforementioned effects from Abbey Life. These insurance-related charges are offset by related net gains on financial assets/liabilities at fair value through profit or loss.

Impairment of intangible assets. Included in 2009 was the reversal of an impairment charge on intangible assets of € 291 million in AM, related to DWS Investments in the U.S. (formerly DWS Scudder), which had been taken in the fourth quarter 2008. Also included were goodwill impairment charges of € 151 million in 2009 and of € 270 million in 2008, which were related to a consolidated RREEF infrastructure investment.

Income Tax Expense

A tax expense of € 244 million was recorded in 2009, compared to an income tax benefit of € 1.8 billion in the prior year. The tax expense in 2009 benefited from the recognition of deferred tax assets in the U.S., which reflects strong current performance and improved income projections of Deutsche Bank entities within that tax jurisdiction, specific tax items including the resolution of tax audits relating to prior years, and tax exempt income. The net tax benefit in 2008 was mainly driven by the geographic mix of income/loss and the valuation of unused tax losses. The effective tax rates were 4.7 % in 2009 and 32.1 % in 2008.

Results of Operations by Segment

The following is a discussion of the results of Deutsche Bank's business segments. See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document for detailed information regarding

- Deutsche Bank's organizational structure;
- effects of significant acquisitions and divestitures on segmental results;
- changes in the format of Deutsche Bank's segment disclosure;
- the framework of Deutsche Bank's management reporting systems;
- consolidating and other adjustments to the total results of operations of Deutsche Bank's business segments;
- definitions of non-GAAP financial measures that are used with respect to each segment of Deutsche Bank, and
- the rationale for including or excluding items in deriving the measures.

The criterion for segmentation into divisions is Deutsche Bank's organizational structure as it existed at December 31, 2009. Segment results of Deutsche Bank were prepared in accordance with the management reporting systems.

2009 *(audited)* in € m. (unless stated otherwise)	Corporate and Investment Bank	Private Clients and Asset Management	Corporate Investments	Total Management Reporting	Consoli-dation & Adjustments	Total Consolidated
Net revenues	**18,804**	**8,264**	**1,044**	**28,112**	**(159)**	**27,952**
Provision for credit losses	**1,816**	**806**	**8**	**2,630**	**(0)**	**2,630**
Total noninterest expenses	**12,678**	**6,804**	**581**	**20,063**	**57**	**20,120**
therein:						
Policyholder benefits and claims	541	–	–	541	2	542
Impairment of intangible assets	5	(291)	151	(134)	–	(134)
Restructuring activities	–	–	–	–	–	–
Minority interest	**(2)**	**(7)**	**(1)**	**(10)**	**10**	–
Income (loss) before income taxes	**4,312**	**660**	**456**	**5,428**	**(226)**	**5,202**[1]
Cost/income ratio	67%	82%	56%	71%	N/M	72%
Assets[2]	1,343,824	174,738	28,456	1,491,108	9,556	1,500,664
Average active equity[3]	19,041	8,408	4,323	31,772	2,840	34,613
Pre-tax return on average active equity[4]	23%	8%	11%	17%	N/M	15%

N/M – Not meaningful

1 Includes a gain from the sale of industrial holdings (Daimler AG) of € 236 million, a reversal of impairment of intangible assets (Asset Management) of € 291 million (the related impairment had been recorded in 2008), an impairment charge of € 278 million on industrial holdings and an impairment of intangible assets (Corporate Investments) of € 151 million which are excluded from the Group's target definition.

2 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to 'Total Consolidated'.

3 For management reporting purposes goodwill and other intangible assets with indefinite lives are explicitly assigned to the respective divisions. Average active equity is first allocated to divisions according to goodwill and intangible assets; remaining average active equity is allocated to divisions in proportion to the economic capital calculated for them.

4 For the calculation of pre-tax return on average active equity please refer to Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document. For 'Total consolidated', pre-tax return on average shareholders' equity is 15 %.

2008 *(audited)* in € m. (unless stated otherwise)	Corporate and Investment Bank	Private Clients and Asset Management	Corporate Investments	Total Management Reporting	Consoli-dation & Adjustments	Total Consolidated
Net revenues	**3,201**	**9,041**	**1,290**	**13,532**	**82**	**13,613**
Provision for credit losses	**408**	**668**	**(1)**	**1,075**	**1**	**1,076**
Total noninterest expenses	**10,213**	**7,972**	**95**	**18,279**	**(0)**	**18,278**
therein:						
Policyholder benefits and claims	(273)	18	–	(256)	4	(252)
Impairment of intangible assets	5	580	–	585	–	585
Restructuring activities	–	–	–	–	–	–
Minority interest	**(48)**	**(20)**	**2**	**(66)**	**66**	–
Income (loss) before income taxes	**(7,371)**	**420**	**1,194**	**(5,756)**	**15**	**(5,741)[1]**
Cost/income ratio	N/M	88%	7%	135%	N/M	134%
Assets[2]	2,047,181	188,785	18,297	2,189,313	13,110	2,202,423
Average active equity[3]	20,262	8,315	403	28,979	3,100	32,079
Pre-tax return on average active equity[4]	(36)%	5%	N/M	(20)%	N/M	(18)%

N/M – Not meaningful

1 Includes gains from the sale of industrial holdings (Daimler AG, Allianz SE and Linde AG) of € 1,228 million, a gain from the sale of the investment in Arcor AG & Co. KG of € 97 million and an impairment of intangible assets (Asset Management) of € 572 million, which are excluded from the Group's target definition.

2 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to 'Total Consolidated'.

3 For management reporting purposes goodwill and other intangible assets with indefinite lives are explicitly assigned to the respective divisions. Average active equity is first allocated to divisions according to goodwill and intangible assets; remaining average active equity is allocated to divisions in proportion to the economic capital calculated for them.

4 For the calculation of pre-tax return on average active equity please refer to Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document. For 'Total consolidated', pre-tax return on average shareholders' equity is (17) %.

Corporate and Investment Bank Group Division

The following table sets forth the results of the Corporate and Investment Bank Group Division (CIB) for the years ended December 31, 2009 and 2008, in accordance with Deutsche Bank's management reporting systems.

in € m. (unless stated otherwise)	2009	2008
	(audited)	
Net revenues:		
Sales & Trading (equity)	2,734	(631)
Sales & Trading (debt and other products)	9,795	116
Origination (equity)	663	334
Origination (debt)	1,132	(713)
Advisory	402	589
Loan products	1,623	1,393
Transaction services	2,606	2,774
Other products	(151)	(661)
Total net revenues	**18,804**	**3,201**
therein:		
Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	13,966	(1,027)
Provision for credit losses	**1,816**	**408**
Total noninterest expenses	**12,678**	**10,213**
therein:		
Policyholder benefits and claims	541	(273)
Impairment of intangible assets	5	5
Restructuring activities	–	–
Minority interest	**(2)**	**(48)**
Income (loss) before income taxes	**4,312**	**(7,371)**
Cost/income ratio	67%	N/M
Assets	1,343,824	2,047,181
Average active equity[1]	19,041	20,262
Pre-tax return on average active equity	23%	(36)%

N/M – Not meaningful

1 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document for a description of how average active equity is allocated to the divisions.

The following paragraphs discuss the contribution of the individual corporate divisions to the overall results of the Corporate and Investment Bank Group Division.

Corporate Banking & Securities Corporate Division

The following table sets forth the results of the Corporate Banking & Securities Corporate Division (CB&S) for the years ended December 31, 2009 and 2008, in accordance with Deutsche Bank's management reporting systems.

in € m. (unless stated otherwise)	2009	2008
	(audited, unless stated otherwise)	
Net revenues:		
Sales & Trading (equity)[1]	2,734	(631)
Sales & Trading (debt and other products)[1]	9,795	116
Origination (equity)[1]	663	334
Origination (debt)[1]	1,132	(713)
Advisory[1]	402	589
Loan products[1]	1,623	1,393
Other products[1]	(151)	(661)
Total net revenues	**16,197**	**428**
Provision for credit losses	**1,789**	**402**
Total noninterest expenses	**10,874**	**8,550**
therein:		
Policyholder benefits and claims	541	(273)
Impairment of intangible assets	5	5
Restructuring activities	–	–
Minority interest	**(2)**	**(48)**
Income (loss) before income taxes	**3,537**	**(8,476)**
Cost/income ratio	67%	N/M
Assets	1,308,220	2,011,983
Average active equity[2]	17,881	19,181
Pre-tax return on average active equity	20%	(44)%

N/M – Not meaningful

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

Net revenues in 2009 were € 16.2 billion, after mark-downs of € 925 million, versus € 428 million, after mark-downs of € 7.5 billion, in 2008. This development was due predominantly to strong performance in 'flow' trading products and the non-recurrence of trading losses recognized in the final quarter of 2008. Both factors reflect a successful reorientation of the sales and trading platform towards customer business and liquid, 'flow' products. 2009 revenues additionally benefited from favorable market conditions, including both margins and volumes, particularly in the first half of the year, together with record full-year revenues in Commodities and Emerging Market Debt trading.

Sales & Trading (debt and other products) revenues for the year were € 9.8 billion, compared to € 116 million in 2008. This increase primarily reflects significantly lower mark-downs of € 1.0 billion for the year, compared to € 5.8 billion in 2008, and the non-recurrence of Credit Trading losses of € 3.2 billion, mainly incurred in the fourth quarter of 2008. All 'flow' products benefited from wider bid-offer spreads and increased client volumes. Foreign Exchange and Money Markets reported strong revenues, although lower than the record levels seen in 2008. Rates and Emerging Markets generated record revenues, reflecting favorable market conditions. Commodities also had record revenues in 2009. Credit Trading had strong performance following a successful reorientation towards more liquid, client-driven business, which included the closure of Deutsche Bank's dedicated credit proprietary trading platform.

Sales & Trading (equity) revenues were € 2.7 billion, compared to negative € 631 million in 2008. The increase was driven by the non-recurrence of losses in Equity Derivatives of € 1.4 billion and Equity Proprietary Trading of € 742 million, mainly in the fourth quarter 2008. In addition, there was a strong performance across all products, especially Equity Trading. Equity Derivatives performance improved significantly after the first quarter 2009

following the reorientation of the business. Equity Proprietary Trading performed well throughout 2009 with substantially lower risk than in 2008.

Origination and Advisory revenues were € 2.2 billion, an increase of € 2.0 billion versus 2008. This increase was mainly in debt origination, and reflected the non-recurrence of net mark-downs of € 1.7 billion on leveraged loans and loan commitments in the prior year, compared with net mark-ups of € 103 million in the current year. Equity origination revenues grew substantially by € 328 million to € 663 million as market activity increased across all regions. Advisory revenues decreased by € 187 million, or 32%, as global volumes declined from the prior year and were at the lowest level since 2004.

Loan products net revenues were € 1.6 billion, an increase of € 230 million, or 17%, versus 2008, mainly driven by mark-to-market gains on the investment grade fair value loan and hedge portfolio in 2009, compared with unrealized net mark-to-market losses in 2008.

Other products revenues were negative € 151 million, an increase of € 511 million over 2008. This development was driven by mark-to-market gains on investments held to back insurance policyholder claims in Abbey Life, partly offset by an impairment charge of € 500 million relating to The Cosmopolitan Resort and Casino property and losses on private equity investments recorded in the first quarter 2009.

The provision for credit losses was € 1.8 billion, versus € 402 million in 2008. The increase primarily reflected provisions for credit losses related to Leveraged Finance assets which had been reclassified in accordance with the amendments to IAS 39, together with additional provisions as a result of deteriorating credit conditions, predominantly in Europe and the Americas.

Noninterest expenses increased € 2.3 billion, or 27%, to € 10.9 billion. The increase mainly reflects higher performance-related compensation in line with improved results and effects from Abbey Life. In addition, noninterest expenses included charges of € 200 million related to the bank's offer to repurchase certain products from private investors in the third quarter 2009, and of € 316 million related to a legal settlement with Huntsman Corp. recorded in the second quarter 2009. These were partly offset by savings from cost containment measures and lower staff levels.

Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets"

Under the amendments to IAS 39 and IFRS 7 issued in October 2008 certain financial assets were reclassified in the second half of 2008 and the first quarter of 2009 from the financial assets at fair value through profit or loss and the available for sale classifications into the loans classification. The reclassifications were made in instances where management believed that the expected repayment of the assets exceeded their estimated fair values, which reflected the significantly reduced liquidity in the financial markets, and that returns on these assets would be optimized by holding them for the foreseeable future. Where this clear change of intent existed and was supported by an ability to hold and fund the underlying positions, Deutsche Bank concluded that the reclassifications aligned the accounting more closely with the business intent. Assets that were reclassified in the third quarter 2008 were reclassified with effect from July 1, 2008 at the fair value as of that date. Where the business decision to reclassify was made by November 1, 2008 and these assets met the reclassification rules and the Group's internal reclassification criteria, the reclassifications were made with effect from October 1, 2008 at the fair value of that date. Business decisions to reclassify assets after November 1, 2008 were made on a prospective basis at fair value on the date reclassification was approved.

The tables below show the net contribution of the reclassification accounting for CB&S. The tables show that the reclassifications resulted in € 273 million losses to the income statement and € 1.2 billion gains foregone in net gains (losses) not recognized in the income statement for 2009. For the full year 2008, the reclassifications resulted in € 3.3 billion gains to the income statement and € 1.8 billion gains to net gains (losses) not recognized in the income statement. The consequential effect on credit market risk disclosures is provided in the following section "*— Update on Key Credit Market Exposures*".

2009 impact of the reclassifications	December 31, 2009		Year ended December 31, 2009	
	Carrying value	Fair value	Impact on income before income taxes	Impact on net gains (losses) not recognized in the income statement
	in € bn.	in € bn.	in € m.	in € m.
	(unaudited)		(unaudited)	
Sales & Trading – Debt				
Trading assets reclassified to loans	18.2	15.9	407	–
Financial assets available for sale reclassified to loans	9.3	8.2	(16)	(1,102)
Origination and Advisory				
Trading assets reclassified to loans	6.1	5.7	(664)	–
Loan products				
Financial assets available for sale reclassified to loans	–	–	–	(114)[1]
Total	**33.6**	**29.8**	**(273)[2]**	**(1,216)**
of which related to reclassifications made in 2008	30.7	27.1	(472)	(1,216)
of which related to reclassifications made in 2009	2.9	2.7	199	–

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 The negative amount shown as the annual movement in net gains (losses) not recognized in the income statement is due to an instrument being impaired in the year. The decrease in fair value since reclassification that would have been recorded in equity would then be removed from equity and recognized through the income statement.

2 In addition to the impact in CB&S, income before income taxes increased by € 18 million in PBC.

2008 impact of the reclassifications	December 31, 2008		Year ended December 31, 2008	
	Carrying value	Fair value	Impact on income before income taxes	Impact on net gains (losses) not recognized in the income statement
	in € bn.	in € bn.	in € m.	in € m.
	(unaudited)		(unaudited)	
Sales & Trading – Debt				
Trading assets reclassified to loans	16.2	14.3	2,073	–
Financial assets available for sale reclassified to loans	10.5	8.5	121	1,712
Origination and Advisory				
Trading assets reclassified to loans	7.4	6.4	1,101	–
Loan products				
Financial assets available for sale reclassified to loans	0.3	0.1	–	114
Total	**34.4**	**29.3**	**3,295[1]**	**1,826**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 In addition to the impact in CB&S, income before income taxes increased by € 32 million in PBC.

The assets reclassified included funded leveraged finance loans with a fair value on the date of reclassification of € 7.5 billion which were entered into as part of an "originate to distribute" strategy. Assets with a fair value on the date of reclassification of € 9.4 billion were contained within consolidated asset backed commercial paper conduits at reclassification date. Commercial real estate loans were reclassified with a fair value on the date of reclassification of € 9.1 billion. These loans were intended for securitization at their origination or purchase date. The remaining reclassified assets, which comprised other assets principally acquired or originated for the purpose of securitization, had a fair value of € 11.9 billion on the reclassification date.

For further information on the reclassified financial assets see Note 12 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document.

Update on Key Credit Market Exposures

The following is an update on the development of certain key credit positions (including protection purchased from monoline insurers) of certain CB&S businesses on which Deutsche Bank has previously provided additional risk disclosure.

Mortgage Related Exposure: Deutsche Bank has mortgage related exposures through a number of its businesses, including CDO trading and origination and U.S. and European mortgage businesses. The following table presents the mortgage related exposure from the businesses described, net of hedges and other protection purchased.

Mortgage related exposure in CDO trading and origination, U.S. and European residential mortgage businesses

in € m.	Dec 31, 2009	Dec 31, 2008
	(unaudited)	
Subprime and Alt-A CDO exposure in trading and origination businesses:		
CDO subprime exposure – Trading[1]	317	485
CDO subprime exposure – Available for sale	34	86
CDO Alt-A exposure – Trading	22	54
Residential mortgage trading businesses:		
Other U.S. residential mortgage business exposure[2]	1,301	1,259
European residential mortgage business exposure[3]	179	257

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 Classified as subprime if 50% or more of the underlying collateral are home equity loans.

2 Thereof € 389 million Alt-A, € 71 million Subprime, € 244 million Other and € 597 million Trading-related net positions as of December 31, 2009 and € 1.0 billion Alt-A, € (134) million Subprime, € (57) million Other and € 403 million Trading-related net positions as of December 31, 2008.

3 Thereof United Kingdom € 145 million, Italy € 26 million and Germany € 8 million as of December 31, 2009 and United Kingdom € 188 million, Italy € 56 million and Germany € 13 million as of December 31, 2008.

In the above table, exposure represents Deutsche Bank's potential loss in the event of a 100% default of securities and associated hedges, assuming zero recovery. It is not an indication of net delta adjusted trading risk (the net delta adjusted trading risk measure is used to ensure comparability between different exposures; for each position the delta represents the change of the position in the related security which would have the same sensitivity to a given change in the market).

The table above relates to key credit market positions exposed to fair value movements through the income statement. It excludes assets reclassified from trading or available for sale to loans and receivables in accordance with the amendments to IAS 39 with a carrying value as of December 31, 2009 of € 1.9 billion (thereof European residential mortgage exposure € 1.1 billion, Other U.S. residential mortgage exposure € 370 million, CDO subprime exposure – Trading € 432 million) and as of December 31, 2008 of € 1.9 billion (thereof European residential mortgage exposure € 1.1 billion, Other U.S. residential mortgage exposure € 336 million, CDO subprime exposure – Trading € 373 million).

The table also excludes both agency mortgage-backed securities and agency eligible loans, which Deutsche Bank does not consider to be credit sensitive products, and interest-only and inverse interest-only positions which are negatively correlated to deteriorating markets due to the effect on the position of the reduced rate of mortgage prepayments. The slower repayment rate extends the average life of these interest-only products which in turn leads to a higher value due to the longer expected interest stream.

The various gross components of the overall net exposure shown above represent different vintages, locations, credit ratings and other market-sensitive factors. Therefore, while the overall numbers above provide a view of the absolute levels of Deutsche Bank's exposure to an extreme market movement, actual future profits and losses will depend on actual market movements, basis movements between different components of Deutsche Bank's positions, and its ability to adjust hedges in these circumstances.

Exposure to Monoline Insurers: The deterioration of the U.S. subprime mortgage and related markets has generated large exposures to financial guarantors, such as monoline insurers, that have insured or guaranteed the value of pools of collateral referenced by CDOs and other market-traded securities. Actual claims against monoline insurers will only become due if actual defaults occur in the underlying assets (or collateral). There is ongoing uncertainty as to whether some monoline insurers will be able to meet all their liabilities to banks and other buyers of protection. Under certain conditions (e.g. liquidation) Deutsche Bank can accelerate claims regardless of actual losses on the underlying assets.

The following tables summarize the fair value of Deutsche Bank's counterparty exposures to monoline insurers with respect to U.S. residential mortgage-related activity and other activities, respectively, in each case on the basis of the fair value of the assets compared with the notional value guaranteed or underwritten by monoline insurers. The other exposures described in the second table arise from a range of client and trading activity, including collateralized loan obligations, commercial mortgage-backed securities, trust preferred securities, student loans and public sector or municipal debt. The tables show the associated credit valuation adjustments ("CVA") that Deutsche Bank has recorded against the exposures. CVAs are assessed using a model-based approach with numerous input factors for each counterparty, including the likelihood of an event (either a restructuring or insolvency), an assessment of any potential settlement in the event of a restructuring and recovery rates in the event of either restructuring or insolvency. The ratings in the tables below are the lower of Standard & Poor's, Moody's or Deutsche Bank's own internal credit ratings as of December 31, 2009 and December 31, 2008.

Monoline exposure related to U.S. residential mortgages	**December 31, 2009**				**December 31, 2008**			
in € m.	**Notional amount**	**Fair value prior to CVA**	**CVA**	**Fair value after CVA**	**Notional amount**	**Fair value prior to CVA**	**CVA**	**Fair value after CVA**
		(unaudited)				*(unaudited)*		
AA Monolines:								
Super Senior ABS CDO	–	–	–	–	–	–	–	–
Other subprime	142	70	(6)	64	76	40	–	39
Alt-A	4,337	1,873	(172)	1,701	5,063	1,573	(37)	1,536
Total AA Monolines	**4,479**	**1,943**	**(178)**	**1,765**	**5,139**	**1,613**	**(37)**	**1,576**
Non Investment Grade Monolines:								
Super Senior ABS CDO	–	–	–	–	1,110	1,031	(918)	113
Other subprime	–	–	–	–	258	80	(24)	56
Alt-A	–	–	–	–	1,293	336	(346)	(10)
Total Non Investment Grade Monolines	**–**	**–**	**–**	**–**	**2,660**	**1,447**	**(1,288)**	**159**
Total	**4,479**	**1,943**	**(178)**	**1,765**	**7,799**	**3,060**	**(1,325)**	**1,735**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

Other Monoline exposure	**December 31, 2009**				**December 31, 2008**			
in € m.	**Notional amount**	**Fair value prior to CVA**	**CVA**	**Fair value after CVA**	**Notional amount**	**Fair value prior to CVA**	**CVA**	**Fair value after CVA**
		(unaudited)				*(unaudited)*		
AA Monolines:								
TPS-CLO	2,717	925	(85)	840	3,019	1,241	(29)	1,213
CMBS	1,004	68	(6)	62	1,018	117	(3)	115
Corporate single name/Corporate CDO	2,033	(3)	–	(3)	6,273	222	(2)	219
Student loans	232	39	(4)	35	277	105	(2)	103
Other	902	249	(23)	226	587	288	(5)	283
Total AA Monolines	**6,888**	**1,277**	**(117)**	**1,160**	**11,174**	**1,974**	**(41)**	**1,933**
Non AA Investment Grade Monolines:								
TPS-CLO	–	–	–	–	416	215	(59)	156
CMBS	–	–	–	–	5,537	882	(111)	771
Corporate single name/Corporate CDO	–	–	–	–	5,525	272	(38)	234
Student loans	–	–	–	–	53	20	(3)	17
Other	–	–	–	–	498	94	(16)	78
Total Non AA Investment Grade Monolines	**–**	**–**	**–**	**–**	**12,029**	**1,484**	**(228)**	**1,256**
Non Investment Grade Monolines:								
TPS-CLO	876	274	(100)	174	831	244	(74)	169
CMBS	5,932	813	(355)	458	672	125	(56)	69
Corporate single name/Corporate CDO	4,366	26	(12)	14	787	9	(2)	6
Student loans	1,221	560	(319)	241	1,185	906	(227)	680
Other	1,645	278	(102)	176	1,244	504	(229)	275
Total Non Investment Grade Monolines	**14,040**	**1,950**	**(887)**	**1,063**	**4,719**	**1,787**	**(588)**	**1,199**
Total	**20,928**	**3,227**	**(1,004)**	**2,223**	**27,922**	**5,245**	**(857)**	**4,388**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

The tables exclude counterparty exposure to monoline insurers that relates to wrapped bonds. A wrapped bond is one that is insured or guaranteed by a third party. As of December 31, 2009 and December 31, 2008, the exposure on wrapped bonds related to U.S. residential mortgages was € 100 million and € 58 million,

respectively, and the exposure on wrapped bonds other than those related to U.S. residential mortgages was € 54 million and € 136 million, respectively. In each case, the exposure represents an estimate of the potential mark-downs of wrapped assets in the event of monoline defaults.

A proportion of the mark-to-market monoline exposure has been mitigated with CDS protection arranged with other market counterparties and other economic hedge activity.

The following table shows the roll-forward of CVA held against monoline insurers from December 31, 2008 to December 31, 2009.

Credit valuation adjustment

in € m.	2009
	(unaudited)
Balance, beginning of year	**2,182**
Settlements	(1,686)
Increase	686
Balance, end of year	**1,182**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

Commercial Real Estate Business: Deutsche Bank's Commercial Real Estate business takes positions in commercial mortgage whole loans which are originated and either held with the intent to sell, syndicate, securitize or otherwise distribute to third party investors, or held on an amortized cost basis. The following is a summary of Deutsche Bank's exposure to commercial mortgage whole loans as of December 31, 2009 and December 31, 2008. This excludes Deutsche Bank's portfolio of secondary market commercial mortgage-backed securities which are actively traded and priced.

Commercial Real Estate whole loans

in € m.	Dec 31, 2009	Dec 31, 2008
	(unaudited)	
Loans held on a fair value basis, net of risk reduction[1]	1,806	2,605
Loans reclassified in accordance with the amendments to IAS 39[2]	6,453	6,669
Loans related to asset sales[3]	2,083	2,103

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 Risk reduction trades represent a series of derivative or other transactions entered into in order to mitigate risk on specific whole loans. Fair value of risk reduction amounted to € 1.0 billion as of December 31, 2009 and € 1.4 billion as of December 31, 2008.

2 Carrying value.

3 Carrying value of vendor financing on loans sold since January 1, 2008.

Leveraged Finance Business: The following is a summary of Deutsche Bank's exposures to leveraged loan and other financing commitments arising from the activities of Deutsche Bank's Leveraged Finance business as of December 31, 2009 and December 31, 2008. These activities include private equity transactions and other buyout arrangements. The table excludes loans transacted prior to January 1, 2007, which were undertaken prior to the disruption in the leveraged finance markets, and loans that have been classified as held to maturity since inception.

Leveraged Finance

in € m.	Dec 31, 2009	Dec 31, 2008
	(unaudited)	
Loans held on a fair value basis	505	994
thereof: loans entered into since January 1, 2008	385	469
Loans reclassified in accordance with the amendments to IAS 39[1]	6,152	7,652
Loans related to asset sales[2]	5,804	5,673

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 Carrying value.

2 Carrying value of vendor financing on loans sold since January 1, 2008.

Since January 1, 2008, Deutsche Bank entered into transactions with special purpose entities to derecognize certain loans, predominantly U.S. leveraged loans and commercial real estate loans that were held at fair value through profit or loss, which are reflected as Loans related to asset sales in the above tables. See "*— Special Purpose Entities — Relationships with Other Non-consolidated SPEs — Group Sponsored Securitizations*".

Global Transaction Banking Corporate Division

The following table sets forth the results of the Global Transaction Banking Corporate Division (GTB) for the years ended December 31, 2009 and 2008, in accordance with Deutsche Bank's management reporting systems.

in € m. (unless stated otherwise)	2009	2008
	(audited, unless stated otherwise)	
Net revenues:		
Transaction services[1]	2,606	2,774
Other products[1]	–	–
Total net revenues	**2,606**	**2,774**
Provision for credit losses	**27**	**5**
Total noninterest expenses	**1,804**	**1,663**
therein:		
Restructuring activities	–	–
Minority interest	–	–
Income (loss) before income taxes	**776**	**1,106**
Cost/income ratio	69%	60%
Assets	47,416	49,487
Average active equity[2]	1,160	1,081
Pre-tax return on average active equity	67%	102%

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

Net revenues were € 2.6 billion in 2009, a decrease of € 167 million, or 6%, compared to 2008. The decrease was attributable to a low interest rate environment, depressed asset valuations during the first nine months of 2009, lower depository receipts and reduced dividend activity. These were partly offset by continued growth in Trade Finance products and a positive impact of € 160 million related to a revision of Deutsche Bank's risk-based funding framework.

Provision for credit losses was € 27 million for 2009, versus € 5 million for 2008.

Noninterest expenses were € 1.8 billion, an increase of € 141 million, or 8%, compared to 2008. The increase was driven by higher regulatory costs related to deposit and pension protection, growing transaction-related expenses as well as increased performance-related compensation in line with improved Group-wide results. In addition, the formation of Deutsche Card Services in the fourth quarter 2008 contributed to higher noninterest expenses.

Private Clients and Asset Management Group Division

The following table sets forth the results of the Private Clients and Asset Management Group Division (PCAM) for the years ended December 31, 2009 and 2008, in accordance with Deutsche Bank's management reporting systems.

in € m. (unless stated otherwise)	2009	2008
	(audited, unless stated otherwise)	
Net revenues:		
Portfolio/fund management	2,033	2,457
Brokerage	1,456	1,891
Loan/deposit	3,531	3,251
Payments, account & remaining financial services	1,005	1,066
Other products	239	376
Total net revenues	**8,264**	**9,041**
therein:		
Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	4,160	3,871
Provision for credit losses	**806**	**668**
Total noninterest expenses	**6,804**	**7,972**
therein:		
Policyholder benefits and claims	–	18
Impairment of intangible assets	(291)	580
Restructuring activities	–	–
Minority interest	**(7)**	**(20)**
Income (loss) before income taxes	**660**	**420**
Cost/income ratio	82%	88%
Assets	174,738	188,785
Average active equity[1]	8,408	8,315
Pre-tax return on average active equity	8%	5%
Invested assets[2] (in € bn.)	880	816

1 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

2 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F. Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

The following paragraphs discuss the contribution of the individual corporate divisions to the overall results of the Private Clients and Asset Management Group Division.

Asset and Wealth Management Corporate Division

The following table sets forth the results of Deutsche Bank's Asset and Wealth Management Corporate Division (AWM) for the years ended December 31, 2009 and 2008, in accordance with its management reporting systems.

in € m. (unless stated otherwise)	2009	2008
	(audited, unless stated otherwise)	
Net revenues:		
Portfolio/fund management (AM)[1]	1,466	1,840
Portfolio/fund management (PWM)[1]	309	361
Total portfolio/fund management[1]	**1,775**	**2,201**
Brokerage[1]	758	908
Loan/deposit[1]	314	266
Payments, account & remaining financial services[1]	23	26
Other products[1]	(183)	(137)
Total net revenues	**2,688**	**3,264**
Provision for credit losses	**17**	**15**
Total noninterest expenses	**2,476**	**3,794**
therein:		
Policyholder benefits and claims	–	18
Impairment of intangible assets	(291)	580
Restructuring activities	–	–
Minority interest	**(7)**	**(20)**
Income (loss) before income taxes	**202**	**(525)**
Cost/income ratio	92%	116%
Assets	43,761	50,473
Average active equity[2]	4,791	4,870
Pre-tax return on average active equity	4%	(11)%
Invested assets[1][3] (in € bn.)	686	628

1 Unaudited. Source: Deutsche Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

3 Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

For the year 2009, AWM reported net revenues of € 2.7 billion, a decrease of € 576 million, or 18%, compared to 2008. Portfolio/fund management revenues in Asset Management (AM) decreased by € 374 million, or 20%, and in Private Wealth Management (PWM) by € 52 million, or 14%, compared to 2008. This development was primarily driven by lower management fees as a result of lower asset valuations during the first nine months of 2009, while the fourth quarter 2009 indicated positive revenue impacts following a stabilization of the capital markets after market turbulence in the prior year quarter. Brokerage revenues decreased by € 150 million, or 16%, compared to 2008, affected by continued lower customer activity due to the uncertainties in securities markets, and by a shift towards lower-margin products. Loan/deposit revenues were up € 48 million, or 18%, due to higher loan margins and the positive impact from the revision of Deutsche Bank's risk-based funding framework in the second quarter 2009. Revenues from Other products were negative € 183 million for 2009 compared to negative revenues of € 137 million in the prior year. This development mainly resulted from higher impairment charges related to AM's real estate business, partially offset by lower discretionary injections into money market funds and lower impairment charges on seed capital and other investments.

Noninterest expenses in 2009 were € 2.5 billion, a decrease of € 1.3 billion, or 35%, compared to 2008. This development included the reversal of an impairment charge on intangible assets of € 291 million in AM, related to DWS Investments in the U.S. (formerly DWS Scudder), which had been taken in 2008. In addition, noninterest expenses in 2008 were negatively affected by a goodwill impairment of € 270 million in a consolidated RREEF infrastructure investment (transferred to Corporate Investments in 2009). Higher severance payments compared to 2008, reflecting Deutsche Bank's continued efforts to reposition its platform, were partly offset by the non-recurrence of an € 98 million provision related to the obligation to repurchase Auction

Rate Preferred ("ARP") securities / Auction Rate Securities ("ARS") at par from retail clients following a settlement in the U.S. in 2008.

Invested assets in AWM were € 686 billion at December 31, 2009, an increase of € 58 billion compared to December 31, 2008. In AM, invested assets increased by € 33 billion mainly due to market appreciation and net new money of € 9 billion. Invested assets in PWM increased by € 25 billion, also predominantly resulting from market appreciation and net new money of € 7 billion.

Private & Business Clients Corporate Division

The following table sets forth the results of Deutsche Bank's Private & Business Clients Corporate Division (PBC) for the years ended December 31, 2009 and 2008, in accordance with its management reporting systems.

in € m. (unless stated otherwise)	2009	2008
	(audited, unless stated otherwise)	
Net revenues:		
Portfolio/fund management[1]	257	256
Brokerage[1]	698	983
Loan/deposit[1]	3,216	2,985
Payments, account & remaining financial services[1]	982	1,040
Other products[1]	422	513
Total net revenues	**5,576**	**5,777**
Provision for credit losses	**790**	**653**
Total noninterest expenses	**4,328**	**4,178**
therein:		
Restructuring activities	–	–
Minority interest	**0**	**0**
Income (loss) before income taxes	**458**	**945**
Cost/income ratio	78%	72%
Assets	131,013	138,350
Average active equity[2]	3,617	3,445
Pre-tax return on average active equity	13%	27%
Invested assets[1][3] (in € bn.)	194	189
Loan volume[1] (in € bn.)	96	91
Deposit volume[1] (in € bn.)	109	118

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

3 Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

Net revenues were € 5.6 billion, down € 201 million, or 3%, versus 2008. Portfolio/fund management revenues remained virtually unchanged compared to 2008. Brokerage revenues decreased by € 285 million, or 29%, mainly reflecting wariness on the part of retail investors in the wake of market turbulence in the fourth quarter 2008. Loan/deposit revenues increased by € 232 million, or 8%, resulting from higher loan volumes and margins, partly offset by lower deposit margins. Payments, account & remaining financial services revenues decreased by € 58 million, or 6%, mainly driven by lower revenues related to insurance products sales. Revenues from Other products of € 422 million in 2009 decreased by € 91 million, or 18%, mainly driven by the non-recurrence of a post-IPO dividend income from a co-operation partner and subsequent gains related to the disposal of a business, both recorded in 2008.

Provision for credit losses was € 790 million, an increase of € 136 million, or 21%, compared to 2008. This development reflects the continued deterioration of the credit environment in Spain and Poland, and generally higher credit costs in the other regions, partly offset by releases and lower provisions of € 146 million in 2009 related to certain revised parameter and model assumptions.

Noninterest expenses of € 4.3 billion were € 150 million, or 4%, higher than in 2008. This increase was predominantly driven by higher severance payments of € 192 million, up from € 84 million in 2008, related to measures to improve efficiency.

Invested assets were € 194 billion as of December 31, 2009, an increase of € 5 billion compared to December 31, 2008, mainly driven by market appreciation, amounting to € 10 billion, partly offset by outflows reflecting maturities in time deposits, which were acquired in the fourth quarter of 2008.

The number of clients in PBC was 14.6 million at year end 2009, unchanged compared to December 31, 2008.

Corporate Investments Group Division

The following table sets forth the results of Deutsche Bank's Corporate Investments Group Division (CI) for the years ended December 31, 2009 and 2008, in accordance with its management reporting systems.

in € m. (unless stated otherwise)	2009	2008
	(audited)	
Net revenues	**1,044**	**1,290**
therein:		
Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	793	(172)
Provision for credit losses	**8**	**(1)**
Total noninterest expenses	**581**	**95**
therein:		
Impairment of intangible assets	151	–
Restructuring activities	–	–
Minority interest	**(1)**	**2**
Income (loss) before income taxes	**456**	**1,194**
Cost/income ratio	56%	7%
Assets	28,456	18,297
Average active equity[1]	4,323	403
Pre-tax return on average active equity	11%	N/M

N/M — Not meaningful

1 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

Net revenues were € 1.0 billion, a decrease of € 245 million compared to 2008. Net revenues in 2009 included three significant components which were related to Deutsche Postbank AG: mark-to-market gains of € 476 million from Deutsche Bank's derivatives related to the acquisition of shares, mark-to-market gains of € 352 million from the put/call options to increase its investment and a positive equity pick-up of € 200 million. In addition, net revenues included mark-to-market gains of € 83 million from Deutsche Bank's option to increase its share in Hua Xia Bank Co. Ltd. and gains of € 302 million from the sale of industrial holdings (mainly related to Daimler AG and Linde AG). These positive items were partly offset by impairment charges of € 302 million on Deutsche Bank's industrial holdings and € 75 million on The Cosmopolitan Resort and Casino property.

Net revenues in 2008 included net gains of € 1.3 billion from the sale of industrial holdings (mainly related to Daimler AG, Allianz SE and Linde AG), a gain of € 96 million from the disposal of Deutsche Bank's investment in Arcor AG & Co. KG, dividend income of € 114 million, as well as mark-downs, including the impact from Deutsche Bank's option to increase its share in Hua Xia Bank Co. Ltd.

Total noninterest expenses were € 581 million, an increase of € 487 million compared to the previous year. This increase was mainly related to Deutsche Bank's investment in Maher Terminals (for which management responsibility changed from AWM to CI in the first quarter 2009), including a goodwill impairment charge of € 151 million.

At year end 2009, the alternative assets portfolio of CI had a carrying value of € 2.1 billion compared to € 434 million at year end 2008. This increase was mainly related to the change in management responsibilities for certain assets from AWM and CB&S to CI.

Consolidation & Adjustments

For a discussion of Consolidation & Adjustments to the business segment results see Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document.

Comparison of the Fiscal Years ended December 31, 2008 and 2007

The following discussion and analysis must be read in conjunction with Deutsche Bank's consolidated financial statements for the fiscal year 2009 and the financial information contained therein for the fiscal years 2008 and 2007. The consolidated financial statements 2009 are included in the section "*Financial Statements*" of this Registration Document.

Results of Operations of the Group

Net Interest Income

The following table sets forth data related to Deutsche Bank's net interest income.

in € m. (unless stated otherwise)	2008	2007	2008 increase (decrease) from 2007 in € m.	in %
	(audited, unless stated otherwise)		(unaudited)	
Total interest and similar income	54,549	64,675	(10,126)	(16)
Total interest expenses	42,096	55,826	(13,730)	(25)
Net interest income	**12,453**	**8,849**	**3,604**	**41**
Average interest-earning assets[(1)(2)]	1,216,666	1,226,191	(9,525)	(1)
Average interest-bearing liabilities[(1)(2)]	1,179,631	1,150,051	29,580	3
Gross interest yield[(1)(3)]	4.48%	5.27%	(0.79) ppt	(15)
Gross interest rate paid[(1)(4)]	3.57%	4.85%	(1.28) ppt	(26)
Net interest spread[(1)(5)]	0.91%	0.42%	0.49 ppt	117
Net interest margin[(1)(6)]	1.02%	0.72%	0.30 ppt	42

ppt — Percentage points

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 Average balances for each year are calculated in general based upon month-end balances.

3 Gross interest yield is the average interest rate earned on Deutsche Bank's average interest-earning assets.

4 Gross interest rate paid is the average interest rate paid on Deutsche Bank's average interest-bearing liabilities.

5 Net interest spread is the difference between the average interest rate earned on average interest-earning assets and the average interest rate paid on average interest-bearing liabilities.

6 Net interest margin is net interest income expressed as a percentage of average interest-earning assets.

Net interest income in 2008 was € 12.5 billion, an increase of € 3.6 billion, or 41%, from 2007. Both total interest and similar income and total interest expenses in 2008 were significantly below those of 2007, mainly reflecting the overall decline in interest levels as central banks globally cut rates during 2008 in response to the credit crunch. The decrease in interest expenses was more pronounced than the decrease in interest income. Although Deutsche Bank's average interest-bearing liabilities volume increased by € 29.6 billion, or 3%, in 2008, its ability to fund at significantly lower rates compared to 2007 was the main reason for the widening of its net interest spread by 49 basis points and of its net interest margin by 30 basis points.

Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss

The following table sets forth data related to the Net gains (losses) on financial assets/liabilities at fair value through profit or loss.

in € m. (unless stated otherwise)	2008	2007	2008 increase (decrease) from 2007 in € m.	in %
	(unaudited)		(unaudited)	
CIB – Sales & Trading (equity)	(1,513)	3,335	(4,848)	N/M
CIB – Sales & Trading (debt and other products)	(6,647)	3,858	(10,505)	N/M
Other	(1,832)	(18)	(1,814)	N/M
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	**(9,992)**	**7,175**	**(17,167)**	**N/M**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

N/M – Not meaningful

Net gains (losses) on financial assets/liabilities at fair value through profit or loss from CIB — Sales & Trading (debt and other products) were net losses of € 6.6 billion in 2008, compared to net gains of € 3.9 billion in 2007. This development was mainly driven by mark-downs relating to reserves against monoline insurers, provisions against residential mortgage-backed securities and commercial real estate loans and significant losses in

Deutsche Bank's credit trading businesses, including its proprietary trading businesses in the third and fourth quarter of 2008. Net gains (losses) on financial assets/liabilities at fair value through profit or loss from Sales & Trading (equity) were losses of € 1.5 billion, mainly generated in Equity Derivatives and Equity Proprietary Trading, compared to net gains of € 3.3 billion in 2007. The main contributor to net losses of € 1.8 billion on financial assets/liabilities at fair value through profit or loss from Other products were net mark-downs of € 1.7 billion on leveraged finance loans and loan commitments in 2008.

Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss

in € m. (unless stated otherwise)	2008	2007	2008 increase (decrease) from 2007 in € m.	in%
	(audited)		(unaudited)	
Net interest income	12,453	8,849	3,604	41
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	(9,992)	7,175	(17,167)	N/M
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**2,461**	**16,024**	**(13,563)**	**(85)**
Breakdown by Group Division/CIB product[1]:				
Sales & Trading (equity)	(1,895)	3,117	(5,012)	N/M
Sales & Trading (debt and other products)	317	7,483	(7,166)	(96)
Total Sales & Trading	(1,578)	10,600	(12,178)	N/M
Loan products[2]	1,014	499	515	103
Transaction services	1,358	1,297	61	5
Remaining products[3]	(1,821)	(118)	(1,703)	N/M
Total Corporate and Investment Bank	(1,027)	12,278	(13,305)	N/M
Private Clients and Asset Management	3,871	3,529	342	10
Corporate Investments	(172)	157	(329)	N/M
Consolidation & Adjustments	(211)	61	(272)	N/M
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**2,461**	**16,024**	**(13,563)**	**(85)**

N/M — Not meaningful

1 This breakdown reflects net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss only. For a discussion of the group divisions' total revenues by product please refer to "– *Developments within the Group Divisions*".

2 Includes the net interest spread on loans as well as the fair value changes of credit default swaps and loans designated at fair value through profit or loss.

3 Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss of origination, advisory and other products.

Corporate and Investment Bank (CIB). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss from Sales & Trading were negative € 1.6 billion in 2008, compared to positive € 10.6 billion in 2007. The main drivers for the decrease were the aforementioned mark-downs on credit-related exposures, as well as losses in Equity Derivatives and Proprietary Trading. The increase in Loan products was driven by interest income on assets transferred from Origination (Debt) to Loan Products as a result of reclassifications in accordance with the amendments to IAS 39 and mark-to-market hedge gains. The decrease of € 1.7 billion in Remaining products resulted mainly from net mark-downs on leveraged loans and loan commitments.

Private Clients and Asset Management (PCAM). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 3.9 billion in 2008, an increase of € 342 million, or 10%, compared to 2007. The main contributor to the increase was higher net interest income following the consolidation of several money market funds in the first half of 2008. Higher loan and deposit volumes from growth in PBC also contributed to the increase.

Corporate Investments (CI). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were negative € 172 million in 2008, compared to positive € 157 million in 2007, primarily reflecting mark-to-market losses from Deutsche Bank's option to increase its share in Hua Xia Bank Co. Ltd.

Provision for Credit Losses

Provision for credit losses was € 1.1 billion in 2008, up 76%, compared to € 612 million in 2007. This increase reflected net charges of € 408 million in CIB, compared to € 109 million in 2007, and a 33% increase in PCAM's provision to € 668 million, primarily in PBC. The increase in CIB included € 257 million of provisions related to loans reclassified in accordance with amendments to IAS 39 and additional provisions, mainly on European loans, reflecting the deterioration in credit conditions.

Remaining Noninterest Income

The following table sets forth data related to remaining noninterest income.

in € m. (unless stated otherwise)	2008	2007	2008 increase (decrease) from 2007 in € m.	in %
	(audited)		(unaudited)	
Commissions and fee income[1]	9,741	12,282	(2,541)	(21)
Net gains (losses) on financial assets available for sale	666	793	(127)	(16)
Net income (loss) from equity method investments	46	353	(307)	(87)
Other income	699	1,377	(678)	(49)
Total remaining noninterest income	**11,152**	**14,805**	**(3,653)**	**(25)**

1 Includes:

	2008	2007	in € m.	in %
	(audited, unless stated otherwise)		(unaudited)	
Commissions and fees from fiduciary activities:				
Commissions for administration[1]	384	427	(43)	(10)
Commissions for assets under management[1]	2,815	3,376	(561)	(17)
Commissions for other securities business[1]	215	162	53	33
Total	**3,414**	**3,965**	**(551)**	**(14)**
Commissions, broker's fees, mark-ups on securities underwriting and other securities activities:				
Underwriting and advisory fees[1]	1,341	2,515	(1,174)	(47)
Brokerage fees[1]	2,449	2,975	(526)	(18)
Total	**3,790**	**5,490**	**(1,700)**	**(31)**
Fees for other customer services	2,537	2,827	(289)	(10)
Total commissions and fee income	**9,741**	**12,282**	**(2,541)**	**(21)**

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

Commissions and fee income. Total 2008 commissions and fee income was € 9.7 billion, a decrease of € 2.5 billion, or 21%, compared with 2007. Commissions and fees from fiduciary activities decreased € 551 million compared to the prior year, mainly driven by lower performance and asset-based fees in PCAM. Underwriting and advisory fees decreased by € 1.2 billion, or 47%, and Brokerage fees by € 526 million, or 18%, mainly driven by CB&S, as business volumes decreased in line with market developments. Fees for other customer services also decreased € 289 million.

Net gains (losses) on financial assets available for sale. Total net gains on financial assets available for sale were € 666 million in 2008, down € 127 million, or 16%, compared to 2007. The 2008 result was driven mainly by net gains of € 1.3 billion from the sale of industrial holdings in CI (mainly related to reductions of Deutsche Bank's holdings in Daimler AG and Linde AG and the sale of its remaining holding in Allianz SE), partly offset by impairment charges in CIB's sales and trading areas, mainly including impairment losses of € 490 million. The 2007 result was primarily attributable to disposal gains of € 626 million related to CI's industrial holdings portfolio, of which the most significant were gains from the reduction of Deutsche Bank's stakes in Allianz SE and Linde AG, and from the disposal of its investment in Fiat S.p.A. Gains in CIB's sales and trading areas were entirely offset by impairment charges.

Net income (loss) from equity method investments. Net income from Deutsche Bank's equity method investments was € 46 million and € 353 million in 2008 and 2007, respectively. There were no significant individual items included in 2008. The key contributors in 2007 were CI, driven by a gain of € 178 million from Deutsche Bank's investment in Deutsche Interhotel Holding GmbH & Co. KG (which also triggered an impairment charge of CI's goodwill of € 54 million), and the RREEF Alternative Investments business in AM.

Other income. Total other income was € 699 million in 2008. The decrease of € 678 million compared to 2007 reflected specific items in the prior period including the sale and leaseback transaction of Deutsche Bank's premises at 60 Wall Street in 2007, and lower gains from the disposal of consolidated subsidiaries in 2008. Charges related to certain consolidated money market funds, which were offset in other revenue categories, further contributed to this development. The reduction was partly offset by higher insurance premiums, primarily from the acquisition of Abbey Life Assurance Company Limited in the fourth quarter 2007.

Noninterest Expenses

The following table sets forth information on Deutsche Bank's noninterest expenses.

in € m. (unless stated otherwise)	2008	2007	2008 increase (decrease) from 2007 in € m.	in %
	(audited)		*(unaudited)*	
Compensation and benefits	9,606	13,122	(3,516)	(27)
General and administrative expenses[1]	8,339	8,038	301	4
Policyholder benefits and claims	(252)	193	(445)	N/M
Impairment of intangible assets	585	128	457	N/M
Restructuring activities	–	(13)	13	N/M
Total noninterest expenses	**18,278**	**21,468**	**(3,190)**	**(15)**

N/M — Not meaningful

1 Includes:

	2008	2007	in € m.	in %
	(audited)		*(unaudited)*	
IT costs	1,818	1,863	(45)	(2)
Occupancy, furniture and equipment expenses	1,434	1,347	87	6
Professional service fees	1,164	1,257	(93)	(7)
Communication and data services	698	678	20	3
Travel and representation expenses	504	554	(50)	(9)
Payment, clearing and custodian services	415	436	(21)	(5)
Marketing expenses	373	411	(38)	(9)
Other expenses	1,933	1,492	441	30
Total general and administrative expenses	**8,339**	**8,038**	**301**	**4**

Compensation and benefits. The decrease of € 3.5 billion, or 27%, compared to 2007 reflected significantly lower performance-related compensation in 2008, in line with lower operating results. This was partly offset by higher severance charges in CB&S and PBC, in connection with employee reductions resulting from repositioning and efficiency programs.

General and administrative expenses. The increase of € 301 million, or 4%, compared to 2007 was due mainly to additional litigation-related charges in 2008 after net releases of provisions in the prior year, and higher expenses related to consolidated investments in AM, both reflected in Other expenses. In addition, the increase of € 441 million in Other expenses included a provision of € 98 million related to the obligation to repurchase Auction Rate Preferred ("ARP") securities / Auction Rate Securities ("ARS") at par from retail clients following a settlement in the U.S.

Policyholder benefits and claims. The credit of € 252 million in 2008, compared to a charge of € 193 million in 2007, resulted primarily from the aforementioned acquisition of Abbey Life Assurance Company Limited. These insurance-related credits were mainly offset by related net losses on financial assets/liabilities at fair value through profit or loss.

Impairment of intangible assets. Impairments in 2008 included € 310 million on DWS Scudder intangible assets and a goodwill impairment of € 270 million in a consolidated investment, both in AM. Impairment charges of € 74 million on unamortized intangible assets in AM and a goodwill impairment charge of € 54 million in CI were recorded in 2007.

Restructuring activities. There were no restructuring charges in 2008. In 2007, the Business Realignment Program was completed and remaining provisions of € 13 million were released.

Income Tax Expense

A tax benefit of € 1.8 billion was recorded in 2008, compared to income tax expenses of € 2.2 billion in 2007. The net benefit in 2008 was favorably driven by the geographic mix of income/loss, successful resolution of outstanding tax matters and a € 79 million policyholder tax credit related to the Abbey Life business. These beneficial impacts were partly offset by an increase in Deutsche Bank's unrecognized deferred tax assets through losses incurred by certain U.S. entities since the third quarter and a tax charge related to share based compensation as a result of the decline in Deutsche Bank's share price. The actual effective tax rates were 32.1% in 2008 and 25.6% in 2007.

Results of Operations by Segment

Developments of the results within Deutsche Bank's group divisions is described below.

The following table presents the results of the group divisions for the fiscal years 2008 and 2007 based on Deutsche Bank's management systems.

2008 *(audited)* in € m. (unless stated otherwise)	Corporate and Investment Bank	Private Clients and Asset Management	Corporate Invest ments	Total Management Reporting	Consoli- dation & Adjust ments	Total Consolidated
Net revenues	**3,201**	**9,041**	**1,290**	**13,532**	**82**	**13,613**
Provision for credit losses	**408**	**668**	**(1)**	**1,075**	**1**	**1,076**
Total noninterest expenses	**10,213**	**7,972**	**95**	**18,279**	**(0)**	**18,278**
therein:						
Policyholder benefits and claims	(273)	18	–	(256)	4	(252)
Impairment of intangible assets	5	580	–	585	–	585
Restructuring activities	–	–	–	–	–	–
Minority interest	**(48)**	**(20)**	**2**	**(66)**	**66**	**–**
Income (loss) before income taxes	**(7,371)**	**420**	**1,194**	**(5,756)**	**15**	**(5,741)**[1]
Cost/income ratio	N/M	88%	7%	135%	N/M	134%
Assets[2]	2,047,181	188,785	18,297	2,189,313	13,110	2,202,423
Average active equity[3]	20,262	8,315	403	28,979	3,100	32,079
Pre-tax return on average active equity[4]	(36)%	5%	N/M	(20)%	N/M	(18)%

N/M — Not meaningful

1 Includes gains from the sale of industrial holdings (Daimler AG, Allianz SE and Linde AG) of € 1,228 million and a gain from the sale of the investment in Arcor AG & Co. KG of € 97 million and an impairment of intangible assets (Asset Management) of € 572 million, which are excluded from Deutsche Bank's target definition.

2 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to "Total Consolidated".

3 For management reporting purposes goodwill and other intangible assets with indefinite lives are explicitly assigned to the respective divisions. Average active equity is first allocated to divisions according to goodwill and intangible assets; remaining average active equity is allocated to divisions in proportion to the economic capital calculated for them.

4 For the calculation of pre-tax return on average active equity please refer to Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document. For "Total consolidated", pre-tax return on average shareholders' equity is (17)%.

2007 *(audited)* in € m. (unless stated otherwise)	Corporate and Investment Bank	Private Clients and Asset Management	Corporate Investments	Total Management Reporting	Consolidation & Adjustments	Total Consolidated
Net revenues	**19,176**	**10,129**	**1,517**	**30,822**	**7**	**30,829**
Provision for credit losses	**109**	**501**	**3**	**613**	**(1)**	**612**
Total noninterest expenses	**13,886**	**7,560**	**220**	**21,667**	**(199)**	**21,468**
therein:						
Policyholder benefits and claims	116	73	–	188	5	193
Impairment of intangible assets	–	74	54	128	–	128
Restructuring activities	(4)	(9)	–	(13)	–	(13)
Minority interest	**34**	**8**	**(5)**	**37**	**(37)**	**–**
Income (loss) before income taxes	**5,147**	**2,059**	**1,299**	**8,505**	**243**	**8,749**[1]
Cost/income ratio	72%	75%	15%	70%	N/M	70%
Assets[2]	1,800,027	156,767	13,005	1,916,304	8,699	1,925,003
Average active equity[3]	20,714	8,539	473	29,725	368	30,093
Pre-tax return on average active equity[4]	25%	24%	N/M	29%	N/M	29%

N/M — Not meaningful

1 Includes gains from the sale of industrial holdings (Fiat S.p.A., Linde AG and Allianz SE) of € 514 million, income from equity method investments (Deutsche Interhotel Holding GmbH & Co. KG) of € 178 million, net of goodwill impairment charge of € 54 million, a gain from the sale of premises (sale/leaseback transaction of 60 Wall Street) of € 317 million and an impairment of intangible assets (Asset Management) of € 74 million, which are excluded from Deutsche Bank's target definition.

2 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to "Total Consolidated".

3 For management reporting purposes goodwill and other intangible assets with indefinite lives are explicitly assigned to the respective divisions. Average active equity is first allocated to divisions according to goodwill and intangible assets; remaining average active equity is allocated to divisions in proportion to the economic capital calculated for them.

4 For the calculation of pre-tax return on average active equity please refer to Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document. For "Total consolidated", pre-tax return on average shareholders' equity is 24%.

Corporate and Investment Bank Group Division

The following table shows the annual result of the Corporate and Investment Bank Group Division for the fiscal years 2008 and 2007 on the basis of the management reporting systems.

in € m. (unless stated otherwise)	2008	2007
	(audited)	
Net revenues:		
Sales & Trading (equity)	(631)	4,612
Sales & Trading (debt and other products)	116	8,401
Origination (equity)	334	860
Origination (debt)	(713)	714
Advisory	589	1,089
Loan products	1,393	1,067
Transaction services	2,774	2,585
Other products	(661)	(151)
Total net revenues	**3,201**	**19,176**
therein:		
Net interest income and net gains (losses) on financial assets/ liabilities at fair value through profit or loss	(1,027)	12,278
Provision for credit losses	**408**	**109**
Total noninterest expenses	**10,213**	**13,886**
therein:		
Policyholder benefits and claims	(273)	116
Impairment of intangible assets	5	–
Restructuring activities	–	(4)
Minority interest	**(48)**	**34**
Income (loss) before income taxes	**(7,371)**	**5,147**
Cost/income ratio	N/M	72%
Assets	2,047,181	1,800,027
Average active equity[1]	20,262	20,714
Pre-tax return on average active equity	(36)%	25%

N/M – Not meaningful

1 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

Corporate Banking & Securities Corporate Division

The following table shows the results of the Corporate Banking & Securities Corporate Division for the fiscal years 2008 and 2007 on the basis of the management reporting systems.

in € m. (unless stated otherwise)	2008	2007
	(audited, unless stated otherwise)	
Net revenues:		
Sales & Trading (equity)[1]	(631)	4,612
Sales & Trading (debt and other products)[1]	116	8,401
Origination (equity)[1]	334	860
Origination (debt)[1]	(713)	714
Advisory[1]	589	1,089
Loan products[1]	1,393	1,067
Other products[1]	(661)	(151)
Total net revenues	**428**	**16,591**
Provision for credit losses	**402**	**102**
Total noninterest expenses	**8,550**	**12,253**
therein:		
Policyholder benefits and claims	(273)	116
Impairment of intangible assets	5	–
Restructuring activities	–	(4)
Minority interest	**(48)**	**34**
Income (loss) before income taxes	**(8,476)**	**4,202**
Cost/income ratio	N/M	74%
Assets	2,011,983	1,785,876
Average active equity[2]	19,181	19,619
Pre-tax return on average active equity	(44)%	21%

N/M – Not meaningful

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

Net revenues in 2008 were € 428 million, compared to € 16.6 billion in 2007. This development reflected mark-downs on credit market related assets of € 7.5 billion, compared to € 2.3 billion in the prior year, significant losses in key Sales & Trading businesses, particularly in the fourth quarter of 2008, and lower levels of Origination and Advisory revenues.

The decline in net revenues reflected the impact on Deutsche Bank's business model of unprecedented levels of market volatility and correlation across asset classes in 2008 and, in particular, following the financial collapse of Lehman Brothers in September. In response CB&S reduced its trading exposures in Equity and Credit Proprietary Trading. The aforementioned losses more than offset significant year-on-year revenue growth in Deutsche Bank's customer-oriented money market and foreign exchange flow businesses.

Sales & Trading (debt and other products) revenues for 2008 were € 116 million, compared to € 8.4 billion in 2007. Key drivers of the decline were mark-downs of € 5.8 billion, relating to additional reserves against monoline insurers (€ 2.2 billion), further mark-downs on residential mortgage-backed securities (€ 2.1 billion) and commercial real estate loans (€ 1.1 billion), and impairment losses on available for sale positions (€ 490 million), compared to a total of € 1.6 billion in 2007. If reclassifications, in accordance with the amendments to IAS 39, had not been made, the income statement for 2008 would have included additional negative fair value adjustments of € 2.3 billion in Sales & Trading (debt and other products).

In Credit Trading, Deutsche Bank incurred further losses of € 3.2 billion, predominantly in the fourth quarter 2008, of which € 1.7 billion related to Credit Proprietary Trading. The losses in the Credit Proprietary Trading business were mainly driven by losses on long positions in the U.S. automotive sector and by falling corporate and convertible bond prices, as well as basis widening on significant other debt trading inventory versus the credit default swaps (CDS) established to hedge them. The remaining losses in the Credit Trading business were incurred across many sectors, as bonds were sold off and basis spreads widened, driven by significant market de-leveraging and low levels of liquidity. These losses were partially offset by record results in Foreign Exchange, Money Markets and Commodities, where customer activity remained strong.

Sales & Trading (equity) revenues were negative € 631 million in 2008, compared to positive € 4.6 billion in 2007. The decrease was mainly driven by losses in the Equity Derivatives and Equity Proprietary Trading businesses. In an environment characterized by severely dislocated equity markets, with unprecedented levels of volatility and very low levels of liquidity, Equity Derivatives incurred losses of € 1.4 billion, mainly in the fourth quarter. Significant increases in the levels of equity market volatility and in correlations between both individual equity securities and indices combined with the rapid downward repricing of dividend expectations negatively impacted the overall value of the structural positions Deutsche Bank held from its significant client related trading activities in the European and other equity derivatives markets. Equity Proprietary Trading losses of € 742 million were driven by market-wide de-leveraging, which drove down convertible values and widened basis risk. However, the prime brokerage business continued to attract net new securities balances and generated revenues that were marginally lower than in 2007.

Revenues of € 210 million in Origination and Advisory were € 2.5 billion below 2007. The revenue decrease was caused primarily by mark-downs of € 1.7 billion, net of recoveries, against leveraged finance loans and loan commitments, compared to € 759 million in 2007. In addition, revenues were affected by the turbulent conditions in the financial markets which led to lower issuances and new business volume compared to 2007. If reclassifications, in accordance with the amendments to IAS 39, had not been made, the income statement for the year would have included additional negative fair value adjustments from Origination and Advisory of € 1.1 billion.

Loan products revenues were € 1.4 billion, an increase of € 326 million, or 31%, compared to 2007. The increase was largely driven by mark-to-market hedge gains and interest income on assets transferred from Origination (debt) to Loan Products as a result of reclassifications in accordance with the amendments to IAS 39.

Other products revenues were negative € 661 million, a decrease of € 510 million compared to 2007. The decrease primarily resulted from mark-to-market losses on investments held to back insurance policyholder claims in Abbey Life Assurance Company Limited, which was acquired in the fourth quarter 2007. This effect was offset in noninterest expenses and had no impact on net income (loss).

The Provision for credit losses was a net charge of € 402 million in 2008, compared to a net charge of € 102 million in 2007. The increase was driven by a provision for credit losses of € 257 million related to assets which had been reclassified in accordance with the amendments to IAS 39, together with additional provisions, mainly on European loans, reflecting the deterioration in credit conditions.

Noninterest expenses decreased € 3.7 billion, or 30%, to € 8.6 billion in 2008. This decrease was primarily due to lower performance-related compensation in line with business results, as well as the aforementioned effects from Abbey Life which resulted in cost decreases of € 389 million. Savings from cost containment measures and lower staff levels were offset by higher severance charges.

The Corporate Banking & Securities Corporate Division recorded a *loss before income taxes* of € 8.5 billion in 2008, compared to income before income taxes of € 4.2 billion in 2007.

Global Transaction Banking Corporate Division

The following table shows the results of Global Transaction Banking Corporate Division (GTB) for the fiscal years 2008 and 2007 on the basis of the management reporting systems.

in € m. (unless stated otherwise)	2008	2007
	(audited, unless stated otherwise)	
Net revenues:		
Transaction services[1]	2,774	2,585
Other products[1]	–	–
Total net revenues	**2,774**	**2,585**
Provision for credit losses	**5**	**7**
Total noninterest expenses	**1,663**	**1,633**
therein:		
Restructuring activities	–	(1)
Minority interest	**–**	**–**
Income (loss) before income taxes	**1,106**	**945**
Cost/income ratio	60%	63%
Assets	49,487	32,117
Average active equity[2]	1,081	1,095
Pre-tax return on average active equity	102%	86%

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document 9 for a description of how average active equity is allocated to the divisions.

Net revenues increased by € 189 million, or 7%, to € 2.8 billion in 2008 due mainly to an improved business flow in documentary credit services and export finance solutions for clients' cross-border trade transactions in the Trade Finance business. Cash Management also generated higher revenues as a result of significantly increased transaction volumes in both the euro and U.S. dollar clearing business. Despite the market turmoil in 2008, there was a growth of 8% in deposit balances compared to December 31, 2007.

The *Provision for credit losses* was a net charge of € 5 million in 2008, compared to a net charge of € 7 million in 2007.

Noninterest expenses of € 1.7 billion in 2008 remained stable compared to 2007. Expenses related to investments, including the acquisitions of HedgeWorks LLC in the U.S. and the operating platform of Pago eTransaction Services GmbH, were mostly offset by cost containment measures, efficiency improvements and lower performance-related compensation.

Income before income tax expense increased by € 160 million, or 17%, to € 1.1 billion for the year ended December 31, 2008.

Private Clients and Asset Management Group Division

The following table shows the results of the Private Clients and Asset Management Group Division for the fiscal years 2008 and 2007 on the basis of the management reporting system.

in € m. (unless stated otherwise)	2008	2007
	(audited, unless stated otherwise)	
Net revenues:		
Portfolio/fund management	2,457	3,017
Brokerage	1,891	2,172
Loan/deposit	3,251	3,154
Payments, account & remaining financial services	1,066	1,030
Other products	376	756
Total net revenues	**9,041**	**10,129**
therein:		
Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	3,871	3,529
Provision for credit losses	**668**	**501**
Total noninterest expenses	**7,972**	**7,560**
therein:		
Policyholder benefits and claims	18	73
Impairment of intangible assets	580	74
Restructuring activities	–	(9)
Minority interest	**(20)**	**8**
Income (loss) before income taxes	**420**	**2,059**
Cost/income ratio	88%	75%
Assets	188,785	156,767
Average active equity[1]	8,315	8,539
Pre-tax return on average active equity	5%	24%
Invested assets[2] (in € bn.)	816	952

1 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

2 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F. Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

Asset and Wealth Management Corporate Division

The following table shows the results of the Asset and Wealth Management Corporate Division for the fiscal years 2008 and 2007 on the basis of the management reporting system.

in € m. (unless stated otherwise)	2008	2007
	(audited, unless stated otherwise)	
Net revenues:		
Portfolio/fund management (AM)[1]	1,840	2,351
Portfolio/fund management (PWM)[1]	361	414
Total portfolio/fund management[1]	**2,201**	**2,765**
Brokerage[1]	908	964
Loan/deposit[1]	266	223
Payments, account & remaining financial services[1]	26	22
Other products[1]	(137)	401
Total net revenues	**3,264**	**4,374**
Provision for credit losses	**15**	**1**
Total noninterest expenses	**3,794**	**3,453**
therein:		
Policyholder benefits and claims	18	73
Impairment of intangible assets	580	74
Restructuring activities	–	(8)
Minority interest	**(20)**	**7**
Income (loss) before income taxes	**(525)**	**913**
Cost/income ratio	116%	79%
Assets	50,473	39,180
Average active equity[2]	4,870	5,109
Pre-tax return on average active equity	(11)%	18%
Invested assets (in € bn.)[1][3]	628	749

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

3 Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

Net revenues were € 3.3 billion in 2008, a decrease of € 1.1 billion, or 25%, compared to 2007. Portfolio/fund management revenues in Asset Management (AM) decreased by € 510 million, or 22%, and in Private Wealth Management (PWM) by € 53 million, or 13%. Both business divisions were significantly impacted by negative market developments in 2008, especially in the fourth quarter, as well as from the strong euro. The deterioration of performance and asset-based fees reflected the sharp decline of asset valuations and the related development of assets under management, especially with regard to equity products. Brokerage revenues decreased by € 56 million, or 6%, compared to 2007, reflecting limited client activity in the challenging market environment and the impact of the stronger euro. Loan/deposit revenues were up € 43 million, or 20%, due to a significant growth of loan and deposit volumes. Revenues from Other products were negative € 137 million in 2008 compared to positive revenues of € 401 million in 2007. The negative revenues in 2008 were composed of a number of significant specific items due to the market dislocations, including mark-downs of approximately € 230 million on seed capital and other investments and injections of € 150 million into certain consolidated money market funds.

Noninterest expenses in 2008 were € 3.8 billion, an increase of € 341 million, or 10%, compared to 2007. The increase was primarily due to an impairment of € 310 million related to DWS Scudder intangible assets (compared to € 74 million in 2007) and a goodwill impairment of € 270 million in a consolidated investment, both in AM. In PWM, a provision of € 98 million was taken related to the obligation to repurchase Auction Rate Preferred ("ARP") securities/Auction Rate Securities ("ARS") at par from retail clients following a settlement in the U.S.

AWM's full year 2008 resulted in a *loss before income tax*es of € 525 million, compared to an income before income taxes of € 913 million in 2007.

Invested assets were € 628 billion at December 31, 2008, a decrease of € 121 billion compared to December 31, 2007. Asset value declines accounted for € 109 billion of this decrease. For the full year 2008, AM recorded net outflows of € 22 billion while PWM attracted net new assets of € 10 billion.

Private & Business Clients Corporate Division

The following table shows the results of the Private & Business Clients Corporate Division for the fiscal years 2008 and 2007 on the basis of the management reporting system.

in € m. (unless stated otherwise)	2008	2007
	(audited, unless stated otherwise)	
Net revenues:		
Portfolio/fund management[1]	256	252
Brokerage[1]	983	1,207
Loan/deposit[1]	2,985	2,932
Payments, account & remaining financial services[1]	1,040	1,008
Other products[1]	513	355
Total net revenues	**5,777**	**5,755**
Provision for credit losses	**653**	**501**
Total noninterest expenses	**4,178**	**4,108**
therein:		
Restructuring activities	–	(1)
Minority interest	**0**	**0**
Income (loss) before income taxes	**945**	**1,146**
Cost/income ratio	72%	71%
Assets	138,350	117,809
Average active equity[2]	3,445	3,430
Pre-tax return on average active equity	27%	33%
Invested assets[1][3] (in € bn.)	189	203
Loan volume[1] (in € bn.)	91	87
Deposit volume[1] (in € bn.)	118	96

1 Unaudited. Source: Deutsche Bank Annual Report 2009 on Form 20-F.

2 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

3 Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

Net revenues of € 5.8 billion in 2008 were essentially unchanged compared with 2007. Portfolio/fund management revenues increased by € 4 million, or 1%, driven by a successful portfolio management product campaign in the third quarter of 2008. Brokerage revenues decreased by € 224 million, or 19%, mainly reflecting low client activity in a difficult market environment. Loan/deposit revenues increased by € 53 million, or 2%, mainly driven by growth in both loan and deposit volumes, partly offset by lower margins, especially in deposit products. Payments, account & remaining financial services revenues increased by € 32 million, or 3%, mainly driven by higher revenues from the credit card business. Revenues from Other products of € 513 million in 2008 increased by € 158 million, or 44%, mainly driven by PBC's asset and liability management function, dividend income from a cooperation partner after an IPO and subsequent gains related to a business sale closed in a prior period.

Provision for credit losses increased from € 501 million in 2007 by € 152 million, or 30%, mainly reflecting the deteriorating credit conditions in Spain, higher delinquencies in Germany and Italy, as well as organic growth in Poland.

Noninterest expenses of € 4.2 billion in 2008 were € 70 million, or 2%, higher than in 2007. Higher severance and staffing costs were offset by lower performance-related compensation and tight cost management.

Income before income taxes was € 945 million in 2008, versus € 1.1 billion in 2007.

Invested assets of € 189 billion at the end of 2008 decreased by € 15 billion. Market depreciation of € 30 billion was partly offset by net new assets of € 15 billion.

The number of clients in PBC reached 14.6 million at year end 2008, an increase of approximately 800,000 net new clients, mainly in Germany, Italy and Poland.

Corporate Investments Group Division

The following table shows the results of the Corporate Investments Group Division for the fiscal years 2008 and 2007 on the basis of Deutsche Bank's management reporting system.

in € m. (unless stated otherwise)	2008	2007
	(audited)	
Net revenues	**1,290**	**1,517**
therein:		
Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	(172)	157
Provision for credit losses	**(1)**	**3**
Total noninterest expenses	**95**	**220**
therein:		
Impairment of intangible assets	–	54
Restructuring activities	–	(0)
Minority interest	**2**	**(5)**
Income (loss) before income taxes	**1,194**	**1,299**
Cost/income ratio	7%	15%
Assets	18,297	13,005
Average active equity[1]	403	473
Pre-tax return on average active equity	N/M	N/M

N/M — Not meaningful

1 See Note 4 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for a description of how average active equity is allocated to the divisions.

Net revenues were € 1.3 billion in 2008, a decrease of € 227 million compared to 2007. Net revenues in 2008 included net gains of € 1.3 billion from the sale of industrial holdings (mainly related to Daimler AG, Allianz SE and Linde AG), a gain of € 96 million from the disposal of Deutsche Bank's investment in Arcor AG & Co. KG, dividend income of € 114 million, as well as mark-downs, including the impact from Deutsche Bank's option to increase its share in Hua Xia Bank Co. Ltd.

Net revenues in 2007 included net gains of € 626 million from selling some of Deutsche Bank's industrial holdings (mainly Allianz SE, Linde AG and Fiat S.p.A.), a gain of € 178 million from Deutsche Bank's equity method investment in Deutsche Interhotel Holding GmbH & Co. KG (which also triggered an impairment charge of € 54 million of CI's goodwill), dividend income of € 141 million and mark-ups from Deutsche Bank's option to increase its share in Hua Xia Bank Co. Ltd. In addition, net revenues included a gain of € 313 million from the sale and leaseback transaction of Deutsche Bank's premises at 60 Wall Street.

Total *Noninterest expenses* were € 95 million in 2008, a decrease of € 126 million compared to 2007. This decrease was mainly the result of lower costs from consolidated investments in 2008 and the aforementioned goodwill impairment charge in 2007.

Income before income taxes was € 1.2 billion in 2008, versus € 1.3 billion in 2007.

At year end 2008, the alternative assets portfolio of CI had a carrying value of € 434 million (down 31% compared to 2007), of which 72% was attributable to real estate investments, 23% was to private equity direct investments and 5% was to private equity indirect and other investments. This compares to a carrying value of € 631 million at year end 2007.

Significant Accounting Policies and Critical Accounting Estimates

The Bank's significant accounting policies are essential to understanding Deutsche Bank's reported results of operations and financial condition. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from

period to period and have a material impact on the financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. Actual results may differ from these estimates if conditions or underlying circumstances were to change. See the section "*Basis of Preparation*" in the notes to Deutsche Bank's consolidated interim financial statements for the three months ended March 31, 2010 and Notes 1 and 2 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009, which are included in the "*Financial Statements*" section of this Registration Document for a discussion on Deutsche Bank's significant accounting policies and critical accounting estimates.

The Deutsche Bank Group has identified the following significant accounting policies that involve critical accounting estimates:

- Fair value estimates
- Impairment of financial assets
- Impairment of non-financial assets
- Deferred tax-assets
- Legal and regulatory contingencies and tax risks

Recently Adopted Accounting Pronouncements and New Accounting Pronouncements

For a discussion of Deutsche Bank's recently adopted and new accounting pronouncements, see the section "*Impact of Changes in Accounting Principles*" in the notes to Deutsche Bank's consolidated interim financial statements for the three months ended March 31, 2010 and Note 3 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009, which are included in the "*Financial Statements*" section of this Registration Document.

Special Purpose Entities

Deutsche Bank engages in various business activities with certain entities, referred to as special purpose entities (SPEs), which are designed to achieve a specific business purpose. The principal uses of SPEs are to provide clients with access to specific portfolios of assets and risk and to provide market liquidity for clients through securitizing financial assets. SPEs may be established as corporations, trusts or partnerships.

Deutsche Bank may or may not consolidate SPEs that it has set up or sponsored or with which Deutsche Bank has a contractual relationship. Deutsche Bank will consolidate an SPE when it has the power to govern its financial and operating policies, generally accompanying a shareholding, either directly or indirectly, of more than half the voting rights. If the activities of the SPEs are narrowly defined or it is not evident who controls the financial and operating policies of the SPE Deutsche Bank will consider other factors to determine whether it has the majority of the risks and rewards. Deutsche Bank reassess its treatment of SPEs for consolidation when there is a change in the SPE's arrangements or the substance of the relationship between Deutsche Bank and an SPE changes. For further detail on Deutsche Bank's accounting policies regarding consolidation and reassessment of consolidation of SPEs please refer to Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document.

In limited situations Deutsche Bank consolidates some SPEs for both financial reporting and German regulatory purposes. However, in all other cases it holds regulatory capital, as appropriate, against all SPE-related transactions and related exposures, such as derivative transactions and lending-related commitments and guarantees. To date, Deutsche Bank's exposures to non-consolidated SPEs have not had a material impact on its debt covenants, capital ratios, credit ratings or dividends.

The following sections provide detail about the assets (after consolidation eliminations) in Deutsche Bank's consolidated SPEs and its maximum unfunded exposure remaining to certain non-consolidated SPEs. These sections should be read in conjunction with the sections *"— Results of Operations — Comparison of the Three-month Periods ended March 31, 2010 and 2009 — Segments Results of Operations — Corporate and Investment Bank Group Division (CIB) — Update on Key Credit Market Exposures"* and *"— Results of Operations — Comparison of the Fiscal Years ended December 31, 2009 and 2008 — Results of Operations by Segment — Corporate and Investment Bank Group Division — Update on Key Credit Market Exposures"*.

Total Assets in Consolidated SPEs

March 31, 2010 *(unaudited)*

in € m.	Financial assets at fair value through profit or loss[1]	Financial assets available for sale	Loans	Cash and cash equivalents	Other assets	Total assets
	Asset type					
Category:						
Group sponsored ABCP conduits	11	317	14,639	–	31	14,998
Group sponsored securitizations	3,537	–	1,180	4	58	4,779
Third party sponsored securitizations	200	–	504	4	76	784
Repackaging and investment products	6,205	2,071	36	877	615	9,804
Mutual funds	6,520	195	–	732	61	7,508
Structured transactions	2,588	104	5,213	56	497	8,458
Operating entities	1,650	3,429	2,000	515	2,861	10,455
Other	327	308	619	58	599	1,911
Total	**21,038**	**6,424**	**24,191**	**2,246**	**4,798**	**58,697**

Source: Deutsche Bank Interim Report as of March 31, 2010

1 Fair value of derivative positions was € 257 million.

December 31, 2009 *(unaudited)*

in € m.	Financial assets at fair value through profit or loss(1)	Financial assets available for sale	Loans(2)	Cash and cash equivalents	Other assets	Total assets
	Asset type					
Category:						
Group sponsored ABCP conduits(2)	30	279	15,222	–	33	15,564
Group sponsored securitizations(2)	3,409	–	1,175	4	57	4,645
Third party sponsored securitizations	200	–	516	3	73	792
Repackaging and investment products	5,789	1,973	36	661	557	9,016
Mutual funds	5,163	–	–	1,313	35	6,511
Structured transactions	2,531	108	5,207	26	423	8,295
Operating entities(2)	1,603	3,319	1,898	501	2,416	9,737
Other	610	240	786	59	453	2,148
Total	**19,335**	**5,919**	**24,840**	**2,567**	**4,047**	**56,708**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 Fair value of derivative positions is € 250 million.

2 Certain positions have been reclassified from trading and available for sale into loans in accordance with IAS 39, "Reclassification of Financial Assets" which became effective on July 1, 2008. For an explanation of the impact of the reclassification please see Note 12 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document, and the section "*— Results of Operations — Comparison of the Fiscal Years ended December 31, 2009 and 2008 — Results of Operations by Segment — Corporate Banking & Securities Corporate Division — Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets"*."

December 31, 2008 *(unaudited)*						Asset type
in € m.	Financial assets at fair value through profit or loss[1]	Financial assets available for sale	Loans[2]	Cash and cash equivalents	Other assets	Total assets
Category:						
Group sponsored ABCP conduits	–	30	24,523	6	132	24,691
Group sponsored securitizations[2]	8,447	–	1,324	41	307	10,119
Third party sponsored securitizations	546	–	533	1	148	1,228
Repackaging and investment products	9,012	1,847	101	935	2,224	14,119
Mutual funds	7,005	–	–	3,328	45	10,378
Structured transactions	3,327	202	5,066	22	416	9,033
Operating entities[2]	1,810	3,497	1,986	600	1,472	9,365
Other	415	307	926	485	839	2,972
Total	**30,562**	**5,883**	**34,459**	**5,418**	**5,583**	**81,905**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 Fair value of derivative positions is € 391 million.

2 Certain positions have been reclassified from trading and available for sale into loans in accordance with IAS 39, "Reclassification of Financial Assets" which became effective on July 1, 2008. For an explanation of the impact of the reclassification please see Note 12 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document.

Group Sponsored ABCP Conduits

Deutsche Bank sets up, sponsors and administers its own asset-backed commercial paper (ABCP) programs. These programs provide its customers with access to liquidity in the commercial paper market and create investment products for its clients. As an administrative agent for the commercial paper programs, Deutsche Bank facilitates the purchase of non-Deutsche Bank Group loans, securities and other receivables by the commercial paper conduit (conduit), which then issues to the market high-grade, short-term commercial paper, collateralized by the underlying assets, to fund the purchase. The conduits require sufficient collateral, credit enhancements and liquidity support to maintain an investment grade rating for the commercial paper. Deutsche Bank is the liquidity provider to these conduits and therefore exposed to changes in the carrying value of their assets. Deutsche Bank consolidates the majority of its sponsored conduit programs because it has the controlling interest.

Deutsche Bank's liquidity exposure to these conduits is to the entire commercial paper issued of € 16.2 billion and € 25.2 billion as of December 31, 2009 and December 31, 2008, of which it held € 8.2 billion and € 5.1 billion, respectively.

The collateral in the conduits includes a range of asset-backed loans and securities, including aircraft leasing, student loans, trust preferred securities and residential and commercial-mortgage-backed securities. The collateral in the conduits decreased € 9.1 billion from December 31, 2008 to December 31, 2009. This movement was predominantly due to the maturity of liquidity facilities.

Group Sponsored Securitizations

Deutsche Bank sponsors SPEs for which it originates or purchases assets. These assets are predominantly commercial and residential whole loans or mortgage-backed securities. The SPEs fund these purchases by issuing multiple tranches of securities, the repayment of which is linked to the performance of the assets in the SPE. When Deutsche Bank retains a subordinated interest in the assets that have been securitized, an assessment of the relevant factors is performed and, if SPEs are controlled by Deutsche Bank, they are consolidated. The fair value of Deutsche Bank's retained exposure in these securitizations as of December 31, 2009 and December 31, 2008 was € 3.0 billion and € 4.4 billion, respectively. During 2009 Deutsche Bank actively sold the subordinated interests held in these SPEs, which resulted in the deconsolidation of the SPEs and a reduction in Deutsche Bank's consolidated assets.

Third Party Sponsored Securitizations

In connection with its securities trading and underwriting activities, Deutsche Bank acquires securities issued by third party securitization vehicles that purchase diversified pools of commercial and residential whole loans or mortgage-backed securities. The vehicles fund these purchases by issuing multiple tranches of securities, the repayment of which is linked to the performance of the assets in the vehicles. When Deutsche Bank holds a subordinated interest in the SPE, an assessment of the relevant factors is performed and if SPEs are controlled

by Deutsche Bank, they are consolidated. As of December 31, 2009 and December 31, 2008 the fair value of Deutsche Bank's retained exposure in these securitizations was € 0.7 billion and € 0.8 billion, respectively.

Repackaging and Investment Products

Repackaging is a similar concept to securitization. The primary difference is that the components of the repackaging SPE are generally securities and derivatives, rather than non-security financial assets, which are then "repackaged" into a different product to meet specific individual investor needs. Deutsche Bank consolidates these SPEs when it has the majority of risks and rewards. Investment products offer clients the ability to become exposed to specific portfolios of assets and risks through purchasing Deutsche Bank's structured notes. Deutsche Bank hedges this exposure by purchasing interests in SPEs that match the return specified in the notes. Deutsche Bank consolidates the SPEs when Deutsche Bank holds the controlling interest or has the majority of risks and rewards. In 2009, consolidated assets decreased by € 4.0 billion due to the deconsolidation of certain SPEs, and a further reduction of € 1.1 billion occurred due to the reclassification of Maher Terminals LLC and Maher Terminals of Canada Corp to the Operating Entities category.

Mutual Funds

Deutsche Bank offers clients mutual fund and mutual fund-related products which pay returns linked to the performance of the assets held in the funds. Deutsche Bank provides a guarantee feature to certain funds in which it guarantees certain levels of the net asset value to be returned to investors at certain dates. The risk for Deutsche Bank as guarantor is that it has to compensate the investors if the market values of such products at their respective guarantee dates are lower than the guaranteed levels. For Deutsche Bank's investment management service in relation to such products, Deutsche Bank earns management fees and, on occasion, performance-based fees. Though Deutsche Bank is not contractually obliged to support these funds, it makes a decision, in a number of cases in which actual yields were lower than originally projected (although above any guaranteed thresholds), to support the funds' target yields by injecting cash of € 16 million in 2009 and € 207 million in 2008.

During 2009 the amount of assets held in consolidated funds decreased by € 3.9 billion. This movement was predominantly due to cash outflows during the period and the deconsolidation of two funds due to the termination of the guarantee.

Structured Transactions

Deutsche Bank enters into certain structures which offer clients funding opportunities at favorable rates. The funding is predominantly provided on a collateralized basis. These structures are individually tailored to the needs of Deutsche Bank's clients. Deutsche Bank consolidates these SPEs when it holds the controlling interest or it has the majority of the risks and rewards through a residual interest holding and/or a related liquidity facility. The composition of the SPEs that Deutsche Bank consolidates is influenced by the execution of new transactions and the maturing, restructuring and exercise of early termination options with respect to existing transactions.

Operating Entities

Deutsche Bank establishes SPEs to conduct some of its operating business when it benefits from the use of an SPE. These include direct holdings in certain proprietary investments and the issuance of credit default swaps where Deutsche Bank's exposure has been limited to its investment in the SPE. Deutsche Bank consolidates these entities when it holds the controlling interest or is exposed to the majority of risks and rewards of the SPE. Included within the Total assets of the exposure detailed in the table is € 1.1 billion of U.S. real estate taken upon the foreclosure of a loan and € 1.1 billion due to the reclassification of Maher Terminals LLC and Maher Terminals of Canada Corp from the Repackaging and Investment Products category.

Exposure to Non-consolidated SPEs

Maximum unfunded exposure remaining in € bn.	**March 31, 2010**	**December 31, 2009**	**December 31, 2008**
		(unaudited)	
Category:			
Group sponsored ABCP conduits	2.9	2.7	3.3
Third party ABCP conduits	2.5	2.5	2.1
Third party sponsored securitizations			
U.S.	3.5	3.9	5.3
non-U.S.	1.0[(1)]	2.5	4.0
Guaranteed mutual funds	11.6	12.4	10.9
Real estate leasing funds	0.8	0.8	0.8

Source: Deutsche Bank Interim Report as of March 31, 2010, Deutsche Bank Annual Report 2009 on Form 20-F
1 Decrease during first quarter 2010 due to the unwinding of a loan commitment.

Group Sponsored ABCP Conduits

Deutsche Bank sponsors and administers five ABCP conduits, established in Australia, which are not consolidated because Deutsche Bank does not hold the majority of risks and rewards. These conduits provide Deutsche Bank's clients with access to liquidity in the commercial paper market in Australia. As of December 31, 2009 and December 31, 2008 they had assets totaling € 2.3 billion and € 2.8 billion respectively, consisting of securities backed by non-U.S. residential mortgages issued by warehouse SPEs set up by the clients to facilitate the purchase of the assets by the conduits. The minimum credit rating for these securities is AA–. The credit enhancement necessary to achieve the required credit ratings is ordinarily provided by mortgage insurance extended by third-party insurers to the SPEs.

The weighted average life of the assets held in the conduits is five years. The average life of the commercial paper issued by these off-balance sheet conduits is one to three months.

Deutsche Bank's exposure to these entities is limited to the committed liquidity facilities totaling € 2.7 billion as of December 31, 2009 and € 3.3 billion as of December 31, 2008. Deutsche Bank reduced the lines of credit available to the entities in 2009, which resulted in a decline in commercial paper issued by the conduits and the amount of assets held. None of these liquidity facilities have been drawn. Advances against the liquidity facilities are collateralized by the underlying assets held in the conduits, and thus a drawn facility will be exposed to volatility in the value of the underlying assets. Should the assets decline sufficiently in value, there may not be sufficient funds to repay the advance. As at December 31, 2009 Deutsche Bank did not hold material amounts of commercial paper or notes issued by these conduits.

Third Party ABCP Conduits

In addition to sponsoring Deutsche Bank's commercial paper programs, Deutsche Bank also assists third parties with the formation and ongoing risk management of their commercial paper programs. Deutsche Bank does not consolidate any third party ABCP conduits as it does not control them.

Deutsche Bank's assistance to third party conduits is primarily financing-related in the form of unfunded committed liquidity facilities and unfunded committed repurchase agreements in the event of disruption in the commercial paper market. The liquidity facilities and committed repurchase agreements are recorded off-balance sheet unless a contingent payment is deemed probable and estimable, in which case a liability is recorded. At December 31, 2009 and 2008, the notional amount of undrawn facilities provided by Deutsche Bank was € 2.5 billion and € 2.1 billion, respectively. These facilities are collateralized by the assets in the SPEs and therefore the movement in the fair value of these assets will affect the recoverability of the amount drawn.

In 2008 certain Canadian asset backed commercial paper conduits that had experienced liquidity problems were restructured pursuant to a plan of compromise and arrangement under the Companies' Creditors Arrangement Act (Canada). The restructuring was completed on January 21, 2009. Under the terms of the restructuring Deutsche Bank has provided margin facilities of € 1.6 billion. As at December 31, 2009 there have been no draw downs on this facility.

Third Party Sponsored Securitizations

The third party securitization vehicles to which Deutsche Bank, and in some instances other parties, provide financing are third party-managed investment vehicles that purchase diversified pools of assets, including fixed income securities, corporate loans, asset-backed securities (predominantly commercial mortgage-backed

securities, residential mortgage-backed securities and credit card receivables) and film rights receivables. The vehicles fund these purchases by issuing multiple tranches of debt and equity securities, the repayment of which is linked to the performance of the assets in the vehicles.

The notional amount of liquidity facilities with an undrawn component provided by Deutsche Bank as of December 31, 2009 and December 31, 2008 was € 11.1 billion and € 20.1 billion, respectively, of which € 4.7 billion and € 10.8 billion had been drawn and € 6.4 billion and € 9.3 billion were still available to be drawn as detailed in the table. The reduction in the total notional was largely due to maturing facilities. All facilities are available to be drawn if the assets meet certain eligibility criteria and performance triggers are not reached. These facilities are collateralized by the assets in the SPEs and therefore the movement in the fair value of these assets affects the recoverability of the amount drawn.

Mutual Funds

Deutsche Bank provides guarantees to funds whereby it guarantees certain levels of the net asset value to be returned to investors at certain dates. These guarantees do not result in its consolidating the funds; they are recorded on-balance sheet as derivatives at fair value with changes in fair value recorded in the consolidated statement of income. The fair value of the guarantees was € 2.5 million as of December 31, 2009 and € 13.2 million as of December 31, 2008. As of December 31, 2009, these non-consolidated funds had € 13.7 billion assets under management and provided guarantees of € 12.4 billion. As of December 31, 2008, assets of € 11.8 billion and guarantees of € 10.9 billion were reported.

Real Estate Leasing Funds

Deutsche Bank provides guarantees to SPEs that hold real estate assets (commercial and residential land and buildings and infrastructure assets located in Germany) that are financed by third parties and leased to its clients. These guarantees are only drawn upon in the event that the asset is destroyed and the insurance company does not pay for the loss. If the guarantee is drawn Deutsche Bank holds a claim against the insurance company. Deutsche Bank also writes put options to closed-end real estate funds set up by Deutsche Bank, which purchase commercial or infrastructure assets located in Germany and which are then leased to third parties. The put option allows the shareholders to sell the asset to Deutsche Bank at a fixed price at the end of the lease. As at December 31, 2009 and December 31, 2008 the notional amount of the guarantees was € 525 million and € 535 million respectively, and the notional of the put options was € 246 million and € 222 million respectively. The guarantees and the put options have an immaterial fair value. Deutsche Bank does not consolidate these SPEs as it does not hold the majority of their risks and rewards.

Relationships with other Non-consolidated SPEs

Group Sponsored Securitizations

During 2008 Deutsche Bank entered into transactions with SPEs to derecognize € 10.4 billion of U.S. leveraged loans and commercial real estate loans that were held at fair value through profit or loss. In the fourth quarter of 2008 market value default events were triggered with respect to two SPEs. This resulted in third party equity holders consenting to invest additional equity of € 0.7 billion to rectify the default. As of December 31, 2008 € 0.5 billion of the additional equity was contributed to one SPE. The outstanding contribution of € 0.2 billion due from one equity holder was remitted in the first quarter of 2009. No further default events have been triggered in 2009.

Overview of Contractual Obligations

The table below shows the cash payment requirements from contractual obligations outstanding as of December 31, 2009.

Contractual obligations *(unaudited)* in € m.	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations	131,782	18,895	37,599	29,299	45,989
Trust preferred securities	10,577	746	2,905	1,087	5,839
Long-term financial liabilities designated at fair value through profit or loss[(1)]	16,666	4,348	3,851	2,774	5,693
Finance lease obligations	275	25	46	60	144
Operating lease obligations	5,126	728	1,160	886	2,352
Purchase obligations	2,364	560	1,300	341	163
Long-term deposits	33,415	–	14,902	6,573	11,940
Other long-term liabilities	7,256	481	327	993	5,455
Total	**207,461**	**25,783**	**62,090**	**42,013**	**77,575**

Source: Deutsche Bank Annual Report 2009 on Form 20-F

1 Mainly long-term debt and long-term deposits designated at fair value through profit or loss.

Figures above do not include the benefit of noncancelable sublease rentals of € 255 million on operating leases. Purchase obligations for goods and services include future payments for, among other things, processing, information technology and custodian services. Some figures above for purchase obligations represent minimum contractual payments and actual future payments may be higher. Long-term deposits exclude contracts with a remaining maturity of less than one year. Under certain conditions future payments for some long-term financial liabilities designated at fair value through profit or loss may occur earlier. See the following notes to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the "*Financial Statements*" section of this Registration Document for further information: Note 11 regarding financial liabilities at fair value through profit or loss, Note 22 regarding lease obligations, Note 26 regarding deposits and Note 29 regarding long-term debt and trust preferred securities.

Financial Position

Comparison of Deutsche Bank's Financial Position as of March 31, 2010 and December 31, 2009

The following table shows information on Deutsche Bank's financial position as of March 31, 2010 and December 31, 2009 based on Deutsche Bank's consolidated interim financial statements as of March 31, 2010 (with comparative figures as of December 31, 2009).

in € m.	March 31, 2010	December 31, 2009
	(reviewed, unless stated otherwise)	
Cash and due from banks	10,010	9,346
Interest-earning deposits with banks	59,985	47,233
Central bank funds sold, securities purchased under resale agreements and securities borrowed	58,517	50,329
Trading assets	262,886	234,910
Positive market values from derivative financial instruments	619,633	596,410
Financial assets designated at fair value through profit or loss	151,647	134,000
Loans	266,835	258,105
Brokerage and securities related receivables	144,658	93,452
Remaining assets[1]	96,271	76,879
Total assets	**1,670,442**	**1,500,664**
Deposits	366,040	344,220
Central bank funds purchased, securities sold under repurchase agreements and securities loaned	56,064	51,059
Trading liabilities	78,742	64,501
Negative market values from derivative financial instruments	607,736	576,973
Financial liabilities designated at fair value through profit or loss	105,808	73,522
Other short-term borrowings	43,993	42,897
Long-term debt	143,687	131,782
Brokerage and securities related payables	153,736	110,797
Remaining liabilities[1]	74,452	66,944
Total liabilities	**1,630,258**	**1,462,695**
Total equity	**40,184**	**37,969**

1 Unaudited. Source: Deutsche Bank Interim Report as of March 31, 2010.

Assets and Liabilities

As of March 31, 2010, total assets of Deutsche Bank Group were € 1,670 billion. The increase of € 170 billion, or 11%, compared to December 31, 2009, was primarily driven by FX effects, brokerage and securities related receivables and the consolidation of Sal. Oppenheim. Total liabilities were up by € 168 billion to € 1,630 billion.

The shift in foreign exchange rates and in particular between the U.S. dollar and the euro contributed more than 25% to the overall increase of Deutsche Bank's balance sheet during the first three months of 2010.

Brokerage and securities related receivables and payables were up € 51 billion and € 43 billion, respectively, compared to December 31, 2009. Both increases included higher volumes of unsettled regular way trades, resulting from increased market activity.

Trading assets and trading liabilities were higher by € 28 billion and € 14 billion, respectively. Positive and negative market values from derivative financial instruments were up by € 23 billion and € 31 billion, respectively, predominantly driven by FX effects. Financial positions designated at fair value through profit or loss were up € 18 billion in assets and up € 32 billion in liabilities, both mainly from securities purchased under resale agreements and securities sold under repurchase agreements respectively.

Interest earning deposits with banks were up € 13 billion versus December 31, 2009. Loans increased € 9 billion to € 267 billion, partly due to FX effects as well as the consolidation of Sal. Oppenheim. Deposits were up € 22 billion, also driven by the consolidation of Sal. Oppenheim as well as by an increase of deposits from banks in CB&S. Long-term debt was € 144 billion as of March 31, 2010, up € 12 billion compared to December 31, 2009.

Fair Value Hierarchy — Valuation Techniques with Unobservable Parameters

Financial instruments carried at fair value are categorized under the three levels of the IFRS fair value hierarchy depending upon whether their values were determined based upon quoted prices in an active market

("Level 1"), valuation techniques with observable parameters ("Level 2") or valuation techniques with one or more significant unobservable parameters ("Level 3"). Level 3 assets include complex OTC derivatives, illiquid loans and certain structured bonds.

Total Level 3 assets were € 56 billion as of March 31, 2010, which was equivalent to 5% of total fair value assets (versus € 58 billion, or 6%, as of December 31, 2009). The decrease in Level 3 assets of € 2 billion during the three months ended March 31, 2010 was mainly attributable to reclassifications into Level 2 due to increased liquidity and improved observability of input parameters.

Total Level 3 liabilities were € 19 billion as of March 31, 2010 which was equivalent to 2% of total fair value liabilities (versus € 18 billion, or 3%, as of December 31, 2009).

Equity

As of March 31, 2010, total equity was € 40.2 billion, an increase of € 2.2 billion, or 6%, compared to € 38.0 billion as of December 31, 2009. The main factors contributing to this development were net income attributable to Deutsche Bank shareholders of € 1.8 billion and net gains of € 977 million not recognized in the income statement, partly offset by net decreases of € 337 million in share awards. The aforementioned net gains not recognized in the income statement were mainly driven by positive effects from exchange rate changes of € 680 million (especially in the U.S. dollar) and by net unrealized gains of € 288 million on financial assets available for sale.

Regulatory Capital

The Bank's Tier 1 capital ratio was 11.2% at the end of the first quarter 2010, down from 12.6% at the end of the fourth quarter 2009, but well above Deutsche Bank's published target of 10%. This decrease is driven primarily by the acquisition of Sal. Oppenheim, which contributed € 17 billion to the quarter-on-quarter growth in risk-weighted assets and a reduction of € 1.3 billion in Deutsche Bank's Tier 1 capital, resulting in a 117 basis point reduction in Deutsche Bank's Tier 1 capital ratio. Moreover, a change in the regulatory reporting of certain securitization positions in the trading book led to an additional Tier 1 capital deduction of € 1.4 billion (and a corresponding deduction in Tier 2 capital), translating into a decrease of 49 basis points in Deutsche Bank's Tier 1 capital ratio. The core Tier 1 ratio, which excludes hybrids, was 7.5% at the end of the quarter, down from 8.7% at the year end. Tier 1 capital at the end of the first quarter 2010 was € 32.8 billion, € 1.6 billion lower than at the end of the fourth quarter 2009, reflecting the above mentioned Tier 1 capital deductions as well as capital formation through net income of € 1.8 billion. Risk-weighted assets were € 292 billion at the end of the first quarter 2010, € 19 billion higher than at the end of the fourth quarter 2009. This increase principally reflected the above mentioned consolidation of Sal. Oppenheim.

Comparison of Fiscal Years ended December 31, 2009 and 2008

The following table shows information on Deutsche Bank's financial position as of December 31, 2009 and 2008, based on Deutsche Bank's consolidated financial statements for the fiscal year ended December 31, 2009.

	December 31,	
in € m.	**2009**	**2008**
	(audited)	
Cash and due from banks	9,346	9,826
Interest-earning time deposits with banks	47,233	64,739
Central bank funds sold, securities purchased under resale agreements and securities borrowed	50,329	44,289
Trading assets	234,910	247,462
Positive market values from derivative financial instruments	596,410	1,224,493
Financial assets designated at fair value through profit or loss	134,000	151,856
Loans	258,105	269,281
Brokerage and securities related receivables	93,453	104,058
Remaining assets	76,878	86,419
Total assets	**1,500,664**	**2,202,423**
Deposits	344,220	395,553
Central bank funds purchased, securities sold under repurchase agreements and securities loaned	51,059	90,333
Trading liabilities	64,501	68,168
Negative market values from derivative financial instruments	576,973	1,181,617
Financial liabilities designated at fair value through profit or loss	73,522	78,003
Other short-term borrowings	42,897	39,115
Long-term debt	131,782	133,856
Brokerage and securities related payables	110,797	111,467
Remaining liabilities	67,366	72,397
Total liabilities	**1,462,695**	**2,170,509**
Total equity	**37,969**	**31,914**

Assets and Liabilities

Deutsche Bank Group's total assets as of December 31, 2009 were € 1,501 billion, a decrease of € 702 billion, or 32%, versus December 31, 2008 (€ 2,202 billion). Total liabilities were € 1,463 billion as of December 31, 2009, € 708 billion, or 33%, lower than on December 31, 2008 (€ 2,171 billion).

The development of both assets and liabilities during 2009 was only slightly affected by the shift in foreign exchange rates between the U.S. dollar and the euro: While in the first quarter of 2009 the weakening of the euro led to higher euro equivalents for the U.S. dollar denominated assets and liabilities, the strengthening of the euro in the second and third quarters of 2009 more than reversed this development. The weakening of the euro in the fourth quarter of 2009 subsequently led to a significant reduction of the overall impact of the foreign exchange rate development of the U.S. dollar against the euro for the full year.

The primary driver for the decrease in total assets and total liabilities compared to December 31, 2008 was a significant reduction of Deutsche Bank's positive and negative market values from derivatives, which decreased € 628 billion and € 605 billion, respectively. This reduction was primarily attributable to Deutsche Bank's rates, credit trading and FX businesses, mainly driven by rising interest rate curves and exposure reduction activities as well as tightening credit spreads during 2009. The € 51 billion decrease in deposits, which was almost equally split between bank and non-bank counterparts, also contributed to the reduction of Deutsche Bank's total liabilities.

The aforementioned movements were accompanied by decreases in most other balance sheet categories, primarily reflecting Deutsche Bank's activities to reduce the size of its balance sheet.

Equity

As of December 31, 2009, total equity was € 38.0 billion, an increase of € 6.1 billion, or 19%, compared to € 31.9 billion as of December 31, 2008. The main factors contributing to this development were net income attributable to Deutsche Bank shareholders of € 5.0 billion, a net decrease of € 1.1 billion in net losses not

recognized in the income statement, a capital increase of € 958 million from the issuance of 50 million new shares in March 2009 related to the acquisition of a minority interest in Deutsche Postbank AG, and a net decrease of € 892 million of common shares held in treasury which are deducted from equity. These positive factors were partly offset by net decreases of € 688 million in share awards, actuarial losses related to defined benefit plans, net of tax, of € 679 million, and cash dividends declared and paid of € 309 million.

The aforementioned significant decrease in net losses not recognized in the income statement was mainly driven by a reduction of € 761 million in unrealized net losses on financial assets available for sale. The negative balance of € 121 million as of December 31, 2009 included net losses of € 831 million from debt securities in Group-sponsored asset-backed commercial paper ("ABCP") conduits which were reclassified out of financial assets available for sale to the loans category as of July 1, 2008, following the amendments to IAS 39. These unrealized losses, which occurred prior to the reclassification date, are amortized through profit or loss until maturity of the assets based on the effective interest rate method. If a reclassified asset becomes impaired the amount recorded in shareholders' equity relating to the impaired asset is released to the income statement at the impairment date.

Regulatory Capital

Total regulatory capital (Tier 1 and 2 capital) reported under Basel II, was € 37.9 billion at the end of 2009 compared to € 37.4 billion reported at the end of 2008. While Tier 1 capital increased by € 3.3 billion, Tier 2 capital declined by € 2.8 billion. Both Tier 1 and Tier 2 capital reduced by € 2.6 billion each as a result of the increase of Basel-II-related deduction items which contained the deduction of the minority investment in Deutsche Postbank AG. It was offset in Tier 1 capital by the net income attributable to Deutsche Bank share-holders of € 5.0 billion. The remaining decline in Tier 2 was largely the result of the redemption of € 873 million in long-term subordinated liabilities.

Comparison of Fiscal Years ended December 31, 2008 and 2007

The table below shows information on Deutsche Bank's financial position as of December 31, 2008 and 2007, based on Deutsche Bank's consolidated financial statements for the fiscal year ended December 31, 2008.

	December 31,	
in € m.	**2008**	**2007**
	(audited)	
Cash and due from banks	9,826	8,632
Interest-earning time deposits with banks	64,739	21,615
Central bank funds sold, securities purchased under resale agreements, securities borrowed	44,289	69,558
Trading assets	247,462	553,920
Positive market values from derivative financial instruments	1,224,493	506,967
Financial assets at fair value through profit or loss[1]	151,856	317,124
Loans	269,281	198,892
Brokerage and securities related receivables	104,058	151,159
Other assets	86,419	97,136
Total assets	**2,202,423**	**1,925,003**
Deposits	395,553	457,946
Central bank funds purchased, securities sold under resale agreements, securities loaned	90,333	188,306
Trading liabilities	68,168	107,055
Negative market values from derivative financial instruments	1,181,617	512,436
Financial liabilities at fair value through profit or loss[2]	78,003	240,798
Other short-term borrowings	39,115	53,410
Long-term debt	133,856	126,703
Brokerage and securities related payables	111,467	128,408
Other liabilities	72,397	70,626
Total liabilities	**2,170,509**	**1,885,688**
Total equity	**31,914**	**39,315**

Assets and Liabilities

The total assets as of December 31, 2008 were € 2,202 billion, an increase of € 277 billion, or 14%, versus December 31, 2007 (€ 1,925 billion). Total liabilities were € 2,171 billion as of December 31, 2008, € 285 billion, or 15%, higher than on December 31, 2007 (€ 1,886 billion). Total assets and liabilities as of December 31, 2007 have been revised to be consistent with current presentation.

The development of both assets and liabilities during 2008 was significantly impacted by the shift in foreign exchange rates between the U.S. dollar and the Euro. In the first half of 2008 the strengthening of the Euro led to lower Euro equivalents for the U.S. dollar denominated assets and liabilities. The weakening of the Euro since the third quarter of 2008 largely inverted this development, so that the balance sheet development in the full year 2008 was only slightly affected by foreign exchange movements.

The primary drivers for the increase in both total assets and total liabilities compared to December 31, 2007 were positive and negative market values from derivatives, which increased € 718 billion and € 669 billion, respectively. This growth was attributable to the credit trading, FX and rates businesses, driven by significant market volatility and interest rate movements. Additionally, loans increased by € 70 billion to € 269 billion as of December 31, 2008, primarily in CIB with the majority related to reclassifications in accordance with amendments to IAS 39, "Reclassification of Financial Assets".

The aforementioned increases were partly counterbalanced by decreases in most other balance sheet categories. These reflected primarily the activities started in the second quarter 2008 to reduce the size of the balance sheet and impacted mainly Financial assets and liabilities at fair value through profit or loss excluding positive and negative market values from derivative financial instruments.

Equity

As of December 31, 2008, total equity was € 31.9 billion, a decrease of € 7.4 billion, or 19%, compared to December 31, 2007 (€ 39.3 billion). The main factors contributing to this decline were a reduction of unrealized net gains (losses) on financial assets available for sale of € 4.5 billion (of which € 0.7 billion are related to net realized gains from both equity and debt securities with no impact on total equity), the net loss attributable to Deutsche Bank shareholders of € 3.8 billion, the May 2008 dividend payment for the financial year 2007 of € 2.3 billion, the realized net loss of € 1.2 billion on treasury shares sold and negative effects from exchange rate changes of € 1.1 billion (especially in the U.S. dollar and the British pound). These factors were partly offset by the capital increase of € 2.2 billion from the issuance of shares in September 2008, a positive impact of € 1.9 billion from the reduction of common shares in treasury and a net positive effect of € 0.9 billion resulting from the amendment of the settlement method for existing forward purchase contracts on Deutsche Bank shares.

The majority of the € 4.5 billion decline in unrealized net gains (losses) from financial assets available for sale related to equity securities (€ 3.9 billion, reflecting both realized gains from the reduction of industrial holdings and unrealized losses due to decreased market values). The remaining decline of € 0.6 billion was attributable to realized and unrealized losses from debt securities. The majority of the latter reflected a general decline in the fair value of debt securities in Group sponsored asset-backed commercial paper ("ABCP") conduits in the first half of 2008. Following the amendments to IAS 39, "Reclassification of Financial Assets", the majority of these assets was reclassified out of financial assets available for sale to the loans category as of July 1, 2008. The associated unrealized losses which occurred prior to the reclassification date are amortized through profit or loss until maturity of the assets based on the effective interest rate method. They determine the negative balance of € 882 million in total equity as of December 31, 2008, which is recorded in the component "Unrealized net gains (losses) from financial assets available for sale".

Regulatory Equity

Total regulatory capital (Tier 1 and 2 capital) reported under Basel II, was € 37.4 billion at the end of 2008 compared to € 38.0 billion reported under Basel I at the end of 2007. While Tier 1 capital increased by € 2.8 billion, Tier 2 capital declined by € 3.4 billion. Both Tier 1 and Tier 2 capital reduced by € 1.5 billion each as a result of the inclusion of new Basel-II-related deduction items. In September 2008, Tier 1 capital increased by € 2.2 billion with the issuance of 40 million new shares. On the other hand, Tier 1 capital was negatively impacted by the net loss attributable to Deutsche Bank shareholders of € 3.8 billion, which was counterbalanced by several measures, including the conversion of contingent capital, revisions to pension plan accounting and reduction of shares in treasury. The remaining decline in Tier 2 was largely the result of the decline of € 1.5 billion in unrealized gains on listed securities and the conversion of € 0.5 billion Tier 2 capital into Hybrid Tier 1 capital.

Statement of Cash Flows

For purposes of the consolidated statement of cash flows, the Group's cash and cash equivalents include highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value. Such investments include cash and balances at central banks and demand deposits with banks.

The Group's assignment of cash flows to the operating, investing or financing category depends on the business model ("management approach"). For the Group the primary operating activity is to manage financial assets and financial liabilities. Therefore, the granting of loans and the issuance and management of long-term borrowings is a core operating activity which is different than for a non-financial company, where borrowing is not a principal revenue producing activity and thus is part of the financing category.

Cash flows related to subordinated long-term debt and trust preferred securities are viewed differently than those related to senior-long term debt because they are managed as an integral part of the Group's capital, primarily to meet regulatory capital requirements. As a result they are not interchangeable with other operating liabilities, but can only be interchanged with equity and thus are considered part of the financing category.

First Quarter ended March 31, 2010 and 2009

The following table shows selected data from the consolidated statement of cash flows of Deutsche Bank for the three-month periods ended March 31, 2010 and 2009 based on Deutsche Bank's consolidated interim financial statements as of March 31, 2010.

in € m.	Three months ended March 31, 2010	Three months ended March 31, 2009
	(reviewed)	
Net cash provided by (used in) operating activities	9,308	(23,535)
Net cash provided by (used in) investing activities	981	(2,380)
Net cash provided by (used in) financing activities	(1,122)	(353)
Net effect of exchange rate changes on cash and cash equivalents	769	1,766
Cash and cash equivalents at beginning of period	51,549	65,264
Cash and cash equivalents at end of period	61,485	40,762

The Group's cash and cash equivalents increased in the first quarter 2010 from € 51.5 billion as of December 31, 2009 to € 61.5 billion as of March 31, 2010. The increase was primarily attributable to demand deposits with banks.

Reporting a net income of € 1.8 billion for the first quarter 2010, operating activities resulted in positive cash flows of € 9.3 billion compared to negative cash flows of € 23.5 billion in the first quarter 2009. Within the operating activities in the first quarter 2010 liabilities increased more than assets. This resulted in positive cash flows from operating activities. At the same time, cash and cash equivalents similarly increased.

Cash flows from investing activities of positive € 1.0 billion in the first Quarter 2010 (negative € 2.4 billion in the first quarter 2009) were mainly driven by financial assets available for sale and net cash received in business combinations. The positive cash flows in the first quarter 2010 resulted largely from the acquisition of Sal. Oppenheim Group. Cash and cash equivalents that have been purchased within the acquisition exceeded the purchase price paid in cash and resulted in a positive cash flow. With the cash flows from sale and maturities of financial assets available for sale, the positive cash flows exceeded the negative cash flows from the acquisition of financial assets available for sale.

Net cash from financing activities consisted of issuances and repayments as well as extinguishments of subordinated long-term debt and trust preferred securities. Other components included the purchase and sale of own shares and the net change in noncontrolling interests. Cash flows of negative € 1.1 billion for the first quarter 2010 compared to negative € 0.4 billion for the first quarter 2009 were determined largely by the difference between the cash flows from purchases and cash flows from sales of own shares of € 0.8 billion. The negative cash flows from purchases exceeded the positive cash flows from sales primarily because shares were acquired within the current share-based compensation plans and delivered to employees.

Fiscal Years 2009 and 2008

The following table shows selected data from the audited consolidated statement of cash flows of Deutsche Bank for the fiscal year 2009.

in € m.	2009	2008
	(audited)	
Net cash provided by (used in) operating activities	(13,786)	37,117
Net cash provided by (used in) investing activities	401	(769)
Net cash provided by (used in) financing activities	(1,020)	3,220
Net effect of exchange rate changes on cash and cash equivalents	690	(402)
Cash and cash equivalents at beginning of period	65,264	26,098
Cash and cash equivalents at end of period	51,549	65,264

The Group's cash and cash equivalents decreased from € 65.3 billion as of year end 2008 to € 51.5 billion as of December 31, 2009. The decrease was primarily attributable to demand deposits with banks.

Reporting a net income of € 5.0 billion, operating activities resulted in negative net cash of € 13.8 billion as of year end 2009 compared to positive net cash of € 37.1 billion as of year end 2008. The change reflected effects from Deutsche Bank's ongoing actions to reduce the size of the balance sheet.

Net cash from investing activities which was € 401 million in 2009 versus negative € 769 million in 2008 was mainly driven by financial assets available for sale and equity method investments. The positive net cash in 2009 resulted primarily from sale and maturity of financial assets available for sale, which exceeded the acquisition of financial assets available for sale and the acquisition of equity method investments. The main cause of negative cash flows, from the acquisition of financial assets recognized as equity method investments, was determined by a mandatorily-exchangeable bond of € 3.0 billion covering a 27.4% stake in Deutsche Postbank AG, which due to its specific terms and conditions were reported as part of the equity method investment. The acquired stake of 22.9% in Deutsche Postbank AG as a contribution-in-kind against 50 million Deutsche Bank shares plus certain value guaranty considerations is, as non-cash attributable, neither shown as net cash from investing activities nor shown as net cash from financing activities.

Net cash from financing activities consists of issuances and repayments as well as extinguishments of subordinated long-term debt and trust preferred securities. Other components include the purchase and sale of own shares and cash dividends paid. The net cash flow of negative € 1.0 billion as of December 31, 2009 compared to positive € 3.2 billion as of year end 2008 was determined largely by the difference between the cash flow from purchases and cash flow from sale of own shares of € 1.1 billion. The negative cash flow from purchases exceeded the positive cash flow from sales primarily because shares were acquired within the current share-based compensation plans and granted to employees.

Fiscal Years 2008 and 2007

The following table shows selected data from the audited consolidated statement of cash flows of Deutsche Bank for the fiscal year 2008.

in € m.	2008	2007
	(audited)	
Net cash provided by operating activities	37,117	16,790
Net cash used in investing activities	(769)	(4,388)
Net cash provided by (used in) financing activities	3,220	(3,369)
Net effect of exchange rate changes on cash and cash equivalents	(402)	(289)
Cash and cash equivalents at beginning of period	26,098	17,354
Cash and cash equivalents at end of period	65,264	26,098

The Group's cash and cash equivalents increased from € 26.1 billion at the end of 2007 to € 65.3 billion at the end of 2008, mainly from demand deposits with banks.

Net cash from operating activities increased from € 16.8 billion in 2007 to € 37.1 billion in 2008, despite a net loss in 2008. This increase in cash flows from operating activities reflects Deutsche Bank's activities started in the second quarter of 2008 to reduce the size of Deutsche Bank's balance sheet.

Net cash from investing activities mainly consists of the proceeds from and the purchase of financials assets available for sale. Cash flows from investing activities were € (769) million in 2008 compared to € (4.4) billion in 2007. While in 2008 purchases of financial assets available for sale were materially offset by sales and maturities, in 2007 purchases were higher than sales and maturities.

Cash flows related to subordinated long-term debt and trust preferred securities are viewed differently than those related to senior-long term debt because they are managed as an integral part of the Group's capital, primarily to meet regulatory capital requirements. As a result they are not interchangeable with other operating liabilities, but can only be interchanged with equity and thus are considered part of the financing category.

The positive net cash flow from financing activities in 2008 primarily resulted from the issuance of trust preferred securities of € 3.4 billion and the capital increase of € 2.2 billion in September 2008.

Additional Information from the Audited Non-consolidated Financial Statements of Deutsche Bank AG for the Fiscal Year 2009

In the fiscal year ended December 31, 2009 the net income of Deutsche Bank AG under German GAAP (HGB) on a non-consolidated basis amounted to € 1,173 million. The fiscal year 2008 had resulted in a net loss of € 2,757 million. The distributable profit calculated on a non-consolidated basis under HGB amounted to € 793 million in 2009, compared to € 310 million in 2008.

Pursuant to the resolution adopted by the general shareholders' meeting on May 26, 2009, Deutsche Bank AG paid a dividend for the fiscal year 2008 in an aggregate amount of € 310 million. At its meeting on March 12, 2010, the Supervisory Board of Deutsche Bank AG approved and thereby established Deutsche Bank's non-consolidated financial statements for 2009. The Supervisory Board and Management Board propose that the shareholders resolve the payment of a dividend of € 0.75 per share at the Annual General Meeting on May 27, 2010. Under German stock corporation law, a dividend and its distribution may only be resolved based on a distributable profit stated in the Bank's non-consolidated financial statements.

For further information on the payment of dividends and the dividend policy see "*Dividend Policy and Earnings per Common Share — Dividend Policy*".

The non-consolidated audited financial statements of Deutsche Bank AG as of December 31, 2009 prepared in accordance with the German Commercial Code (HGB) are included in the section "*Financial Statements*" of this Registration Document.

RISK MANAGEMENT

Risk and Capital Management

The wide variety of Deutsche Bank's businesses requires it to identify, measure, aggregate and manage the risks effectively, and to allocate the capital among the businesses appropriately. Deutsche Bank manages its risk and capital through a framework of principles, organizational structures as well as measurement and monitoring processes that are closely aligned with the activities of its group divisions. The importance of a strong focus on risk management and the continuous need to refine risk management practice have become particularly evident during the financial market crisis. While the 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.

Risk and Capital Management Principles

The following key principles underpin the approach to risk and capital management:

- The Bank's Management Board provides overall risk and capital management supervision for the consolidated Group. The Bank's Supervisory Board regularly monitors Deutsche Bank's risk and capital profile.
- Deutsche Bank manages credit, market, liquidity, operational, business, legal and reputational risks as well as its capital in a coordinated manner at all relevant levels within Deutsche Bank's organization. This also holds true for complex products which Deutsche Bank typically manages within the framework established for trading exposures.
- The structure of Deutsche Bank's integrated legal, risk & capital function is closely aligned with the structure of the group divisions.
- The legal, risk & capital function is independent of the group divisions.

Risk and Capital Management Organization

The Chief Risk Officer, who is a member of the Management Board, is responsible for the Group-wide credit, market, operational, liquidity, business, legal and reputational risk management as well as capital management activities and heads the integrated legal, risk & capital function.

Two functional committees, which are both chaired by the Chief Risk Officer, are central to the legal, risk & capital function.

- The Risk Executive Committee is responsible for management and control of the aforementioned risks across the consolidated Group. To fulfill this mandate, the Risk Executive Committee is supported by sub-committees that are responsible for dedicated areas of risk management, including several policy committees and the Group Reputational Risk Committee.
- The responsibilities of the Capital and Risk Committee include risk profile and capital planning, capital capacity monitoring and optimization of funding.

Dedicated legal, risk & capital units are established with the mandate to:

- Ensure that the business conducted within each division is consistent with the risk appetite that the Capital and Risk Committee has set within a framework established by the Management Board;
- Formulate and implement risk and capital management policies, procedures and methodologies that are appropriate to the businesses within each division;
- Approve credit, market and liquidity risk limits;
- Conduct periodic portfolio reviews to ensure that the portfolio of risks is within acceptable parameters; and
- Develop and implement risk and capital management infrastructures and systems that are appropriate for each division.

The heads of the legal, risk & capital units, which are amongst the members of the Risk Executive Committee, are responsible for the performance of the units and report directly to the Chief Risk Officer.

The finance and audit departments support the legal, risk & capital function. They operate independently of both the group divisions and of the legal, risk & capital function. The role of the finance department is to help quantify and verify the risk that Deutsche Bank assumes and ensures the quality and integrity of the risk-related data. The audit department performs risk-oriented reviews of the design and operating effectiveness of the internal control procedures of Deutsche Bank.

Risk and Capital Strategy

The legal, risk & capital function annually develops its risk and capital strategy in an integrated process together with the group divisions and Finance, ensuring Group-wide alignment of risk and performance targets. The strategy is ultimately presented to, and approved by, the Management Board. Subsequently, this plan is also presented to, and discussed with, the Risk Committee of the Supervisory Board.

Targets and projections are set for various parameters and different levels of the Group. Performance against these targets is monitored regularly and a report on selected important and high-level targets is brought to the direct attention of the Chief Risk Officer and/or the Management Board. In case of a significant deviation from the targets, it is the responsibility of the divisional legal, risk & capital units to bring this to the attention of their superiors and ultimately the Chief Risk Officer if no mitigation or mitigation strategy can be achieved on a subordinated level.

Amendments to the risk and capital strategy must be approved by the Chief Risk Officer or the full Management Board, depending on significance.

Categories of Risk

The most important risks Deutsche Bank assumes are specific banking risks and reputational risks, as well as risks arising from the general business environment.

Specific Banking Risks

Deutsche Bank's risk management processes distinguish among four kinds of specific banking risks: credit risk, market risk, operational risk and liquidity risk.

- **Credit risk** arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor (which Deutsche Bank refers to collectively as "counterparties"). Deutsche Bank distinguishes among three kinds of credit risk:
  - ***Default risk*** is the risk that counterparties fail to meet contractual payment obligations.
  - ***Country risk*** is the risk that the Group may suffer a loss, in any given country, due to any of the following reasons: a possible deterioration of economic conditions, political and social upheaval, nationalization and expropriation of assets, government repudiation of indebtedness, exchange controls and disruptive currency depreciation or devaluation. Country risk includes transfer risk which arises when debtors are unable to meet their obligations owing to an inability to transfer assets to nonresidents due to direct sovereign intervention.
  - ***Settlement risk*** is the risk that the settlement or clearance of transactions will fail. It arises whenever the exchange of cash, securities and/or other assets is not simultaneous.
- **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.
- **Operational risk** is the potential for incurring losses in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships. This definition includes legal and regulatory risk, but excludes business and reputational risk.
- **Liquidity risk** is the risk arising from Deutsche Bank's potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs.

Reputational Risk

Within its risk management processes, Deutsche Bank defines reputational risk as the risk that publicity concerning a transaction, counterparty or business practice involving a client will negatively impact the public's trust in its organization.

Several policies and guidelines form the framework of Deutsche Bank's reputational risk management. The primary responsibility for the identification, escalation and resolution of reputational risk issues resides with the business divisions. The risk management units assist and advise the business divisions in ascertaining that reputational risk issues are appropriately identified, escalated and addressed.

The most senior dedicated body for reputational risk issues is the Group Reputational Risk Committee (GRRC). It is a permanent sub-committee of the Risk Executive Committee and is chaired by the Chief Risk Officer. The GRRC 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 Deutsche Bank assumes due to potential changes in general business conditions, such as the market environment, client behavior and technological progress. This can affect Deutsche Bank's results if Deutsche Bank fails to adjust quickly to these changing conditions.

Insurance Specific Risk

The exposure to insurance risk increased upon the 2007 acquisition of Abbey Life Assurance Company Limited and the 2006 acquisition of a stake in Paternoster Limited, a regulated insurance company. Deutsche Bank is primarily exposed to the following insurance-related risks.

- **Mortality and morbidity risks –** the risks of a higher or lower than expected number of death claims on assurance products and of an occurrence of one or more large claims, and the risk of a higher or lower than expected number of disability claims, respectively. Deutsche Bank aims to mitigate these risks by the use of reinsurance and the application of discretionary charges. It investigates rates of mortality and morbidity annually.
- **Longevity risk –** the risk of faster or slower than expected improvements in life expectancy on immediate and deferred annuity products. Deutsche Bank monitors this risk against the latest external industry data and emerging trends.
- **Expenses risk –** the risk that policies cost more or less to administer than expected. Deutsche Bank monitors these expenses by an analysis of the actual expenses relative to its budget. It investigates reasons for any significant divergence from expectations and takes remedial action. It reduces the expense risk by having in place (until 2010 with the option of renewal for two more years) an outsourcing agreement which covers the administration of the policies.
- **Persistency risk –** the risk of a higher or lower than expected percentage of lapsed policies. Deutsche Bank assesses the persistency rates annually by reference to appropriate risk factors.

Deutsche Bank monitors the actual claims and persistency against the assumptions used and refines the assumptions for the future assessment of liabilities. Actual experience may vary from estimates, the more so as projections are made further into the future. Liabilities are evaluated at least annually.

To the extent that actual experience is less favorable than the underlying assumptions, or it is necessary to increase provisions due to more onerous assumptions, the amount of capital required in the insurance entities may increase.

The profitability of Deutsche Bank's non unit-linked long-term insurance businesses depends to a significant extent on the value of claims paid in the future relative to the assets accumulated to the date of claim. Typically, over the lifetime of a contract, premiums and investment returns exceed claim costs in the early years and it is necessary to set aside these amounts to meet future obligations. The amount of such future obligations is assessed on actuarial principles by reference to assumptions about the development of financial and insurance risks.

For unit-linked investment contracts, profitability is based on the charges taken being sufficient to meet expenses and profit. The premium and charges are assessed based on actuarial principles by reference to assumptions about the development of financial and insurance risks.

As stated above, reinsurance is used as a mechanism to reduce risk. Deutsche Bank's strategy is to continue to utilize reinsurance as appropriate.

Risk Management Tools

Deutsche Bank uses a comprehensive range of quantitative tools and metrics for monitoring and managing risks. As a matter of policy, Deutsche Bank continually assesses the appropriateness and the reliability of its quantitative tools and metrics in light of the changing risk environment. Some of these tools are common to a number of risk categories, while others are tailored to the particular features of specific risk categories. The following are the most important quantitative tools and metrics Deutsche Bank currently uses to measure, manage and report its risk:

- ***Economic capital.*** Economic capital measures the amount of capital required to absorb very severe unexpected losses arising from Deutsche Bank's exposures. "Very severe" in this context means that economic capital is set at a level to cover with a probability of 99.98 % the aggregated unexpected losses within one year. Deutsche Bank calculates economic capital for the default risk, transfer risk and settlement risk elements of credit risk, for market risk including traded default risk, for operational risk and for general business risk. Deutsche Bank continuously reviews and enhances its economic capital model as appropriate. Notably during the course of 2009 the economic capital stress tests for market risk were recalibrated to reflect the extreme market moves observed in the later part of 2008. This included extension of the

assumed holding periods on credit positions, and significant increases to the shocks applied to equity indices and credit spreads, especially for securitized products. In addition to the recalibration, there were improvements to the economic capital model. These included the addition of stress tests for leveraged exchange traded funds and for gap risk in non-recourse finance in emerging markets. Within Deutsche Bank's economic capital framework it captures the effects of rating migration as well as profits and losses due to fair value accounting. Deutsche Bank uses economic capital to show an aggregated view of risk position of Deutsche Bank from individual business lines up to the consolidated Group level. It also uses economic capital (as well as goodwill and unamortized other intangible assets) in order to allocate the book capital among the businesses. This enables Deutsche Bank to assess each business unit's risk-adjusted profitability, which is a key metric in managing its financial resources. In addition, Deutsche Bank considers economic capital, in particular for credit risk, when it measures the risk-adjusted profitability of its client relationships. See *"— Overall Risk Position"* below for a quantitative summary of the economic capital usage.

- ***Expected loss.*** Deutsche Bank uses expected loss as a measure of its credit and operational risk. Expected loss is a measurement of the loss that can be expected within a one-year period from these risks as of the respective reporting date, based on the historical loss experience. When calculating expected loss for credit risk, the Bank takes into account credit risk ratings, collateral, maturities and statistical averaging procedures to reflect the risk characteristics of its different types of exposures and facilities. All parameter assumptions are based on statistical averages of up to seven years based on Deutsche Bank's internal default and loss history as well as external benchmarks. Deutsche Bank uses expected loss as a tool of the risk management process and as part of the management reporting systems. Also the applicable results of the expected loss calculations are considered as a component of the collectively assessed allowance for credit losses included in the financial statements of Deutsche Bank. For operational risk Deutsche Bank determines the expected loss from statistical averages of its internal loss history, recent risk trends as well as forward-looking expert estimates.

- ***Value-at-Risk.*** Deutsche Bank uses the value-at-risk approach to derive quantitative measures for its trading book market risks under normal market conditions. The value-at-risk figures play a role in both internal and external (regulatory) reporting. For a given portfolio, value-at-risk measures the potential future loss (in terms of market value) that, under normal market conditions, will not be exceeded with a defined confidence level in a defined period. The value-at-risk for a total portfolio represents a measure of the diversified market risk (aggregated, using pre-determined correlations) in that portfolio.

- ***Stress testing.*** Deutsche Bank supplements the analysis of credit, market, operational and liquidity risk with stress testing. For credit risk management purposes, it performs stress tests to assess the impact of changes in general economic conditions or specific parameters on its credit exposures or parts thereof as well as the impact on the creditworthiness of its portfolio. For market risk management purposes, Deutsche Bank performs stress tests because value-at-risk calculations are based on relatively recent historical data, only purport to estimate risk up to a defined confidence level and assume good asset liquidity. Therefore, they only reflect possible losses under relatively normal market conditions. Stress tests help Deutsche Bank determine the effects of potentially extreme market developments on the value of its market risk sensitive exposures, both on its highly liquid and less liquid trading positions as well as its investments. The correlations between market risk factors used in Deutsche Bank's current stress tests are estimated from volatile market conditions in the past using an algorithm, and the estimated correlations proved to be essentially consistent with those observed during recent periods of market stress. Deutsche Bank uses stress testing to determine the amount of economic capital it needs to allocate to cover its market risk exposure under the scenarios of extreme market conditions it selects for its simulations. For operational risk management purposes, Deutsche Bank performs stress tests on its economic capital model to assess its sensitivity to changes in key model components, which include external losses. For liquidity risk management purposes, Deutsche Bank performs stress tests and scenario analysis to evaluate the impact of sudden stress events on its liquidity position. In 2009, Deutsche Bank has stepped up its efforts to further align its stress testing framework across the different risk types.

- ***Regulatory risk assessment.*** German banking regulators assess Deutsche Bank's capacity to assume risk in several ways, which are described in more detail in Note 36 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document.

Credit Risk

Deutsche Bank measures and manages its credit risk following the below principles:

- In all group divisions consistent standards are applied in the respective credit decision processes.

- The approval of credit limits for counterparties and the management of individual credit exposures must fit within Deutsche Bank's portfolio guidelines and credit strategies.

- Every extension of credit or material change to a credit facility (such as its tenor, collateral structure or major covenants) to any counterparty requires credit approval at the appropriate authority level.
- Credit approval authorities are assigned to individuals according to their qualifications, experience and training, and Deutsche Bank reviews these periodically.
- Deutsche Bank measures and consolidates all its credit exposures to each obligor on a global consolidated basis that applies across the consolidated Group. Deutsche Bank defines an "obligor" as a group of individual borrowers that are linked to one another by any of a number of criteria the Bank has established, including capital ownership, voting rights, demonstrable control, other indication of group affiliation; or are jointly and severally liable for all or significant portions of the credit the Bank has extended.

Credit Risk Ratings

Basic and key element of the credit approval process is a detailed risk assessment of every credit exposure associated with a counterparty. Deutsche Bank's risk assessment procedures consider both the creditworthiness of the counterparty and the risks related to the specific type of credit facility or exposure. This risk assessment not only affects the structuring of the transaction and the outcome of the credit decision, but also influences the level of decision-making authority required to extend or materially change the credit and the monitoring procedures Deutsche Bank applies to the ongoing exposure.

Deutsche Bank has its own in-house assessment methodologies, scorecards and rating scale for evaluating the creditworthiness of its counterparties. Deutsche Bank's granular 26-grade rating scale, which is calibrated on a probability of default measure based upon a statistical analysis of historical defaults in its portfolio, enables Deutsche Bank to compare its internal ratings with common market practice and ensures comparability between different sub-portfolios of its institution. Several default ratings therein enable Deutsche Bank to incorporate the potential recovery rate of defaulted exposures. Deutsche Bank generally rates its credit exposures individually, though certain portfolios of securitized receivables are rated on a pool level. When it assigns its internal risk ratings, it compares them with external risk ratings assigned to its counterparties by the major international rating agencies, where possible.

Credit Limits

Credit limits set forth maximum credit exposures Deutsche Bank is willing to assume over specified periods. They relate to products, conditions of the exposure and other factors. Credit limits are established by the Credit Risk Management function via the execution of assigned credit authorities. Credit authority reflects the mandate to approve new credit limits as well as increases or the extension of existing credit limits. Credit authority is generally assigned to individuals as personal credit authority according to the individual's professional qualification and experience.

Where an individual's personal authority is insufficient to establish required credit limits, the transaction is referred to a higher credit authority holder or where necessary to an appropriate credit committee such as the CRM Underwriting Committee. Where personal and committee authorities are insufficient to establish appropriate limits the case is referred to the Management Board for approval.

All assigned credit authorities are reviewed on a periodic basis to ensure that they are adequate. The results of the review are presented to the Group Credit Policy Committee and reported to the Risk Executive Committee.

Segregation of Credit Exposures

Counterparty credit exposure arises from Deutsche Bank's traditional nontrading lending activities which include elements such as loans and contingent liabilities. Counterparty credit exposure also arises via Deutsche Bank's direct trading activity with clients in certain instruments which include OTC derivatives, FX forwards and Forward Rate Agreements.

A default risk also arises from Deutsche Bank's positions in traded credit products such as bonds. This risk is managed using both credit & market risk parameters.

Monitoring Default Risk

Ongoing active monitoring and management of credit risk positions is an integral part of Deutsche Bank's credit risk management. Monitoring tasks are primarily performed by the divisional risk units in close cooperation with the Bank's portfolio management function. Deutsche Bank monitors all of its credit exposures on a continuing basis using the risk management tools described above.

Credit counterparties are allocated to credit officers within specified divisional risk units which are aligned to respective business units such as Global Banking, Global Markets or Global Transaction Banking. The individual credit officers within these divisional risk units have the most relevant expertise and experience to manage the credit risks associated with these counterparties and their associated credit related transactions. It is the

responsibility of each credit officer to undertake ongoing credit monitoring for their allocated portfolio of counterparties. Monitoring of credit risk arising from Deutsche Bank's trading activities with credit counterparties is undertaken in accordance with industry best practice by reference to various dedicated measures that quantify the expected current and future exposure levels, including the exposure levels under adverse market developments. The credit process for trading instruments requires limits to be established against trading instrument exposures which are monitored by respective credit officers as part of their ongoing counterparty monitoring activities.

Deutsche Bank also has procedures in place intended to identify at an early stage credit exposures for which there may be an increased risk of loss. In instances where Deutsche Bank has identified counterparties where problems might arise, the respective exposure is generally placed on a watchlist. Deutsche Bank aims to identify counterparties that, on the basis of the application of its risk management tools, demonstrate the likelihood of problems well in advance in order to effectively manage the credit exposure and maximize the recovery. The objective of this early warning system is to address potential problems while adequate alternatives for action are still available. This early risk detection is a tenet of its credit culture and is intended to ensure that greater attention is paid to such exposures.

Monitoring Traded Default Risk

Traded credit products such as bonds in Deutsche Bank's developed markets' trading book are managed by a dedicated risk management unit combining the credit and market risk expertise. Deutsche Bank uses appropriate portfolio limits and ratings-driven thresholds on single-issuer basis, combined with its market risk management tools to risk manage such positions. Emerging markets traded credit products are risk managed using expertise which resides within its respective emerging markets credit risk unit and market risk management.

Economic Capital for Credit Risk

Deutsche Bank calculates economic capital for the default risk, transfer risk and settlement risk as elements of credit risk. In line with the Bank's economic capital framework, economic capital for credit risk is set at a level to absorb with a probability of 99.98 % very severe aggregate unexpected losses within one year.

The Bank's economic capital for credit risk is derived from the loss distribution of a portfolio via Monte Carlo simulation of correlated rating migrations. The loss distribution is modeled in two steps. First, individual credit exposures are specified based on parameters for the probability of default, exposure at default and loss given default. In a second step, the probability of joint defaults is modeled through the introduction of economic factors, which correspond to geographic regions and industries. The simulation of portfolio losses is then performed by an internally developed model, which takes rating migration and maturity effects into account. The Bank allocates expected losses and economic capital derived from this loss distribution down to transaction level to enable management on transaction, customer and business level.

Loan Exposure Management Group

As part of Deutsche Bank's overall framework of risk management, the Loan Exposure Management Group ("LEMG") focuses on managing the credit risk of loans and lending-related commitments of the international investment-grade portfolio and the medium-sized German companies' portfolio within its Corporate and Investment Bank Group Division.

Acting as a central pricing reference, LEMG provides the respective Corporate and Investment Bank Group Division businesses with an observed or derived capital market rate for loan applications; however, the decision of whether or not the business can enter into the loan remains with Credit Risk Management.

LEMG is concentrating on two primary initiatives within the credit risk framework to further enhance risk management discipline, improve returns and use capital more efficiently:

- to reduce single-name and industry credit risk concentrations within the credit portfolio and
- to manage credit exposures actively by utilizing techniques including loan sales, securitization via collateralized loan obligations, default insurance coverage and single-name and portfolio credit default swaps.

The notional amount of LEMG's risk reduction activities decreased by 7 % from € 56.7 billion as of December 31, 2008, to € 52.9 billion as of December 31, 2009.

As of year-end 2009, LEMG held credit derivatives with an underlying notional amount of € 32.7 billion. The position totaled € 36.5 billion as of December 31, 2008.

The credit derivatives used for Deutsche Bank's portfolio management activities are accounted for at fair value.

LEMG also mitigated the credit risk of € 20.2 billion of loans and lending-related commitments as of December 31, 2009, by synthetic collateralized loan obligations supported predominantly by financial guarantees and,

to a lesser extent, credit derivatives for which the first loss piece has been sold. This position totaled € 20.1 billion as of December 31, 2008.

LEMG has elected to use the fair value option under IAS 39 to report loans and commitments at fair value, provided the criteria for this option are met. The notional amount of LEMG loans and commitments reported at fair value decreased during the year to € 48.9 billion as of December 31, 2009, from € 50.5 billion as of December 31, 2008. By reporting loans and commitments at fair value, LEMG has significantly reduced profit and loss volatility that resulted from the accounting mismatch that existed when all loans and commitments were reported at historical cost while derivative hedges were reported at fair value.

Credit Exposure

Deutsche Bank defines the credit exposure by taking into account all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations.

Maximum Exposure to Credit Risk

The following table presents Deutsche Bank's maximum exposure to credit risk without taking account of any collateral held or other credit enhancements that do not qualify for offset in its financial statements.

in € m.[1]	Dec 31, 2009	Dec 31, 2008
	(audited)	
Due from banks	9,346	9,826
Interest-earning deposits with banks	47,233	64,739
Central bank funds sold and securities purchased under resale agreements	6,820	9,267
Securities borrowed	43,509	35,022
Financial assets at fair value through profit or loss[2]	900,800	1,569,203
Financial assets available for sale[2]	14,852	19,194
Loans[3]	261,448	271,219
Other assets subject to credit risk	52,457	78,957
Financial guarantees and other credit related contingent liabilities[4]	52,183	48,815
Irrevocable lending commitments and other credit related commitments[4]	104,125	104,077
Maximum exposure to credit risk	**1,492,773**	**2,210,319**

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities. Prior year numbers have been adjusted to reflect the exclusion of commodities respectively.
3 Gross loans less (deferred expense)/unearned income before deductions of allowance for loan losses
4 Financial guarantees, other credit related contingent liabilities and irrevocable lending commitments (including commitments designated under the fair value option) are reflected at notional amounts.

The tables below show details about several of Deutsche Bank's main credit exposure categories, namely loans, irrevocable lending commitments, contingent liabilities and over-the-counter ("OTC") derivatives:

- "Loans" are net loans as reported on the balance sheet at amortized cost but before deduction of the allowance for loan losses.
- "Irrevocable lending commitments" consist of the undrawn portion of irrevocable lending-related commitments.
- "Contingent liabilities" consist of financial and performance guarantees, standby letters of credit and indemnity agreements.
- "OTC derivatives" are Deutsche Bank's credit exposures from over-the-counter derivative transactions that the Bank has entered into, after netting and cash collateral received. On the balance sheet, these are included in trading assets or, for derivatives qualifying for hedge accounting, in other assets, in either case, before netting and cash collateral received.

The following table breaks down several of Deutsche Bank's main credit exposure categories by geographical region. For this table, Deutsche Bank has allocated exposures to regions based on the country of domicile of the counterparties, irrespective of any affiliations the counterparties may have with corporate groups domiciled elsewhere. The decreases in the below credit exposure were primarily in OTC derivatives (mainly in Western Europe and North America) and loans. The loan reduction was due to a decline of € 10.4 billion loans in the

Bank's North American portfolio while the derivative decrease across almost all regions was driven largely by rising interest rate curves and reduction activities as well as tightening credit spreads during 2009.

Credit risk profile by region *(unaudited)* in € m.	Loans[1]		Irrevocable lending commitments[2]		Contingent liabilities		OTC derivatives[3]		Total	
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Eastern Europe	6,986	7,672	1,306	1,654	1,428	2,086	690	2,033	10,410	13,445
Western Europe	187,251	185,577	41,118	38,698	25,254	25,289	24,536	48,677	278,159	298,241
Africa	947	1,076	233	333	620	566	458	297	2,258	2,272
Asia/Pacific	16,921	16,887	5,793	6,156	7,086	6,223	7,060	13,225	36,860	42,491
North America	45,717	56,129	55,337	56,812	17,018	13,943	30,805	57,177	148,877	184,061
Central and South America	3,325	3,530	214	196	777	660	831	1,552	5,147	5,938
Other[4]	301	348	124	228	–	48	160	629	585	1,253
Total	**261,448**	**271,219**	**104,125**	**104,077**	**52,183**	**48,815**	**64,540**	**123,590**	**482,296**	**547,701**

Source: Deutsche Bank Risk Report 2009

1 Includes impaired loans amounting to € 7.2 billion as of December 31, 2009 and € 3.7 billion as of December 31, 2008.

2 Includes irrevocable lending commitments related to consumer credit exposure of € 2.9 billion as of December 31, 2009 and € 2.8 billion as of December 31, 2008.

3 Includes the effect of netting agreements and cash collateral received where applicable.

4 Includes supranational organizations and other exposures that Deutsche Bank has not allocated to a single region.

The following table breaks down several of Deutsche Bank's main credit exposure categories according to the industry sectors of the counterparties.

Credit risk profile by industry sector *(unaudited)* in € m.	Loans[1]		Irrevocable lending commitments[2]		Contingent liabilities		OTC derivatives[3]		Total	
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Banks and insurance	22,002	26,998	25,289	24,970	11,315	11,568	27,948	68,641	86,554	132,177
Manufacturing	17,314	19,043	24,814	24,889	16,809	13,669	2,169	4,550	61,106	62,151
Households	85,675	83,376	4,278	3,862	1,820	1,768	801	791	92,574	89,797
Public sector	9,572	9,972	520	819	19	628	5,527	7,125	15,638	18,544
Wholesale and retail trade	10,938	11,761	6,027	6,377	3,443	3,423	604	1,264	21,012	22,825
Commercial real estate activities	28,959	27,083	1,876	2,239	2,194	2,403	1,286	3,213	34,315	34,938
Fund management activities	26,462	31,158	11,135	12,998	540	678	12,922	23,114	51,059	67,948
Other[4]	60,526	61,828	30,186	27,923	16,043	14,678	13,283	14,892	120,038	119,321
Total	**261,448**	**271,219**	**104,125**	**104,077**	**52,183**	**48,815**	**64,540**	**123,590**	**482,296**	**547,701**

Source: Deutsche Bank Risk Report 2009

1 Includes impaired loans amounting to € 7.2 billion as of December 31, 2009 and € 3.7 billion as of December 31, 2008.

2 Includes irrevocable lending commitments related to consumer credit exposure of € 2.9 billion as of December 31, 2008 and € 2.8 billion as of December 31, 2008.

3 Includes the effect of netting agreements and cash collateral received where applicable.

4 Loan exposures for Other include lease financing.

Deutsche Bank's loans, irrevocable lending commitments, contingent liabilities and OTC derivatives-related credit exposure to its ten largest counterparties account for 7 % of its aggregated total credit exposure in these categories as of December 31, 2009. The top ten counterparty exposures are by majority with well-rated counterparties or relate to structured trades which show high levels of risk mitigation, with the exception of one leveraged finance exposure.

Higher-Risk Loans

Certain types of loans have a higher risk of non-collection than others. In its amortized cost loan portfolio the Bank considers its Corporate Finance Leveraged and commercial real estate loans to be included in this category as well as certain other loans not included in its low and medium risk categories.

As of December 31, 2009 Deutsche Bank's higher-risk amortized cost loan portfolio amounted to € 31.2 billion or 12 % of the Bank's overall loan portfolio. The below table summarizes the Bank's higher-risk loans by risk category as well as the level of impaired loans and corresponding allowances for loan losses.

Higher-risk loans by risk category in € m.	**December 31, 2009** *(unaudited)*		
	Amortized Cost Loans	thereof: Impaired loans	Allowance for loan losses
Leveraged finance	11,768	2,122	815
Commercial real estate[1]	12,990	460	274
Other	6,442	934	377
Total	**31,200**	**3,516**	**1,466**

Source: Deutsche Bank Risk Report 2009

1 Reflects commercial real estate related loans in the Corporate Finance division within the Corporate Banking & Securities segment.

Deutsche Bank typically does not enter into subprime lending, junior lien mortgages or interest only lending. It does however, enter into higher margin consumer finance lending within its Private & Business Clients segment which the Bank categorizes as medium risk. The majority of Deutsche Bank's consumer finance exposure relates to customers in Germany and Italy.

Please see the following sections on corporate credit exposure and consumer credit exposure for additional information on Deutsche Bank's overall loan portfolio.

Credit Exposure Classification

Deutsche Bank also classifies its credit exposure under two broad headings: corporate credit exposure and consumer credit exposure.

The corporate credit exposure consists of all exposures not defined as consumer credit exposure.

The consumer credit exposure consists of smaller-balance standardized homogeneous loans, primarily in Germany, Italy and Spain, which include personal loans, residential and nonresidential mortgage loans, overdrafts and loans to self-employed and small business customers of the private and retail business.

Corporate Credit Exposure

The following table breaks down several of Deutsche Bank's main corporate credit exposure categories according to the creditworthiness categories of its counterparties.

This table reflects a marginal decrease in Deutsche Bank's corporate loan book combined with a larger decrease in its OTC derivatives exposure. The portion of the corporate loan book carrying an investment-grade rating decreased from 66 % at December 31, 2008 to 61 % at December 31, 2009, reflecting the continued credit deterioration throughout 2009 in light of the credit crisis. However, the loan exposure shown in the table below does not take into account any collateral, other credit enhancement or credit risk mitigating transactions. After consideration of such credit mitigants, Deutsche Bank believes that there is no inappropriate concentration risk and its loan book is well-diversified. The decrease in its OTC derivatives exposure, particularly in the AAA-AA range, was substantially driven by rising interest rate curves and reduction activities as well as tightening credit spreads during 2009. The OTC derivatives exposure as shown below does not include credit risk mitigants (other than master agreement netting) or collateral (other than cash). Taking these mitigants into account, the remaining current credit exposure is significantly lower and in Deutsche Bank's judgment well-diversified and geared towards investment grade counterparties.

Corporate credit exposure credit risk profile by creditworthiness category *(audited)* in € m.	Loans[1]		Irrevocable lending commitments[2]		Contingent liabilities		OTC derivatives[3]		Total	
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
AAA-AA	28,134	40,749	22,211	20,373	6,573	5,926	23,966	65,598	80,884	132,646
A	29,634	29,752	22,758	30,338	13,231	11,976	13,793	22,231	79,416	94,297
BBB	46,889	53,360	28,814	26,510	15,753	15,375	7,600	15,762	99,056	111,007
BB	43,401	44,132	23,031	19,657	9,860	10,239	12,785	13,009	89,077	87,037
B	9,090	10,458	5,935	5,276	4,290	4,412	1,952	3,898	21,267	24,044
CCC and below	14,633	8,268	1,376	1,923	2,476	887	4,444	3,092	22,929	14,170
Total	**171,781**	**186,719**	**104,125**	**104,077**	**52,183**	**48,815**	**64,540**	**123,590**	**392,629**	**463,201**

1 Includes impaired loans mainly in category CCC and below amounting to € 4.9 billion as of December 31, 2009, and € 2.3 billion as of December 31, 2008.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 2.9 billion as of December 31, 2009 and € 2.8 billion as of December 31, 2008.
3 Includes the effect of netting agreements and cash collateral received where applicable.

Consumer Credit Exposure

The table below presents the total consumer credit exposure, consumer loan delinquencies in terms of loans that are 90 days or more past due, and net credit costs, which are the net provisions charged during the period, after recoveries. Loans 90 days or more past due and net credit costs are both expressed as a percentage of total exposure.

	Total exposure in € m.		90 days or more past due as a % of total exposure		Net credit costs as a % of total exposure	
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
	(audited)		*(audited)*		*(audited)*	
Consumer credit exposure Germany:	59,804	57,139	1.73%	1.54%	0.55%	0.65%
Consumer and small business financing	13,556	15,047	2.72%	1.98%	1.69%	1.98%
Mortgage lending	46,248	42,092	1.44%	1.39%	0.22%	0.18%
Consumer credit exposure outside Germany	29,864	27,361	3.37%	1.92%	1.27%	0.94%
Total consumer credit exposure[1]	**89,668**	**84,500**	**2.28%**	**1.67%**	**0.79%**	**0.74%**

1 Includes impaired loans amounting to € 2.3 billion as of December 31, 2009 and € 1.4 billion as of December 31, 2008.

The volume of the its consumer credit exposure rose by € 5.2 billion, or 6 %, from 2008 to 2009, driven both by the volume growth of its portfolio in Germany (up € 2.7 billion) as well as outside Germany (up € 2.5 billion) with strong growth in Italy (up € 1.1 billion), Poland (up € 1.0 billion) and Spain (up € 0.2 billion).

Total net credit costs as a percentage of total exposure were positively impacted by changes in certain parameter and model assumptions, which reduced provisions by € 146 million. The increase in net credit costs in 2009 compared to 2008 reflected Deutsche Bank's strategy to invest in higher margin consumer finance business as well as the deteriorating credit conditions in Spain. The increase in net credit costs took place in Deutsche Bank's portfolios outside Germany and was mainly driven by the exacerbating economic crisis in Spain which adversely affected Deutsche Bank's mortgage loan and commercial finance portfolios there and by its consumer finance business in Poland and India. The higher percentage of delinquent loans outside Germany was predominantly driven by its mortgage business in Spain.

Collateral held as Security

Deutsche Bank regularly agrees on collateral to be received from customers in contracts that are subject to credit risk. It also regularly agrees on collateral to be received from borrowers in its lending contracts. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it does not replace the necessity of high quality underwriting standards.

Deutsche Bank segregates collateral received into the following two types:

- Financial and other collateral, which enables Deutsche Bank to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfill its primary obligations. Cash collateral, securities (equity, bonds), collateral assignments of other claims or inventory, equipment (e.g., plant, machinery, aircraft) and real estate typically fall into this category.

- Guarantee collateral, which substitutes the borrower's ability to fulfill its obligation under the legal contract and as such is provided by third parties. Letters of Credit, insurance contracts, received guarantees and risk participations typically fall into this category.

Additionally, Deutsche Bank actively manages the credit risk of its loans and lending-related commitments through its specialized unit LEMG. To better manage its derivatives-related credit risk, Deutsche Bank enters into collateral support arrangements as described further below.

Concentrations of Credit Risk

Significant concentrations of credit risk exist if Deutsche Bank has material exposures to a number of counterparties with similar economic characteristics, or who are engaged in comparable activities, where these similarities may cause their ability to meet contractual obligations to be affected in the same manner by changes in economic or industry conditions. A concentration of credit risk may also exist at an individual counterparty level.

In order to monitor and manage credit risks, Deutsche Bank uses a comprehensive range of quantitative tools and metrics. Credit limits relating to counterparties, countries, products and other factors set the maximum credit exposures that the Bank intends to incur.

Deutsche Bank's largest concentrations of credit risk within loans are in Western Europe and North America, with a significant share in households. The concentration in Western Europe is principally in Deutsche Bank's home market Germany, which includes most of the mortgage lending business. Within the OTC derivatives business the Bank's largest concentrations are also in Western Europe and North America, with a significant share in banks and insurances mainly within the investment-grade rating band.

Deutsche Bank's higher-Risk loans are concentrated in Commercial Real Estate and Leveraged Finance, with the latter including a borrower group concentration contributing approximately 40 % of the exposure in this category.

Credit Exposure from Derivatives

Exchange-traded derivative transactions (e.g., futures and options) are regularly settled through a central counterparty (e.g., LCH. Clearnet Ltd. or Eurex Clearing AG), the rules and regulations of which provide for daily margining of all current and future credit risk positions emerging out of such transactions. To the extent possible, Deutsche Bank also uses central counterparty clearing services for OTC derivative transactions ("OTC clearing"); it thereby benefits from the credit risk mitigation achieved through the central counterparty's settlement system.

In order to reduce the credit risk resulting from OTC derivative transactions, where OTC clearing is not available, Deutsche Bank regularly seeks the execution of standard master agreements (such as the International Swaps and Derivatives Association's master agreements for derivatives or the German Master Agreement for Financial Derivative Transactions) with its clients. A master agreement allows the netting of rights and obligations arising under derivative transactions that have been entered into under such master agreement upon the counterparty's default, resulting in a single net claim owed by or to the counterparty ("close-out netting"). For parts of the derivatives business (e.g., foreign exchange transactions) Deutsche Bank also enters into master agreements under which it sets off amounts payable on the same day in the same currency and in respect to transactions covered by such master agreements ("payment netting"), reducing its settlement risk.

In its risk measurement and risk assessment processes the Bank applies netting only to the extent it has satisfied itself of the legal validity and enforceability of the master agreement in all relevant jurisdictions.

Also, Deutsche Bank enters into collateral support annexes ("CSA") to master agreements in order to further reduce its derivatives-related credit risk. These collateral support annexes generally provide risk mitigation through periodic (usually daily) margining of the covered exposure. The CSA also provides for the right to terminate the related derivative transactions upon the counterparty's failure to honor a margin call. As with netting, when Deutsche Bank believes the collateral support annex is enforceable, it reflects this in its exposure measurement.

As the replacement values of derivatives portfolios fluctuate with movements in market rates and with changes in the transactions in the portfolios, Deutsche Bank also estimates the potential future replacement costs of the portfolios over their lifetimes or, in case of collateralized portfolios, over appropriate unwind periods. The Bank measures the potential future exposure against separate limits. Deutsche Bank supplements the potential future exposure analysis with stress tests to estimate the immediate impact of extreme market events on its exposures (such as event risk in its Emerging Markets portfolio).

The potential future exposure measure which Deutsche Bank uses is generally given by a time profile of simulated positive market values of each counterparty's derivatives portfolio, for which netting and collateralization are considered. For limit monitoring Deutsche Bank employs the 95th quantile of the resulting

distribution of market values, internally referred to as potential future exposure ("PFE"). The average exposure profiles generated by the same calculation process are used to derive the so-called average expected exposure ("AEE") measure, which Deutsche Bank uses to reflect potential future replacement costs within its credit risk economic capital and the expected positive exposure ("EPE") measure driving its regulatory capital requirements. While AEE and EPE are generally calculated with respect to a time horizon of one year, the PFE is measured over the entire lifetime of a transaction or netting set. Deutsche Bank also employs the aforementioned calculation process to derive stressed exposure results for input into its credit portfolio stress testing.

Certain collateral support annexes to master agreements provide for rating dependent triggers, where additional collateral must be pledged if a party's rating is downgraded. Deutsche Bank also enters into master agreements that provide for an additional termination event upon a party's rating downgrade. It analyzes and monitors potential contingent payment obligations resulting from a rating downgrade in its stress testing approach for liquidity risk on an ongoing basis.

Credit Valuation Adjustment

Deutsche Bank establishes a counterparty credit valuation adjustment for OTC derivative transactions to cover expected credit losses. The adjustment amount is determined at each reporting date by assessing the potential credit exposure to all counterparties, taking into account any collateral held, the effect of netting under a master agreement, expected loss given default and the credit risk for each counterparty based on historic default levels.

The credit valuation adjustments are significant for certain monoline counterparties. These credit valuation adjustments are assessed using a model-based approach with numerous input factors for each counterparty, including the likelihood of an event (either a restructuring or insolvency), an assessment of any potential settlement in the event of a restructuring, and recovery rates in the event of either restructuring or insolvency. Deutsche Bank recorded € 1.2 billion in credit valuation adjustments against its aggregate monoline exposures for 2009 and € 2.2 billion for 2008.

Treatment of Default Situations under Derivatives

Unlike in the case of the standard loan assets, Deutsche Bank generally has more options to manage the credit risk in its OTC derivatives when movement in the current replacement costs of the transactions and the behavior of its counterparty indicate that there is the risk that upcoming payment obligations under the transactions might not be honored. In these situations, Deutsche Bank is frequently able under prevailing contracts to obtain additional collateral or terminate the transactions or the related master agreement.

The master agreements executed with Deutsche Bank's clients usually provide for a broad set of standard or bespoke termination rights, which allows Deutsche Bank to respond swiftly to a counterparty's default or to other circumstances which indicate a high probability of failure. When its decision to terminate derivative transactions or the related master agreement results in a residual net obligation owed by the counterparty, Deutsche Bank restructures the obligation into a non-derivative claim and manages it through its regular workout process. As a consequence, for accounting purposes Deutsche Bank typically does not show any nonperforming derivatives.

The following table shows the notional amounts and gross market values of OTC and exchange-traded derivative contracts Deutsche Bank held for trading and nontrading purposes as of December 31, 2009.

December 31, 2009	Notional amount maturity distribution				Positive market value	Negative market value	Net market value
(unaudited) in € m.	Within one year	> 1 and ≤ 5 years	After five years	Total			
Interest-rate-related transactions:							
OTC products:							
FRAs	4,004,491	615,931	2,303	4,622,725	4,397	(4,527)	(130)
Interest rate swaps (single currency)	10,572,347	11,700,210	9,269,299	31,541,856	299,453	(279,432)	20,021
Purchased interest rate options	450,445	581,527	280,712	1,312,684	48,463	–	48,463
Written interest rate options	442,358	614,986	311,080	1,368,424	–	(51,171)	(51,171)
Exchange-traded products:							
Interest rate futures	205,162	303,061	531	508,754	–	–	–
Purchased interest rate options	336,826	13,209	–	350,035	188	–	188
Written interest rate options	331,852	17,997	–	349,849	–	(182)	(182)
Sub-total	**16,343,481**	**13,846,921**	**9,863,925**	**40,054,327**	**352,501**	**(335,312)**	**17,189**
Currency-related transactions:							
OTC products:							
Forward exchange trades	549,758	44,789	5,362	599,909	9,894	(9,486)	408
Cross currency swaps	1,851,617	882,409	561,200	3,295,226	65,502	(71,424)	(5,922)
Purchased foreign currency options	242,068	83,743	27,320	353,131	11,947	–	11,947
Written foreign currency options	236,324	100,351	27,239	363,914	–	(11,699)	(11,699)
Exchange-traded products:							
Foreign currency futures	10,169	522	–	10,691	–	(8)	(8)
Purchased foreign currency options	2,695	85	–	2,780	45	–	45
Written foreign currency options	1,716	4	–	1,720	–	(58)	(58)
Sub-total	**2,894,347**	**1,111,903**	**621,121**	**4,627,371**	**87,388**	**(92,675)**	**(5,287)**
Equity/index-related transactions:							
OTC products:							
Equity forward	1,546	7	489	2,042	183	(151)	32
Equity/index swaps	68,333	27,602	18,970	114,905	6,525	(7,802)	(1,277)
Purchased equity/index options	79,512	89,839	29,879	199,230	28,469	–	28,469
Written equity/index options	104,732	117,965	37,347	260,044	–	(34,248)	(34,248)
Exchange-traded products:							
Equity/index futures	17,201	258	63	17,522	–	–	–
Equity/index purchased options	126,918	56,747	6,887	190,552	2,985	–	2,985
Equity/index written options	119,173	56,478	7,172	182,823	–	(2,327)	(2,327)
Sub-total	**517,415**	**348,896**	**100,807**	**967,118**	**38,162**	**(44,528)**	**(6,366)**
Credit derivatives	**398,530**	**2,236,492**	**794,414**	**3,429,436**	**104,384**	**(88,337)**	**16,047**
Other transactions:							
OTC products:							
Precious metal trades	55,705	40,469	5,202	101,376	4,446	(3,959)	487
Other trades	59,483	115,358	4,631	179,472	13,238	(13,111)	127
Exchange-traded products:							
Futures	20,073	15,092	1,067	36,232	20	(27)	(7)
Purchased options	17,235	12,390	262	29,887	3,093	–	3,093
Written options	17,511	10,226	723	28,460	–	(2,827)	(2,827)
Sub-total	**170,007**	**193,535**	**11,885**	**375,427**	**20,797**	**(19,924)**	**873**
Total OTC business	**19,117,249**	**17,251,678**	**11,375,447**	**47,744,374**	**596,901**	**(575,347)**	**21,554**
Total exchange-traded business	**1,206,531**	**486,069**	**16,705**	**1,709,305**	**6,331**	**(5,429)**	**902**
Total	**20,323,780**	**17,737,747**	**11,392,152**	**49,453,679**	**603,232**	**(580,776)**	**22,456**
Positive market values including the effect of netting and cash collateral received					**69,368**	**–**	**–**

Source: Deutsche Bank Risk Report 2009

Distribution Risk

Deutsche Bank frequently 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.

For risk management purposes Deutsche Bank treats the full amount of all such commitments as credit exposure requiring formal credit approval. This approval also includes the intended final hold. Amounts which Deutsche Bank intends to sell are classified as trading assets and are subject to fair value accounting. The price volatility is monitored in the market risk process. To protect itself against a value deterioration of such amounts, Deutsche Bank may enter into generic market risk hedges (most commonly using related indices), which are also captured in its market risk process.

Country Risk

Deutsche Bank manages country risk through a number of risk measures and limits, the most important being:

- **Total counterparty exposure.** All credit extended and OTC derivatives exposure to counterparties domiciled in a given country that Deutsche Bank views as being at risk due to economic or political events ("country risk event"). It includes nonguaranteed subsidiaries of foreign entities and offshore subsidiaries of local clients.
- **Transfer risk exposure.** Credit risk arising where an otherwise solvent and willing debtor is unable to meet its obligations due to the imposition of governmental or regulatory controls restricting its ability either to obtain foreign exchange or to transfer assets to nonresidents (a "transfer risk event"). It includes all of the credit extended and OTC derivatives exposure from one of Deutsche Bank's offices in one country to a counterparty in a different country.
- **Highly-stressed event risk scenarios.** Deutsche Bank uses stress testing to measure potential risks on its trading positions and view these as market risk.

Country Risk Ratings

Deutsche Bank's country risk ratings represent a key tool in its management of country risk. They are established by an independent country risk research function within the Credit Risk Management function and include:

- **Sovereign rating.** A measure of the probability of the sovereign defaulting on its foreign or local currency obligations.
- **Transfer risk rating.** A measure of the probability of a "transfer risk event."
- **Event risk rating.** A measure of the probability of major disruptions in the market risk factors relating to a country.

All sovereign and transfer risk ratings are reviewed, at least annually, by the Group Credit Policy Committee, a sub-committee of the Risk Executive Committee. The country risk research group of Deutsche Bank also reviews, at least quarterly, its ratings for the major Emerging Markets countries. Ratings for countries that Deutsche Bank views as particularly volatile, as well as all event risk ratings, are subject to continuous review.

Deutsche Bank also regularly compares its internal risk ratings with the ratings of the major international rating agencies.

Country Risk Limits

Deutsche Bank manages the exposure to country risk through a framework of limits. The bank specifically limits and monitors its exposure to Emerging Markets. For this purpose, Emerging Markets are defined as Latin America (including the Caribbean), Asia (excluding Japan), Eastern Europe, the Middle East and Africa. Limits are reviewed at least annually, in conjunction with the review of country risk ratings. Country Risk limits are set by either the Management Board or by the Group Credit Policy Committee, pursuant to delegated authority.

Monitoring Country Risk

Deutsche Bank charges its group divisions with the responsibility of managing their country risk within the approved limits. The regional units within Credit Risk Management monitor the country risk of the Bank based on information provided by the finance function. The Group Credit Policy Committee also reviews data on transfer risk.

Country Risk Exposure

The following tables show the development of total Emerging Markets net counterparty exposure (net of collateral), and the utilized Emerging Markets net transfer risk exposure (net of collateral) by region.

Emerging Markets net counterparty exposure	Dec 31, 2009	Dec 31, 2008
in € m.	*(unaudited)*	
Total net counterparty exposure	28,075	26,214
Total net counterparty exposure (excluding OTC derivatives)	22,591	17,697

Source: Deutsche Bank Risk Report 2009
Excluding irrevocable commitments and exposures to non-Emerging Markets bank branches.

Emerging Markets net transfer risk exposure	Dec 31, 2009	Dec 31, 2008
in € m.	*(unaudited)*	
Africa	1,101	914
Asia (excluding Japan)	5,321	5,472
Eastern Europe	2,129	3,364
Latin America	2,234	1,647
Middle East	4,041	3,402
Total emerging markets net transfer risk exposure	**14,826**	**14,799**

Source: Deutsche Bank Risk Report 2009
Excluding irrevocable commitments and exposures to non-Emerging Markets bank branches.

As of December 31, 2009, Deutsche Bank's net transfer risk exposure to Emerging Markets (excluding irrevocable commitments and exposures to non-Emerging Markets bank branches) amounted to € 14.8 billion, virtually unchanged from December 31, 2008, as increases in cross border credit related transactions to Middle East, Latin America and Asia (excluding Japan) were offset by a reduction to Eastern Europe and a reduction of OTC derivative exposures across almost all regions.

Problem Loans

Deutsche Bank's problem loans consist mainly of its impaired loans. The Credit Risk Management regularly assesses whether there is objective evidence that a loan or group of loans is impaired. A loan or group of loans is impaired and impairment losses are incurred if

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the balance sheet date (a "loss event"),
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets, and
- a reliable estimate of the loss amount can be made.

The impairment loss is generally calculated on the basis of discounted expected cash flows using the original effective interest rate of the loan. For troubled debt restructurings (as defined below) the original effective interest rate before modification of terms is used.

While Deutsche Bank assesses the impairment for its corporate credit exposures individually, it assesses the impairment of its smaller-balance standardized homogeneous loans collectively.

The second component of Deutsche Bank's problem loans are nonimpaired problem loans, where no impairment loss is recorded but where either known information about possible credit problems of borrowers causes management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms or that are 90 days or more past due but for which the accrual of interest has not been discontinued.

With the acquisition of Sal. Oppenheim, Deutsche Bank also acquired certain loans for which a specific allowance had been established beforehand by Sal. Oppenheim. These loans were taken on Deutsche Bank's balance sheet at their fair values which reflected the credit quality of these loans. As Deutsche Bank's expectations regarding these loans have not changed since acquisition they are not considered problem loans.

In keeping with SEC industry guidance, Deutsche Bank also continues to monitor and report the following categories in its problem loans:

- **Nonaccrual Loans:** Deutsche Bank places a loan on nonaccrual status if the loan has been in default as to payment of principal or interest for 90 days or more and the loan is neither well secured nor in the process of collection, or the accrual of interest should be ceased according to management's judgment as to

collectability of contractual cash flows. When a loan is placed on nonaccrual status, the accrual of interest in accordance with the contractual terms of the loan is discontinued. However, the accretion of the net present value of the written down amount of the loan due to the passage of time is recognized as interest income based on the original effective interest rate of the loan. Cash receipts of interest on nonaccrual loans are recorded as a reduction of principal.

- **Loans Ninety Days or More Past Due and Still Accruing:** These are loans in which contractual interest or principal payments are 90 days or more past due but on which Deutsche Bank continues to accrue interest as no impairment loss is recorded.
- **Troubled Debt Restructurings:** These are loans that Deutsche Bank has restructured due to deterioration in the borrower's financial position on terms that it would not otherwise consider. If a borrower performs satisfactorily for one year under a restructured loan, Deutsche Bank no longer considers that borrower's loan to be a troubled debt restructuring, unless at the time of restructuring the new interest rate was lower than the market rate for similar credit risks.

The following tables present a breakdown of Deutsche Bank's problem loans for the dates specified.

	March 31, 2010			**December 31, 2009**		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
	(reviewed)			*(reviewed)*		
Nonaccrual loans	5,883	2,276	8,159	5,937	2,186	8,123
Loans 90 days or more past due and still accruing	143	265	408	55	266	321
Troubled debt restructurings	364	144	508	252	217	469
Total problem loans	**6,390**	**2,685**	**9,075**	**6,244**	**2,669**	**8,913**
thereof: IFRS impaired loans	4,975	2,393	7,368	4,903	2,298	7,201

The € 162 million increase in problem loans during the first quarter 2010 was driven by an increase of € 146 million in Deutsche Bank's individually assessed problem loans while its collectively assessed problem loans increased by € 16 million. Assets reclassified according to IAS 39 which are considered problem loans increased by € 92 million.

December 31, 2009
(unaudited)

	Impaired loans			Nonimpaired problem loans			Problem loans
in € m.	German	Non-German	Total	German	Non-German	Total	Total
Individually assessed	**758**	**4,145**	**4,903**	**304**	**1,037**	**1,341**	**6,244**
Nonaccrual loans	707	4,027	4,734	200	1,003	1,203	5,937
Loans 90 days or more past due and still accruing	–	–	–	50	5	55	55
Troubled debt restructurings[1]	51	118	169	54	29	83	252
Collectively assessed	**907**	**1,391**	**2,298**	**274**	**97**	**371**	**2,669**
Nonaccrual loans	905	1,281	2,186	–	–	–	2,186
Loans 90 days or more past due and still accruing	–	–	–	260	6	266	266
Troubled debt restructurings[1]	2	110	112	14	91	105	217
Total problem loans	**1,665**	**5,536**	**7,201**	**578**	**1,134**	**1,712**	**8,913**
thereof: IAS 39 reclassified problem loans	28	2,750	2,778	–	159	159	2,937

Source: Deutsche Bank Risk Report 2009

1 The table above shows troubled debt restructurings within Deutsche Bank's smaller-balance standardized homogeneous loans under collectively assessed problem loans as in last quarter 2009 credit policies and processes were enhanced to assess them accordingly.

December 31, 2008
(unaudited)

in € m.	Impaired loans German	Impaired loans Non-German	Impaired loans Total	Nonimpaired problem loans German	Nonimpaired problem loans Non-German	Nonimpaired problem loans Total	Problem loans Total
Individually assessed	**750**	**1,532**	**2,282**	**294**	**391**	**685**	**2,967**
Nonaccrual loans	699	1,519	2,218	215	377	592	2,810
Loans 90 days or more past due and still accruing	–	–	–	8	5	13	13
Troubled debt restructurings	51	13	64	71	9	80	144
Collectively assessed	**824**	**576**	**1,400**	**175**	**13**	**188**	**1,588**
Nonaccrual loans	824	576	1,400	–	–	–	1,400
Loans 90 days or more past due and still accruing	–	–	–	175	13	188	188
Troubled debt restructurings	–	–	–	–	–	–	–
Total problem loans	**1,574**	**2,108**	**3,682**	**469**	**404**	**873**	**4,555**
thereof: IAS 39 reclassified problem loans	9	745	754	–	86	86	840

Source: Deutsche Bank Risk Report 2009

The € 4.4 billion, or 96 %, increase in the Bank's total problem loans in 2009 was due to a € 5.6 billion gross increase of problem loans partly offset by € 1.2 billion of charge-offs and a € 60 million decrease as a result of exchange rate movements. The increase in problem loans is mainly attributable to Deutsche Bank's individually assessed loans, with gross increases of € 4.0 billion, partly offset by charge-offs of € 670 million and a € 57 million decrease as a result of exchange rate movements. For collectively assessed problem loans, gross increases of € 1.6 billion were partly offset by charge-offs of € 552 million. Included in the € 2.7 billion of collectively assessed problem loans as of December 31, 2009 are € 2.1 billion of loans that are 90 days or more past due as well as € 564 million of loans that are less than 90 days past due.

Deutsche Bank's problem loans included € 2.9 billion of problem loans among the loans reclassified to the banking book as permitted by IAS 39. For these loans Deutsche Bank recorded gross increases in problem loans of € 2.5 billion partly offset by € 414 million of charge-offs and a € 34 million decrease as a result of exchange rate movements.

Deutsche Bank's commitments to lend additional funds to debtors with problem loans amounted to € 191 million as of December 31, 2009, an increase of € 120 million or 169 % compared to December 31, 2008. Of these commitments, € 51 million were to debtors whose loan terms have been modified in a troubled debt restructuring, an increase of € 45 million compared to December 31, 2008.

In addition, as of December 31, 2009, Deutsche Bank had € 7 million of lease financing transactions that were non-performing, an increase of € 3 million or 71 % compared to December 31, 2008. These amounts are not included in Deutsche Bank's total problem loans.

The following table presents an overview of nonimpaired Troubled Debt Restructurings representing the Bank's renegotiated loans that would otherwise be past due or impaired.

in € m.	Dec 31, 2009	Dec 31, 2008
	(audited)	
Troubled debt restructurings not impaired	188	80

The following table breaks down the nonimpaired past due loan exposure carried at amortized cost according to its past due status.

in € m.	Dec 31, 2009	Dec 31, 2008
	(audited)	
Loans less than 30 days past due	6,192	8,345
Loans 30 or more but less than 60 days past due	941	1,308
Loans 60 or more but less than 90 days past due	558	939
Loans 90 days or more past due	925	407
Total loans past due but not impaired	**8,616**	**10,999**

The following table presents the aggregated value of collateral — with the fair values of collateral capped at loan outstandings – held by Deutsche Bank against its loans past due but not impaired.

in € m.	Dec 31, 2009	Dec 31, 2008
	(audited)	
Financial and other collateral	3,965	3,222
Guarantees received	330	987
Total capped fair value of collateral held for loans past due but not impaired	**4,295**	**4,209**

Impaired Loans

As of December 31, 2009, Deutsche Bank's impaired loans totaled € 7.2 billion, representing a 96 % increase compared to December 31, 2008. The total € 4.8 billion gross increase of impaired loans was only partly offset by € 1.2 billion of charge-offs and a € 31 million decrease as a result of exchange rate movements. The increase in impaired loans is mainly attributable to Deutsche Bank's individually assessed impaired loans with gross increases of € 3.3 billion, partly offset by charge-offs of € 670 million and a € 27 million decrease as a result of exchange rate movements. The collectively assessed impaired loans increased by € 897 million, as gross increases of € 1.5 billion were offset by charge-offs of € 552 million.

The Bank's impaired loans included € 2.8 billion of problem loans among the loans reclassified to the banking book as permitted by IAS 39. For these loans Deutsche Bank recorded gross increases in impaired loans of € 2.5 billion, partly offset by € 414 million of charge-offs and a € 28 million decrease as a result of exchange rate movements.

The following table presents a breakdown of Deutsche Bank's impaired loans by region based on the country of domicile of its counterparties for the dates specified.

	December 31, 2009			**December 31, 2008**		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
		(audited)			*(audited)*	
Eastern Europe	30	121	151	16	38	54
Western Europe	3,215	2,152	5,367	1,439	1,338	2,777
Africa	27	–	27	–	–	–
Asia/Pacific	136	21	157	50	22	72
North America	1,392	3	1,395	543	1	544
Central and South America	84	1	85	233	1	234
Other	19	–	19	1	–	1
Total	**4,903**	**2,298**	**7,201**	**2,282**	**1,400**	**3,682**

The following table presents a breakdown of Deutsche Bank's impaired loans by industry sector for the dates specified.

	December 31, 2009			**December 31, 2008**		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
		(audited)			*(audited)*	
Banks and insurance	101	–	101	146	10	156
Manufacturing	582	116	698	347	80	427
Households	103	1,556	1,659	228	981	1,209
Public sector	45	–	45	118	–	118
Wholesale and retail trade	255	91	346	145	55	200
Commercial real estate activities	710	250	960	137	35	172
Fund management activities	848	–	848	644	1	645
Other[1]	2,259	285	2,544	517	238	755
Total	**4,903**	**2,298**	**7,201**	**2,282**	**1,400**	**3,682**

1 For December 31, 2009 the category Other contains primarily the impaired junior debt portion of one Leveraged Finance exposure which was reclassified in accordance with IAS 39.

The following table presents the aggregated value of collateral Deutsche Bank held against impaired loans, with fair values capped at transactional outstandings.

in € m.	Dec 31, 2009	Dec 31, 2008
	(audited)	
Financial and other collateral	1,757	1,175
Guarantees received	57	18
Total capped fair value of collateral held for impaired loans	**1,814**	**1,193**

Collateral Obtained

The following table presents the aggregated value of collateral Deutsche Bank obtained on the balance sheet during the reporting periods by taking possession of collateral held as security or by calling upon other credit enhancements.

in € m.	2009	2008
	(audited)	
Commercial real estate	78	799
Residential real estate	10	170
Other	–	1,837
Total collateral obtained during the reporting period	**88**	**2,806**

Collateral obtained is made available for sale in an orderly fashion or through public auctions, with the proceeds used to repay or reduce outstanding indebtedness. Generally Deutsche Bank does not occupy obtained properties for its business use.

The commercial real estate collateral obtained in 2009 related to two of Deutsche Bank's U.S. exposures while the residential real estate collateral obtained relates to a variety of cases in Spain where Deutsche Bank has executed foreclosure by taking possession.

The residential real estate collateral obtained, as shown in the table above, excludes collateral recorded as a result of consolidating securitization trusts under SIC-12 and IAS 27. The year-end amounts in relation to collateral obtained for these trusts were € 33 million and € 127 million, for December 31, 2009 and December 31, 2008 respectively.

Allowance for Loan Losses

The following table presents the components of the allowance for loan losses on the dates specified, including, with respect to the German loan portfolio, a breakdown by industry of the borrower and the percentage of the total loan portfolio accounted for by those industry classifications. The breakdown between German and non-German borrowers is based on the country of domicile of the borrowers.

in € m. (unless stated otherwise)	December 31, 2009		December 31, 2008	
		(unaudited)		
German:				
Individually assessed loan loss allowance:				
Banks and insurance	2	4%	1	5%
Manufacturing	199	3%	165	3%
Households (excluding mortgages)	18	5%	21	5%
Households – mortgages	3	15%	5	13%
Public sector	–	2%	–	2%
Wholesale and retail trade	95	1%	81	1%
Commercial real estate activities	55	5%	60	5%
Fund management activities	3	1%	2	1%
Other	123	4%	144	5%
Individually assessed loan loss allowance German total	498		479	
Collectively assessed loan loss allowance	454		464	
German total	**952**	**40%**	**943**	**39%**
Non-German:				
Individually assessed loan loss allowance	1,532		499	
Collectively assessed loan loss allowance	859		496	
Non-German total	**2,391**	**60%**	**995**	**61%**
Total allowance for loan losses	**3,343**	**100%**	**1,938**	**100%**
Total individually assessed loan loss allowance	2,029		977	
Total collectively assessed loan loss allowance	1,314		961	
Total allowance for loan losses	**3,343**		**1,938**	

Source: Deutsche Bank Risk Report 2009

Movements in the Allowance for Loan Losses

Deutsche Bank records increases to the allowance for loan losses as an increase of the provision for loan losses in the income statement. Charge-offs reduce the allowance while recoveries, if any, are credited to the allowance account. If Deutsche Bank determines that it no longer requires allowances which it has previously established, Deutsche Bank decreases its allowance and records the amount as a reduction of the provision for loan losses in its income statement.

The following tables present a breakdown of the movements in the allowance for loan losses for the periods specified.

Allowance for loan losses in € m.	**Three months ended March 31, 2010**			**Three months ended March 31, 2009**		
	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
		(reviewed)			*(reviewed)*	
Balance, beginning of year	**2,029**	**1,314**	**3,343**	**977**	**961**	**1,938**
Provision for loan losses	89	178	267	359	179	539
Net charge-offs	(71)	(98)	(169)	(80)	(112)	(192)
Charge-offs	(79)	(124)	(203)	(92)	(142)	(234)
Recoveries	8	26	34	11	31	42
Changes in the group of consolidated companies	–	–	–	–	–	–
Exchange rate changes/other	5	9	14	7	(6)	1
Balance, end of period	**2,052**	**1,403**	**3,455**	**1,263**	**1,022**	**2,285**

in € m.	2009 Individually assessed	2009 Collectively assessed	2009 Total	2008 Individually assessed	2008 Collectively assessed	2008 Total
		(audited)			*(audited)*	
Balance, beginning of year	**977**	**961**	**1,938**	**930**	**775**	**1,705**
Provision for loan losses	1,789	808	2,597	382	702	1,084
Net charge-offs	(637)	(419)	(1,056)	(301)	(477)	(778)
Charge-offs	(670)	(552)	(1,222)	(364)	(626)	(990)
Recoveries	33	133	166	63	149	212
Changes in the group of consolidated companies	–	–	–	–	–	–
Exchange rate changes/other	(101)	(36)	(137)	(34)	(39)	(74)
Balance, end of year	**2,029**	**1,314**	**3,343**	**977**	**961**	**1,938**

The following table sets forth a breakdown of the movements in the allowance for loan losses, including, with respect to the German loan portfolio, by industry classifications for the periods specified. The breakdown between German and non-German borrowers is based on the country of domicile of the borrowers.

in € m. (unless stated otherwise)	2009	2008
	(unaudited)	
Balance, beginning of year	**1,938**	**1,705**
Charge-offs:		
German:		
Banks and insurance	(2)	(2)
Manufacturing	(43)	(53)
Households (excluding mortgages)	(340)	(330)
Households – mortgages	(23)	(32)
Public sector	–	–
Wholesale and retail trade	(23)	(41)
Commercial real estate activities	(6)	(19)
Fund management activities	–	–
Other	(72)	(127)
German total	(509)	(604)
Non-German total	(713)	(386)
Total charge-offs	**(1,222)**	**(990)**
Recoveries:		
German:		
Banks and insurance	1	1
Manufacturing	11	14
Households (excluding mortgages)	83	81
Households – mortgages	1	3
Public sector	–	–
Wholesale and retail trade	7	8
Commercial real estate activities	7	9
Fund management activities	–	–
Other	25	41
German total	135	157
Non-German total	31	55
Total recoveries	**166**	**212**
Net charge-offs	**(1,056)**	**(778)**
Provision for loan losses	2,597	1,084
Other changes (e.g. exchange rate changes, changes in the group of consolidated companies)	(137)	(74)
Balance, end of year	**3,343**	**1,938**
Percentage of total net charge-offs to average loans for the year	0.39%	0.33%

Source: Deutsche Bank Risk Report 2009

Deutsche Bank's allowance for loan losses as of December 31, 2009 was € 3.3 billion, a 72 % increase from the € 1.9 billion reported for the end of 2008. The increase in the allowance was principally due to provisions exceeding substantially the charge-offs.

Deutsche Bank's gross charge-offs amounted to € 1.2 billion in 2009. Of the charge-offs for 2009, € 637 million were related to the corporate credit exposure, of which € 414 million were related to assets which had been reclassified in accordance with IAS 39 in Deutsche Bank's U.S. and U.K. portfolios, and € 419 million to the consumer credit exposure, mainly driven by the German portfolios.

Deutsche Bank's provision for loan losses in 2009 was € 2.6 billion, principally driven by € 1.8 billion for the corporate credit exposures, of which € 1.3 billion of new provisions were established relating to assets which had been reclassified in accordance with IAS 39, relating predominantly to exposures in Leveraged Finance. The remaining increase reflected impairment charges taken on a number of exposures in the Americas and in Europe in an overall deteriorating credit environment. Loan loss provisions for PCAM amounted to € 805 million, predominately reflecting a more challenging credit environment in Spain and Poland. Provisions in 2009 were positively impacted by changes in certain parameter and model assumptions, which reduced provisions by € 87 million in CIB and € 146 million in PCAM.

Deutsche Bank's individually assessed loan loss allowance was € 2.0 billion as of December 31, 2009. The € 1.1 billion increase in 2009 is comprised of net provisions of € 1.8 billion (including the aforementioned impact from IAS 39 reclassifications), net charge-offs of € 637 million and a € 101 million decrease from currency translation and unwinding effects.

Deutsche Bank's collectively assessed loan loss allowance totaled € 1.3 billion as of December 31, 2009, representing an increase of € 353 million against the level reported for the end of 2008 (€ 961 million). Movements in this component include a € 808 million provision, including a positive impact by changes in certain parameter and model assumptions which reduced provision by € 87 million, being offset by € 419 million net charge-offs and a € 36 million net decrease from currency translation and unwinding effects.

Deutsche Bank's allowance for loan losses as of December 31, 2008 was € 1.9 billion, a 14 % increase from the € 1.7 billion reported for the end of 2007. The increase in the allowance was principally due to provisions exceeding the charge-offs.

Deutsche Bank's gross charge-offs amounted to € 990 million in 2008. Of the charge-offs for 2008, € 626 million were related to the consumer credit exposure and € 364 million were related to the corporate credit exposure, mainly driven by the German and U.S. portfolios.

Deutsche Bank's provision for loan losses in 2008 was € 1.1 billion, up € 433 million or 67 %, principally driven by the consumer credit exposure, as a result of the deteriorating credit conditions in Spain, higher delinquencies in Germany and Italy, as well as organic growth in Poland. For the corporate exposures, new provisions of € 257 million were established in the second half of 2008 relating to assets which had been reclassified in accordance with IAS 39. Additional loan loss provisions within this portfolio were required, mainly on European loans, reflecting the deterioration in credit conditions.

Deutsche Bank's individually assessed loan loss allowance was € 977 million as of December 31, 2008. The € 47 million increase in 2008 is comprised of net provisions of € 382 million (including the aforementioned impact from IAS 39 reclassifications), net charge-offs of € 301 million and a € 34 million decrease from currency translation and unwinding effects.

Deutsche Bank's collectively assessed loan loss allowance totaled € 961 million as of December 31, 2008, representing an increase of € 186 million against the level at the end of 2007 (€ 775 million). Movements in this component include € 702 million provision being offset by € 477 million net charge-offs, and a € 39 million net reduction due to exchange rate movements and unwinding effects. Given this increase, Deutsche Bank's collectively assessed loan loss allowance was almost at the same level as the individually assessed loan loss allowance.

Non-German Component of the Allowance for Loan Losses

The following table presents an analysis of the changes in the non-German component of the allowance for loan losses. As of December 31, 2009, 72 % of the total allowance was attributable to non-German clients.

in € m.	2009	2008
	(unaudited)	
Balance, beginning of year	**995**	**615**
Provision for loan losses	2,182	752
Net charge-offs	(682)	(330)
Charge-offs	(713)	(385)
Recoveries	31	55
Other changes (e.g. exchange rate changes, changes in the group of consolidated companies)	(104)	(42)
Balance, end of year	**2,391**	**995**

Source: Deutsche Bank Risk Report 2009

Allowance for Off-balance Sheet Positions

The following tables show the activity in the allowance for off-balance sheet positions, which comprises contingent liabilities and lending-related commitments.

Allowance for off-balance sheet positions in € m.	**Three months ended March 31, 2010** Individually assessed	Collectively assessed	Total	**Three months ended March 31, 2009** Individually assessed	Collectively assessed	Total
		(reviewed)			*(reviewed)*	
Balance, beginning of year	**83**	**124**	**207**	**98**	**112**	**210**
Provision for off-balance sheet positions	(6)	1	(5)	–	(13)	(13)
Usage	–	–	–	–	–	–
Changes in the group of consolidated companies	9	–	9	–	–	–
Exchange rate changes	1	5	5	3	4	7
Balance, end of period	**87**	**130**	**217**	**101**	**103**	**204**

in € m.	**2009** Individually assessed	Collectively assessed	Total	**2008** Individually assessed	Collectively assessed	Total
		(audited)			*(audited)*	
Balance, beginning of year	**98**	**112**	**210**	**101**	**118**	**219**
Provision for off-balance sheet positions	21	12	33	(2)	(6)	(8)
Usage	(45)	–	(45)	–	–	–
Changes in the group of consolidated companies	–	–	–	–	–	–
Exchange rate changes	10	–	10	(1)	–	(1)
Balance, end of year	**83**	**124**	**207**	**98**	**112**	**210**

Settlement Risk

The trading activities may give rise to risk at the time of settlement of those trades. Settlement risk is the risk of loss due to the failure of a counterparty to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For many types of transactions, Deutsche Bank mitigates settlement risk by closing the transaction through a clearing agent, which effectively acts as a stakeholder for both parties, only settling the trade once both parties have fulfilled their sides of the bargain.

Where no such settlement system exists, the simultaneous commencement of the payment and the delivery parts of the transaction is common practice between trading partners (free settlement). In these cases, Deutsche Bank may seek to mitigate the settlement risk through the execution of bilateral payment netting agreements. Deutsche Bank is also an active participant in industry initiatives to reduce settlement risks. Acceptance of settlement risk on free settlement trades requires approval from the credit risk personnel, either in the form of pre-approved settlement risk limits, or through transaction-specific approvals. Deutsche Bank does not aggregate settlement risk limits with other credit exposures for credit approval purposes, but it takes the aggregate exposure into account when it considers whether a given settlement risk would be acceptable.

Market Risk

The vast majority of Deutsche Bank's businesses are subject to market risk, defined as the potential for change in the market value of Deutsche Bank's trading and investing positions. Risk can arise from adverse changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility.

The primary objective of Market Risk Management is to ensure that Deutsche Bank's business units optimize the risk-reward relationship and do not expose it to unacceptable losses. To achieve this objective, Market Risk Management works closely together with risk takers (the business units) and other control and support groups.

Deutsche Bank differentiates between two substantially different types of market risk:

- Trading market risk arises primarily through the market-making activities of the Corporate and Investment Bank division. This involves taking positions in debt, equity, foreign exchange, other securities and commodities as well as in equivalent derivatives.
- Nontrading market risk in the form of equity risk arises primarily from non-consolidated strategic investments in the Corporate Investment portfolio, alternative asset investments and equity compensation. Interest risk stems from Deutsche Bank's non-trading asset and liability positions. Other non-trading market risk elements are risks arising from asset management and fund related activities as well as model risks in PBC, GTB and PWM, which are derived by shocking assumptions on client behavior in combination with interest rate movements.

Trading Market Risk Management Framework

Deutsche Bank's primary instrument to manage trading market risk is the limit setting process The Management Board, supported by Market Risk Management, which is part of the independent legal, risk & capital function, sets a Group-wide value-at-risk and economic capital limits for the market risk in the trading book. Market Risk Management sub-allocates this overall limit to the group divisions (e.g., Global Markets and Corporate Finance) and individual business areas (e.g., Global Rates, Global Markets Equity, etc.) based on anticipated business plans and risk appetite. Within the individual business areas, the business heads or Chief Operating Officers may establish business limits by sub-allocating the Market Risk Management limit down to individual portfolios or geographical regions.

Value-at-risk and economic capital limits are not sufficient for managing all types of market risk on their own. In addition, Market Risk Management operates sensitivity and concentration/liquidity limits. A distinction is made between Market Risk Management limits and business limits for sensitivities and concentration/liquidity. In practice, the Market Risk Management limits are likely to be a relatively small number of key limits necessary to capture an exposure to a particular risk factor and will tend to be global in nature rather than for any particular geographical region.

To manage the exposures inside the limits, the risk takers apply several risk mitigating measures, most notably the use of

- **Diversification effects:** Diversification is a portfolio strategy designed to reduce exposure by combining a variety of positions. Because some investments rise in value while others decline, diversification can help to lower the overall level of risk for a given portfolio.
- **Hedging:** Hedging involves taking positions in related securities, including derivative products, such as futures, swaps and options. Hedging activities may not always provide effective mitigation against losses due to differences in the terms, specific characteristics or other basis risks that may exist between the hedge instrument and the exposure being hedged.

Trading Market Risk Management: Refined framework and de-risking discipline in 2009

In 2009, Market Risk Management implemented new processes to improve the monitoring and reporting of key risks. These processes included creating a list of exposures which had been targeted for de-risking. The identification of such positions was guided by a four step de-risking framework.

Reduce risk concentrations:

- Adapt position size to liquidity environment
- Invest in unwinding most illiquid risk positions.

Continued use of active hedging:

- Active program of macro hedging
- Improve hedging efficiency of individual strategies.

De-leverage balance sheet:

- Manage down gross and net exposure
- Align market risk appetite to new balance sheet and leverage targets.

Reduce uncertainty:

- Avoid exposure to difficult to value products
- Reduce reliance on complex, highly structured products.

As a result of the continued focus, the majority of these key exposures have been reduced to appropriate levels. For a minority of exposures, de-risking progress has been slowed by the current market conditions; and potential for future loss remains. Action has been taken to reduce this potential. The positions have been segregated from the 'Ongoing' trading books, and are managed in separate 'Legacy' books. Hedges have also been purchased to limit the downside risk. Deutsche Bank continues to seek and take market opportunities to reduce these risks.

The plan was part of a wider recalibration of the business model. This aims to increase the proportion of revenues earned from the most liquid flow markets, and to reduce reliance on exotic and structured businesses which may lack liquidity.

Quantitative Risk Management Tools

Value-at-Risk

Value-at-risk is a quantitative measure of the potential loss (in value) of trading positions due to market movements that will not be exceeded in a defined period of time and with a defined confidence level.

Deutsche Bank's value-at-risk for the trading businesses is based on its own internal value-at-risk model. In October 1998, the German Banking Supervisory Authority (now the BaFin) approved the internal value-at-risk model for calculating the regulatory market risk capital for general and specific market risks. Since then the model has been periodically refined and approval has been maintained.

Deutsche Bank calculates value-at-risk using a 99 % confidence level and a holding period of one day. This means it estimates there is a 1 in 100 chance that a mark-to-market loss from its trading positions will be at least as large as the reported value-at-risk. For regulatory reporting, the holding period is ten days.

Deutsche Bank uses historical market data to estimate value-at-risk, with an equally-weighted 261 trading day history. The calculation employs a Monte Carlo simulation technique, and Deutsche Bank assumes that changes in risk factors follow a certain distribution, e.g., normal or logarithmic normal distribution. To determine its aggregated value-at-risk, Deutsche Bank uses observed correlations between the risk factors during this 261 trading day period.

The value-at-risk model is designed to take into account the following risk factors: interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices, as well as their implied volatilities and common basis risk. The model incorporates both linear and, especially for derivatives, nonlinear effects of the risk factors on the portfolio value.

The value-at-risk measure enables Deutsche Bank to apply a constant and uniform measure across all of its trading businesses and products. It allows a comparison of risk in different businesses, and also provides a means of aggregating and netting positions within a portfolio to reflect correlations and offsets between different asset classes. Furthermore, it facilitates comparisons of Deutsche Bank's market risk both over time and against its daily trading results.

When using value-at-risk estimates a number of considerations should be taken into account. The model is subject to known limitations, many of which manifested themselves in 2008, resulting in a high number of outliers. These include the following:

- The use of historical data may not be a good indicator of potential future events, particularly those that are extreme in nature. This 'backward-looking' limitation can cause value-at-risk to understate risk (as in 2008), but can also cause it to be overstated. In 2009 Deutsche Bank observed fewer outliers than would be predicted by the model. In a strict statistical sense, the value-at-risk in 2009 was over-conservative, and had over-estimated the risk in the trading books. As discussed, the value-at-risk model of Deutsche Bank bases estimates of future volatility on market data observed over the previous year. For much of 2009, this estimate incorporated the extreme market volatility observed in the fourth quarter of 2008 following the bankruptcy of Lehman Brothers. As markets normalized in 2009, estimated volatility exceeded actual volatility, and fewer outliers occurred than expected.
- Assumptions concerning the distribution of changes in risk factors, and the correlation between different risk factors, may not hold true, particularly during market events that are extreme in nature. While Deutsche

Bank believes its assumptions are reasonable, there is no standard value-at-risk methodology to follow. Different assumptions would produce different results.

- The one day holding period does not fully capture the market risk arising during periods of illiquidity, when positions cannot be closed out or hedged within one day.
- Value-at-risk does not indicate the potential loss beyond the 99th quantile.
- Intra-day risk is not captured.
- Although Deutsche Bank considers the material risks to be covered by its value-at-risk model and Deutsche Bank further enhances it, there still may be risks in the trading book that are not covered by the value-at-risk model.

Deutsche Bank continuously analyzes potential weaknesses of its value-at-risk model using statistical techniques such as back-testing, but also rely on risk management experience and expert opinion. Back-testing provides an analysis of the predictive power of the value-at-risk calculations based on actual experience. Deutsche Bank compares the hypothetical daily profits and losses under the buy-and-hold assumption (in accordance with German regulatory requirements) with the estimates from the value-at-risk model.

A committee chaired by Market Risk Management and with participation from Market Risk Operations, Risk Analytics and Instruments, Finance and others, meets on a quarterly basis to discuss back-testing results of the Group as a whole and of individual businesses. The committee analyzes performance fluctuations and assesses the predictive power of the value-at-risk model, which in turn allows Deutsche Bank to improve the risk estimation process.

Deutsche Bank is committed to the ongoing development of its proprietary risk models, and it allocates substantial resources to reviewing and improving them. Special attention is given to improving those parts of the value-at-risk model that relate to the areas where losses have been experienced in the recent past. During 2009, significant methodology improvements were made to the value-at-risk calculation, including the following:

- Introduction of option-adjusted spread sensitivity for mortgage backed securities. This measure of credit spread more accurately captures prepayment risk, which arises from mortage holders' option to prepay their mortgage if interest rates fall
- Introduction of credit spread implied volatility sensitivity
- Inclusion of basis risk between different money market instruments and swaps based on them
- Inclusion of basis risk between credit default swaps and bond spreads

Economic Capital for Market Risk

As for other risk categories, economic capital for market risk measures the amount of capital Deutsche Bank needs to absorb very severe unexpected losses arising from its exposures. "Very severe" in this context means that economic capital is set at a level to cover with a probability of 99.98 % the aggregated unexpected losses within one year.

Some firms calculate economic capital for market risk using their value-at-risk model, by applying a higher confidence level and longer holding period. A key limitation of this approach is that value-at-risk models are based on relatively recent historical data, and therefore typically only reflect losses under normal market conditions. To address this, Deutsche Bank calculates economic capital using stress tests and scenario analyses. The stress tests are derived from historically observed severe market shocks. The resulting losses from these stress scenarios are then aggregated using correlations observed during periods of market crises, to reflect the increase in correlations which occurs during severe downturns.

The stress tests are augmented by subjective assessments where only limited historical data is available, or where market developments are viewed to make historical data a poor indicator of possible future market scenarios.

The calculation of economic capital for market risk from the trading units is performed weekly. The model incorporates the following risk factors: interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices. Volatility, credit correlation and common basis risks are also captured.

During the course of 2009 the economic capital stress tests were recalibrated to reflect the extreme market moves observed in the later part of 2008. This included extension of the assumed holding periods on credit positions, and significant increases to the shocks applied to equity indices and credit spreads, especially for securitized products.

In addition to the recalibration, there were improvements to the economic capital model. These included the addition of stress tests for leveraged exchange traded funds and for gap risk in non-recourse finance in emerging markets.

The stress testing results and economic capital estimations are necessarily limited by the number of stress tests executed and the fact that not all downside scenarios can be predicted and simulated. While the risk managers have used their best judgment to define worst case scenarios based upon the knowledge of past extreme market moves, it is possible for the market risk positions to lose more value than even the economic capital estimates. Deutsche Bank also continuously assesses and refines the stress tests in an effort to ensure they capture material risks as well as reflect possible extreme market moves.

Value-at-Risk of Trading Units of Deutsche Bank's Corporate and Investment Bank Group Division

The following table shows the value-at-risk (with a 99 % confidence level and a one-day holding period) of the trading units of the Corporate and Investment Bank Group Division. The trading market risk outside of these units is immaterial. "Diversification effect" reflects the fact that the total value-at-risk on a given day will be lower than the sum of the values-at-risk relating to the individual risk classes. Simply adding the value-at-risk figures of the individual risk classes to arrive at an aggregate value-at-risk would imply the assumption that the losses in all risk categories occur simultaneously.

Value-at-risk of trading units in € m.	**Dec 31, 2009**	**Dec 31, 2008**
	(audited)	
Interest rate risk	111.0	129.9
Equity price risk	37.0	34.5
Foreign exchange risk	23.9	38.0
Commodity price risk	14.8	13.5
Diversification effect	(65.7)	(84.5)
Total	**121.0**	**131.4**

The following tables show the maximum, minimum and average value-at-risk (with a 99 % confidence level and a one-day holding period) of the trading units of the Corporate and Investment Bank Group Division by risk categories for the periods specified.

Value-at-risk of trading units[1,2] *(unaudited)*	Total		Diversification effect		Interest rate risk		Equity price risk		Foreign exchange risk		Commodity price risk	
in € m.	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Average[3]	115.8	126.8	(40.4)	(61.6)	99.1	117.6	22.0	26.9	23.2	28.7	11.9	15.1
Maximum[3]	126.4	180.1	(63.5)	(112.3)	113.0	169.2	33.6	47.3	41.5	64.4	16.6	34.7
Minimum[3]	102.0	91.9	(26.4)	(35.9)	85.7	83.2	16.3	14.5	13.9	11.9	8.3	8.5
Period-end[4]	107.9	121.0	(42.9)	(65.7)	91.7	111.0	22.6	37.0	23.6	23.9	12.9	14.8

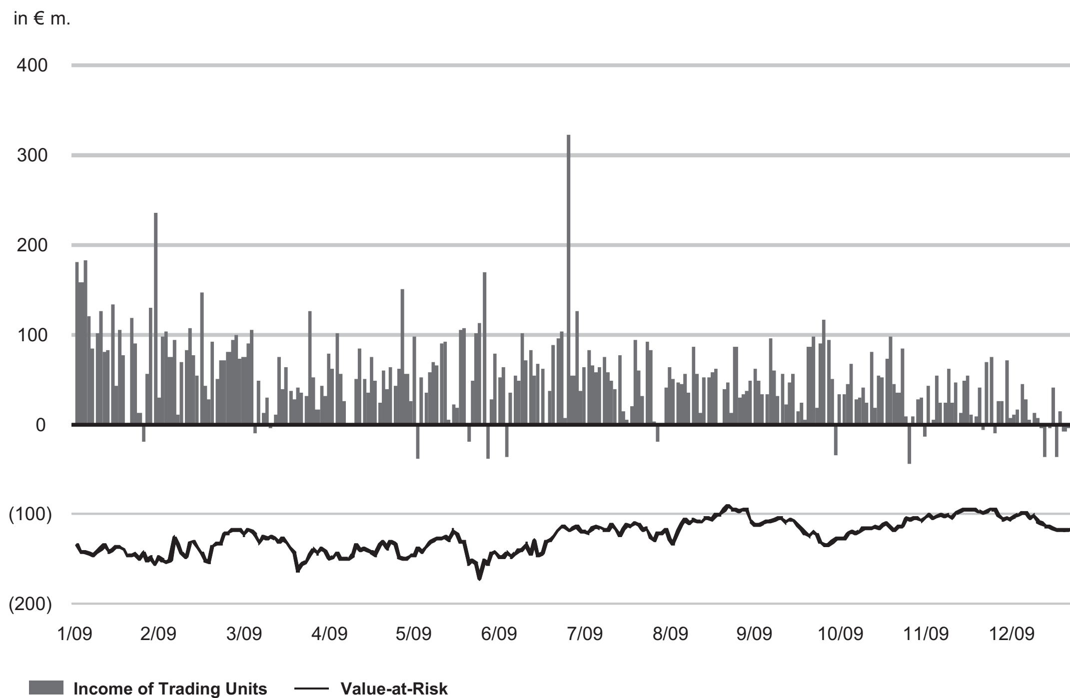
Source: Deutsche Bank Interim Report as of March 31, 2010
1 All figures for 1-day holding period and 99% confidence level.
2 Value-at-risk is not additive due to correlation effects.
3 Amounts show the bands within which the values fluctuated during the first quarter 2010 and the full year 2009, respectively.
4 Figures for 2009 as of December 31, 2009 and figures for 2010 as of March 31, 2010.

Value-at-risk of trading units *(unaudited)*	Total		Diversification effect		Interest rate risk		Equity price risk		Foreign exchange risk		Commodity price risk	
in € m.	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Average	126.8	122.0	(61.6)	(74.7)	117.6	105.4	26.9	60.7	28.7	18.4	15.1	12.2
Maximum	180.1	172.9	(112.3)	(104.1)	169.2	143.3	47.3	93.8	64.4	42.4	34.7	21.1
Minimum	91.9	97.5	(35.9)	(48.4)	83.2	83.1	14.5	31.0	11.9	8.5	8.5	7.6

Source: Deutsche Bank Risk Report 2009

The following graph shows the daily aggregate value-at-risk of the trading units in 2009, including diversification effects, and actual income of the trading units throughout the year.

Income of Trading Units and Value-at-Risk in 2009



The value-at-risk for the trading units remained within a band between € 91.9 million and € 180.1 million. The average value-at-risk in 2009 was € 126.8 million, which is 4 % above the 2008 average of € 122 million.

The increase in average value-at-risk observed in 2009 was driven primarily by an increased market volatility observed in 2008, and to a lesser extent by development of the value-at-risk model. For much of 2009, these factors offset the significant de-risking achieved in the trading book.

Value-at-risk peaked in the second quarter 2009 at € 180.1 million, and then fell as the high volatility observations from the second quarter 2008 were no longer included in the dataset. There was also a consistent fall in value-at-risk for much of the last quarter in 2009, as the extreme observations in the last quarter of 2008 (following the bankruptcy of Lehman Brothers) fell out of the dataset. In early December 2009, value-at-risk reached a low point of € 91.9 million, which compared to the 2008 average of € 122 million, illustrates the significant reduction in risk. A combination of additional risk positions in interest rate and equity risk as well as a recalibration of parameters in Deutsche Bank's credit correlation business drove the value-at-risk back to € 121 million as per year-end 2009.

The trading units achieved a positive actual income for over 91 % of the trading days in 2009 (over 57 % in 2008).

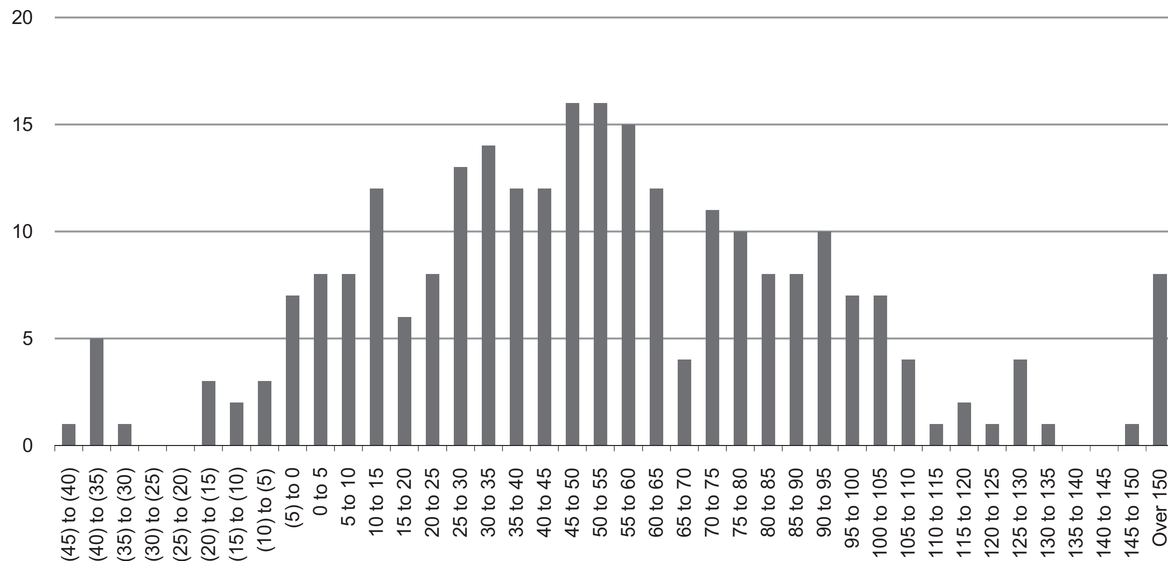
An outlier is a hypothetical buy-and-hold trading loss that exceeds Deutsche Bank's value-at-risk estimate. In its regulatory back-testing in 2009, Deutsche Bank observed one outlier compared to 35 in 2008. Deutsche Bank would expect a 99 percent confidence level to give rise to two to three outliers in any one year. This significant improvement in model performance reflects the developments carried out in 2008 and 2009 and the return of markets to more normal volatility and correlation patterns.

The following histogram illustrates the distribution of actual daily income of the trading units in 2009. The histogram displays the number of trading days on which Deutsche Bank reached each level of trading income shown on the horizontal axis in millions of euro.

Income of Trading Units in 2009

in € m.

Days



The economic capital usage for market risk arising from the trading units totaled € 4.6 billion at year-end 2009 compared with € 5.5 billion at year-end 2008. The reduction reflects the de-risking carried out in the trading books. This was partially offset by increases driven by recalibration of shocks and developments to the economic capital model.

Nontrading Market Risk Management

The Nontrading Market Risk Management units oversee a number of risk exposures resulting from various business activities and initiatives.

The most dominant nontrading market risk is the equity risk arising from Deutsche Bank's non-consolidated strategic investments in the Corporate Investment portfolio, which in particular includes its stake in the Deutsche Postbank AG. Moreover, the alternative asset portfolio contributes to Deutsche Bank's nontrading equity risk position as it consists primarily of business-related principal investments as well as private equity and alternative asset investments.

The majority of the interest rate and foreign exchange risks arising from the nontrading asset and liability positions has been transferred through internal hedges to Global Markets within the Corporate and Investment Bank and is thus managed on the basis of value-at-risk as reflected in the trading value-at-risk numbers. For the remaining risks that have not been transferred through those hedges, in general foreign exchange risk is mitigated through match funding the investment in the same currency and only residual risk remains in the portfolios. Also, for these residual positions there is modest interest rate risk remaining from the mismatch between the funding term and the expected maturity of the investment.

A significant contribution to Deutsche Bank's foreign exchange risk in its nontrading portfolio results from unhedged capital and retained earnings in non-euro currencies in certain subsidiaries, mainly U.S. and U.K. entities. It is also referred to as structural foreign exchange risk exposure.

Apart from these more conventional risk topics, the Nontrading Market Risk Management function also has the mandate to monitor and manage risks arising from equity compensation and asset management and fund related activities resulting primarily from guaranteed funds. Moreover, the PBC, GTB and PWM businesses are subject to modeling risk with regard to client deposits. This risk materializes if assumptions on client behavior are shocked in combination with interest rate movements.

The Capital and Risk Committee supervises Deutsche Bank's nontrading market risk exposures. Investment proposals for strategic investments are analyzed by the Group Investment Committee. Depending on size of the strategic investment the investment requires approval from the Group Investment Committee, the Management Board or even the Supervisory Board. The development of Strategic Investments is monitored by the Group Investment Committee on a regular basis. Multiple members of the Capital and Risk Committee are also members of the Group Investment Committee, ensuring a close link between both committees.

Due to the complexity and variety of risk characteristics in the area of nontrading market risks, the responsibility of risk management is split into three teams

- The Nontrading Market Risk Management team within the Market Risk Management function covers market risks in PBC, GTB, PWM and Corporate Investments as well as Structural FX Risks, Equity Compensation Risks and Pension Risks.
- The Principal Investments team within the Credit Risk Management function is specialized in risk-related aspects of the nontrading alternative asset activities and performs monthly reviews of the risk profile of the nontrading alternative asset portfolios.
- The Asset Management Risk unit within the Credit Risk Management function is specialized in risk-related aspects of the asset and fund management business. Noteworthy risks in this area arise, for example, from performance and/or principal guarantees and reputational risk related to managing client funds.

Assessment of Market Risk in Deutsche Bank's Nontrading Portfolios

Due to the nature of these positions as well as the static nature of some of the pricing Deutsche Bank does not use value-at-risk to assess the market risk in its nontrading portfolios. Rather it assesses the risk through the use of stress testing procedures that are particular to each risk class and which consider, among other factors, large historically-observed market moves and the liquidity of each asset class as well as changes in client behaviors in relation to deposit products. In this context, Deutsche Bank also utilizes its macroeconomic credit portfolio model to estimate the economic capital demand for its strategic investments. This assessment forms the basis of Deutsche Bank's economic capital estimates which enables it to actively monitor and manage its nontrading market risk. As of year end 2009 several enhancements to the economic capital coverage across the nontrading market risk portfolio have been introduced. Most significant additions to Deutsche Bank's economic capital coverage are Equity Compensation Risks, Structural FX risks and modeling risks with regard to its client deposits in the PBC, GTB and PWM businesses. Although these positions have a large economic capital impact on a standalone basis, they have only incremental impact on a diversified basis.

Economic Capital Usage for Deutsche Bank's Nontrading Market Risk Portfolios per Business Area

The table below shows the economic capital usages for Deutsche Bank's nontrading portfolios by business division.

Economic capital usage for Deutsche Bank's nontrading portfolios

in € m.	**Dec 31, 2009**	**Dec 31, 2008**
	(unaudited)	
CIB	890	941
PCAM	2,246	1,730
Corporate Investments	5,043	577
Other nontrading market risk	(277)	14
Total DB Group	**7,902**	**3,262**

Source: Deutsche Bank Risk Report 2009

Most significant changes in 2009 result from the acquisition of shares in Deutsche Postbank AG, which is the main driver of the economic capital increase within Corporate Investments. The increase in PCAM is mainly driven by further enhancements to the economic capital model in Private & Business Clients and Asset and Wealth Management. The allocation of the economic capital contribution for deposit modeling as amounting to € 15 million was shifted from business risk economic capital to nontrading market risk economic capital as of December 31, 2008.

Carrying Value and Economic Capital Usage for Deutsche Bank's Nontrading Market Risk Portfolios

The table below shows the carrying values and economic capital usages separately for Deutsche Bank's nontrading portfolios.

Nontrading portfolios in € bn.	**Carrying value**		**Economic capital usage**	
	Dec 31, 2009	**Dec 31, 2008**	**Dec 31, 2009**	**Dec 31, 2008**
	(audited)		*(audited)*	
Strategic Investments	7.6	1.2	4.9	0.8
Major Industrial Holdings[1]	0.2	1.1	–	0.4
Other Corporate Investments	0.9	0.9	0.2	0.2
Alternative Assets	3.8	3.2	1.3	1.3
Principal Investments	2.0	1.6	0.7	0.7
Real Estate	1.7	1.3	0.6	0.6
Hedge Funds[2]	0.1	0.2	–	–
Other nontrading market risks[3]	N/A	N/A	1.5	0.6
Total	**12.5**	**6.3**	**7.9**	**3.3**

1 There is a small economic capital usage of € 28 million as of December 31, 2009.
2 There is a small economic capital usage of € 17 million as of December 31, 2009 and € 42 million as of December 31, 2008.
3 N/A indicates that the risk is mostly related to off-balance sheet and liability items.

The economic capital usage for these nontrading market risk portfolios totaled € 7.9 billion at year-end 2009, which is € 4.6 billion, or 142 %, above the economic capital usage at year-end 2008.

- **Strategic Investments.** The economic capital usage of € 4.9 billion at December 31, 2009 was mainly driven by Deutsche Bank's participations in Deutsche Postbank AG and Hua Xia Bank Company Limited.
- **Major Industrial Holdings.** The economic capital usage was € 28 million at December 31, 2009. Most of these Major Industrial Holdings have been divested during 2009, most notably the majority of Deutsche Bank's shareholdings in Daimler AG. The remaining positions are no longer substantial to Deutsche Bank.
- **Other Corporate Investments.** The economic capital usage was € 203 million for the other corporate investments of Deutsche Bank at year-end 2009.
- **Alternative assets.** The alternative assets include principal investments, real estate investments (including mezzanine debt) and small investments in hedge funds. Principal investments are composed of direct investments in private equity, mezzanine debt, short-term investments in financial sponsor leveraged buy-out funds, bridge capital to leveraged buy-out funds and private equity led transactions. The alternative assets portfolio has some concentration in infrastructure and real estate assets. While recent market conditions have limited the opportunities to sell down the portfolio, the intention remains to do so, provided suitable conditions allow it.
- **Other nontrading market risks**:
  - ***Deposit bucketing.*** Economic capital derived from stressing modeling assumptions for the effective duration of overnight deposits. The economic capital usage was € 247 million at December 31, 2009 and was mainly driven by PBC with a contribution of € 228 million.
  - ***Equity compensation***. Risk arising from structural short position in Deutsche Bank's own share price arising from restricted equity units. The economic capital usage was € (597) million at December 31, 2009 on a diversified basis. The negative contribution to the diversified economic capital is derived from the fact that a reduction of Deutsche Bank's share price in a downside scenario as expressed by economic capital would lead to reduced negative impact on Deutsche Bank's capital position from the equity compensation liabilities.
  - ***Structural Foreign Exchange Risk***. Deutsche Bank's foreign exchange exposure arising from unhedged capital and retained earnings in non-euro currencies in certain subsidiaries. The economic capital usage was € 307 million at December 31, 2009 on a diversified basis.
  - ***Asset Management***. Guaranteed Funds: The economic capital usage was € 1.3 billion at December 31, 2009, an increase of 139 % over Deutsche Bank's economic capital usage at year-end 2008, driven by a recalibration of economic capital calculation parameters (shocks, correlations) in July 2009 reflecting changed market conditions.

The total economic capital figures do not currently take into account diversification benefits between the asset categories except for those of equity compensation and structural FX risks.

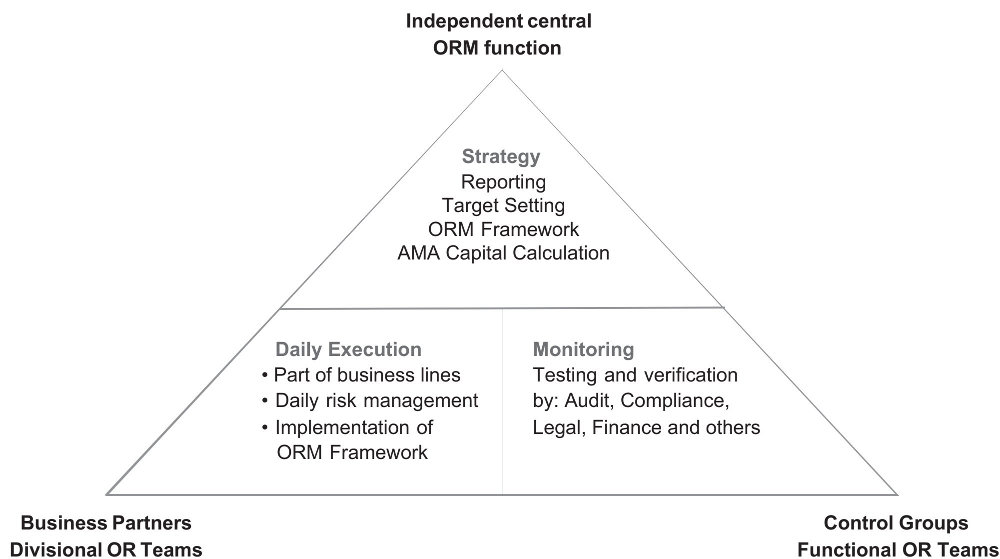
Operational Risk

Organizational Structure

The Global Head of Operational Risk Management is a member of the Risk Executive Committee and reports to the Chief Risk Officer. He chairs the Operational Risk Management Committee, which is a permanent sub-committee of the Risk Executive Committee and is composed of the Operational Risk Officers from Deutsche Bank's Business Divisions and its Infrastructure Functions. It is the main decision-making committee for all operational risk management matters.

While the day-to-day operational risk management lies with Deutsche Bank's business divisions and infrastructure functions, the Operational Risk Management function manages the cross divisional and cross regional operational risk and ensures a consistent application of Deutsche Bank's operational risk management strategy across the bank. Based on this Business Partnership Model, which is also shown in the chart below, Deutsche Bank ensures close monitoring and high awareness of operational risk.

Business Partnership Model of Operational Risk Management



Managing Deutsche Bank's Operational Risk

Deutsche Bank manages operational risk based on a Group-wide consistent framework that enables it to determine its operational risk profile in comparison to its risk appetite and systematically identify operational risk themes to define risk mitigating measures and priorities.

Deutsche Bank applies a number of techniques to efficiently manage the operational risk in its business, for example:

- Deutsche Bank performs systematic risk analyses, root cause analyses and lessons learned activities for events above € 2 million to identify inherent areas of risk and to define appropriate risk mitigating actions which are monitored for resolution. The prerequisite for these detailed analyses and the timely information of the senior management on the development of the operational risk events and on single larger events is the continuous collection of all losses above € 10,000 arising from operational risk events in Deutsche Bank's "db-Incident Reporting System".
- Deutsche Bank systematically utilizes information on external events occurring in the banking industry to ensure that similar incidents will not happen to it.
- Key Risk Indicators ("KRI") are used to alert the organization to impending problems in a timely fashion. They allow the monitoring of Deutsche Bank's control culture as well as the operational risk profile and trigger risk mitigating actions. Within the KRI program Deutsche Bank captures data at a granular level allowing for business environment monitoring and facilitating the forward-looking management of operational risk based on early warning signals returned by the KRIs. Deutsche Bank captures and monitors key operational risk indicators in its tool "db-Score".
- In the bottom-up Risk and Control Self Assessment ("RCSA") process, which is conducted at least annually, areas with high risk potential are highlighted and risk mitigating measures to resolve issue are identified. In general, RCSAs are performed in Deutsche Bank's tool "db-SAT". On a regular basis Deutsche Bank

conducts country risk workshops aiming to evaluate risks specific to countries and local legal entities in which Deutsche Bank is operating and takes appropriate risk mitigating actions.

- Regular operational risk profile reports for Deutsche Bank's business divisions, the countries in which Deutsche Bank is operating and selected infrastructure groups are reviewed and discussed with the department's senior management. The regular performance of the risk profile reviews enables Deutsche Bank to detect changes to the units risk profile early and to take corrective actions.
- Within its tracking tool "db-Track" Deutsche Bank monitors risk mitigating measures identified via these techniques for resolution.
- Due to the heterogeneous nature of operational risks, in certain cases operational risks cannot be fully mitigated. In such cases operational risks are mitigated following the "as low as reasonable possible" principle and the residual risk is formally accepted.
- Deutsche Bank performs top risk analyses in which the results of the aforementioned activities are considered. The top risk analyses mainly contribute into the annual operational risk management strategy and planning process. Besides the operational risk management strategic and tactical planning Deutsche Bank defines capital and expected loss targets which are monitored on a regular basis within the quarterly forecasting process.

Measuring Deutsche Bank's Operational Risks

Economic capital usage (for operational risk)

in € m.	Dec. 31, 2009	Dec. 31, 2008
	(unaudited)	
CIB	2,822	3,324
PCAM	654	803
CI	17	20
Total	**3,493**	**4,147**

Source: Deutsche Bank Risk Report 2009

The economic capital for operational risk as of December 31, 2009 was € 3.5 billion, a 16 % reduction from € 4.1 billion reported for the end of 2008. The reduction is principally driven by

- € 200 million additional insurances for professional indemnity tail risk in the investment banking area.
- New monitoring and control mechanisms enable Deutsche Bank to identify earlier where staff is non-compliant with a number of established direct and indirect fraud prevention measures.
- Positive development of the Key Risk Indicators utilized in the Qualitative Adjustment combined with an increased sensitivity of the Advanced Measurement Approach (AMA) capital model to recent business environment developments.

Deutsche Bank calculates and measures the economic and regulatory capital for operational risk using the internal AMA methodology. Economic capital is derived from the 99.98 % quantile and allocated to the businesses and used in performance measurement and resource allocation, providing an incentive to manage operational risk, optimizing economic capital utilization. The regulatory capital operational risk applies the 99.9 % quantile and is calculated globally across all businesses.

Deutsche Bank's internal AMA capital calculation is based upon the loss distribution approach. Net losses (gross losses adjusted for direct recoveries) from historical internal and external loss data (Operational Riskdata eXchange Association (ORX) consortium data and a public database), plus scenario data are used to estimate the risk profile (that is, a loss frequency and a loss severity distribution). Thereafter, frequency and severity distribution are combined in a Monte Carlo simulation to generate losses over a one year time horizon. Finally, the risk mitigating benefits of insurance are applied to each loss generated in the Monte Carlo simulation. Correlation/diversification benefits are applied to the net losses – in a manner compatible with regulatory requirements – to arrive at a net loss distribution at the Group level covering expected and unexpected losses. Capital is then allocated to each of the business divisions and both the qualitative adjustment ("QA") and expected losses deduction are made.

The QA reflects the effectiveness and performance of the day-to-day operational risk management activities via KRIs and RCSAs focusing on the business environment and internal control factors. QA is applied as a percentage adjustment to the final capital number. This approach makes qualitative adjustment transparent to the management of the businesses and provides feedback on their risk profile as well as on the success of their management of operational risk. It thus provides incentives for the businesses to continuously improve Operational Risk Management in their areas.

The expected loss for operational risk is based on historical loss experience and expert judgment considering business changes denoting the expected cost of operational losses for doing business. To the extent it is considered in the divisional business plans it is deducted from the AMA capital figure.

The unexpected losses for the business divisions (after QA and expected loss) are aggregated to produce the Group AMA capital figure.

Since 2008 Deutsche Bank has maintained approval by the BaFin to use the AMA.

Deutsche Bank's Operational Risk Management Stress Testing Concept

Within its Stress Testing concept Deutsche Bank ensures that operational risks are sufficiently and adequately stressed. Deutsche Bank's AMA methodology already incorporates stress testing elements such as external data containing extreme data points and an over 25 year loss history both used to model the severity distribution. Additionally, Deutsche Bank performs complementary sensitivity and firm wide stress tests. Deutsche Bank also participates in stress tests initiated by the banking supervision.

Role of Corporate Insurance/Deukona

The definition of Deutsche Bank's insurance strategy and supporting insurance policy and guidelines is the responsibility of Deutsche Bank's specialized unit Corporate Insurance/Deukona ("CI/D"). CI/D is responsible for Deutsche Bank's global corporate insurance policy which is approved by the Management Board.

CI/D is responsible for acquiring insurance coverage and for negotiating contract terms and premiums. CI/D also has a role in the allocation of insurance premiums to the businesses. CI/D specialists assist in devising the method for reflecting insurance in the capital calculations and in arriving at parameters to reflect the regulatory requirements. CI/D is actively involved in industry efforts to reflect the effect of insurance in the results of the capital calculations.

Deutsche Bank buys insurance in order to protect itself against unexpected and substantial unforeseeable losses. The identification, definition of magnitude and estimation procedures used are based on the recognized insurance terms of "common sense", "state-of-the-art" and/or "benchmarking". The maximum limit per insured risk takes into account the reliability of the insurer and a cost/benefit ratio, especially in cases in which the insurance market tries to reduce coverage by restricted/limited policy wordings and specific exclusions.

Deutsche Bank maintains a number of captive insurance companies, both primary and re-insurance companies. However, insurance contracts provided are only considered in the modeling/calculation of insurance-related reductions of operational risk capital requirements where the risk is re-insured in the external insurance market. Other insurance contracts from captive companies will only be considered if and when they have been explicitly approved by the BaFin in compliance with the relevant Solvency Regulations requirements.

CI/D selects insurance partners in strict compliance with the regulatory requirements specified in the Solvency Regulations and the "Operational Risks Experts Group recommendation on the recognition of insurance in advanced measurement approaches". The insurance portfolio, as well as CI/D activities are audited by Group Audit on a periodic basis.

Liquidity Risk

Liquidity risk management safeguards the ability of Deutsche Bank to meet all payment obligations when they come due. The liquidity risk management framework has been an important factor in maintaining adequate liquidity and in managing the funding profile during 2009.

Liquidity Risk Management Framework

Deutsche Bank's Treasury function is responsible for the management of liquidity risk. The liquidity risk management framework is designed to identify, measure and manage the liquidity risk position of the Group. The underlying policy, including Deutsche Bank's risk tolerance, is reviewed and approved regularly by the Management Board. The policy defines the liquidity risk limits which are applied to the Group.

The liquidity risk management approach starts at the intraday level (operational liquidity) managing the daily payments queue, forecasting cash flows and factoring in the access to Central Banks. It then covers tactical liquidity risk management dealing with the access to secured and unsecured funding sources. Finally, the strategic perspective comprises the maturity profile of all assets and liabilities (Funding Matrix) on the balance sheet and the issuance strategy.

The cash-flow based reporting system provides daily liquidity risk information to global and regional management.

Stress testing and scenario analysis plays a central role in the liquidity risk management framework. This also incorporates an assessment of asset liquidity, i.e. the characteristics of Deutsche Bank's asset inventory, under various stress scenarios.

Short-term Liquidity and Wholesale Funding

The reporting system tracks cash flows on a daily basis over an 18-month horizon. This system allows Deutsche Bank to assess the short-term liquidity position in each location, region and globally on a by-currency, by-product and by-division basis. The system captures all of the cash flows from transactions on the balance sheet, as well as liquidity risks resulting from off-balance sheet transactions. Deutsche Bank models products that have no specific contractual maturities using statistical methods to reflect the behavioral characteristics of their cash flows. Liquidity outflow limits (Maximum Cash Outflow Limits), which have been set to limit cumulative global and local cash outflows, are monitored on a daily basis to safeguard the access to liquidity.

As of year-end 2009 Deutsche Bank has implemented a new reporting system which focuses on contractual cash flows from wholesale funding sources on a daily basis over a 12-month horizon. The system captures all cash flows from unsecured as well as from secured funding transactions. Wholesale funding limits, which are calibrated against the stress testing results and approved by the Management Board, describe Deutsche Bank's maximum tolerance for liquidity risk. These limits apply to the cumulative global cash outflows and are monitored on a daily basis.

Unsecured Funding

Unsecured funding is a finite resource. Total unsecured funding represents the amount of external liabilities which Deutsche Bank takes from the market irrespective of instrument, currency or tenor. Unsecured funding is measured on a regional basis by currency and aggregated to a global utilization report. The Management Board approves limits to protect Deutsche Bank's access to unsecured funding at attractive levels.

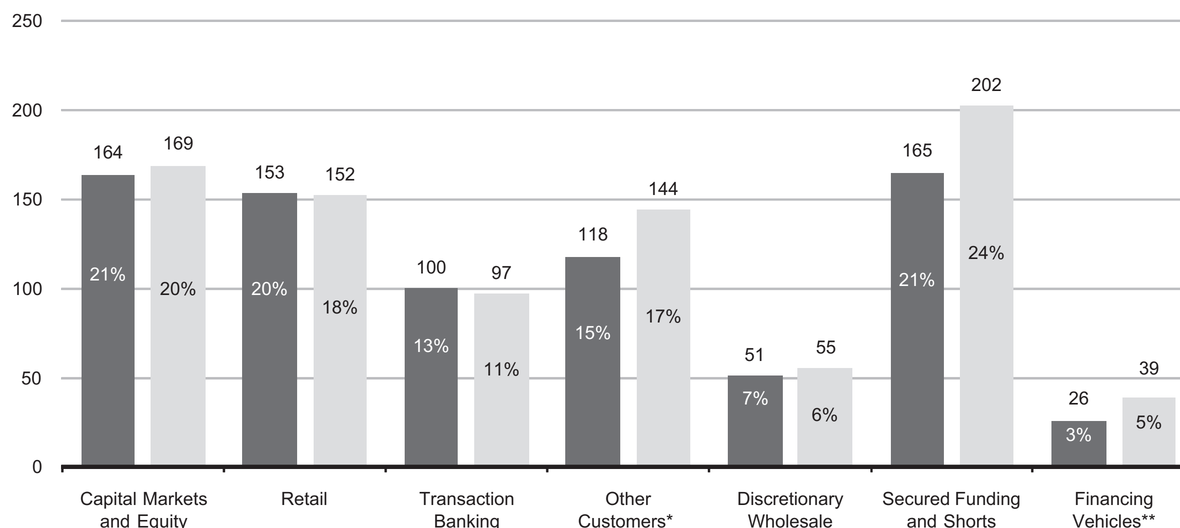
Funding Diversification

Diversification of the funding profile in terms of investor types, regions, products and instruments is an important element of Deutsche Bank's liquidity risk management framework. The core funding resources come from retail clients, long-term capital markets investors and transaction banking clients. Other customer deposits and borrowing from other banks are additional sources of funding. Deutsche Bank uses interbank deposits primarily to fund liquid assets.

In 2009 Deutsche Bank continued to focus on increasing the stable core funding components and on reducing the short-term discretionary wholesale funding.

The following chart shows the composition of the external funding sources of Deutsche Bank that contribute to the liquidity risk position as of December 31, 2009 and December 31, 2008, both in euro billion and as a percentage of the total external funding sources. Compared to the 2008 version of the below chart, funding sources such as secured funding and financing vehicles have been added in order to further increase the transparency of Deutsche Bank's overall funding mix.

Composition of external funding sources



* Other includes fiduciary, self-funding structures (e.g., X-markets), margin / Prime Brokerage cash balances (shown on a net basis).

** Includes ABCP conduits.

Funding Matrix

Deutsche Bank maps all funding-relevant assets and all liabilities into time buckets corresponding to their maturities to compile a maturity profile (funding matrix). Given that trading assets are typically more liquid than their contractual maturities suggest, Deutsche Bank determines individual liquidity profiles reflecting their relative liquidity value. Deutsche Bank takes assets and liabilities from the retail bank that show a behavior of being renewed or prolonged regardless of capital market conditions (mortgage loans and retail deposits) and assigns them to time buckets reflecting the expected prolongation. Wholesale banking products are included with their contractual maturities.

The funding matrix identifies the excess or shortfall of assets over liabilities in each time bucket, facilitating management of open liquidity exposures. The funding matrix is a key input parameter for the annual capital market issuance plan, which, upon approval by the Capital and Risk Committee, establishes issuing targets for securities by tenor, volume and instrument. As per the year-end 2009, Deutsche Bank was long funded in each of the annual time buckets of the funding matrix (2-10 years).

In 2009, Treasury issued capital market instruments with a total value of approximately € 19.9 billion, € 3.9 billion more than the original issuance plan.

For information regarding the maturity profile of the long-term debt, please refer to Note 29 of the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the section *"Financial Statements"* of this Registration Document.

Stress Testing and Scenario Analysis

Deutsche Bank uses stress testing and scenario analysis to evaluate the impact of sudden stress events on its liquidity position. The scenarios have been based on historic events, such as the 1987 stock market crash, the 1990 U.S. liquidity crunch and the September 2001 terrorist attacks, liquidity crisis case studies and hypothetical events. Also incorporated are new liquidity risk drivers revealed by the latest financial markets crisis: prolonged term money-market freeze, collateral repudiation, limited fungibility of currencies, stranded syndications, systemic knock-on effects and further liquidity risk drivers such as intraday liquidity risk. As of year-end 2009 Deutsche Bank has also introduced a scenario which combines a systemic market shock with a multinotch rating downgrade.

Under each of these scenarios Deutsche Bank assumes that all maturing loans to customers will need to be rolled over and require funding whereas rollover of liabilities will be partially impaired resulting in a funding gap. Deutsche Bank then models the steps it would take to counterbalance the resulting net shortfall in funding. Countermeasures would include Deutsche Bank's long cash balance and unencumbered asset inventory as well as its Strategic Liquidity Reserve.

The asset liquidity analysis thereby forms an integral piece of stress testing and tracks the volume and booking location within Deutsche Bank's consolidated inventory of unencumbered, liquid assets which Deutsche Bank can use to raise liquidity via secured funding transactions. Securities inventories include a wide variety of different securities. As a first step, Deutsche Bank segregates illiquid and liquid securities in each inventory. Subsequently it assigns liquidity values to different classes of liquid securities. The liquidity of these assets is an important element in protecting Deutsche Bank against short-term liquidity squeezes.

In addition, Deutsche Bank keeps a dedicated strategic liquidity reserve containing highly liquid and central bank eligible securities in major currencies around the world to support its liquidity profile in case of potential deteriorating market conditions. The strategic liquidity reserve amounts to € 54.9 billion as of December 31, 2009. This reserve is held in addition to Deutsche Bank's cash balance and the collateral Deutsche Bank needs to support its clearing activities in euro, U.S. dollars and other currencies which are held in separate portfolios around the globe.

Stress testing is fully integrated in the liquidity risk management framework. Deutsche Bank tracks contractual cash flows per currency and product over an eight-week horizon (which it considers the most critical time span in a liquidity crisis) and applies the relevant stress case to all potential risk drivers from on- balance sheet and off-balance sheet products. Beyond the eight week time horizon Deutsche Bank analyzes on a quarterly basis the impact of a change of business model out to 12 months. The liquidity stress testing provides the basis for the bank's contingency funding plans which are approved by the Management Board.

The stress testing analysis assesses Deutsche Bank's ability to generate sufficient liquidity under critical conditions and has been a valuable input when defining its target liquidity risk position. The analysis is performed monthly. The following table shows stress testing results as of December 31, 2009. For each scenario, the table shows what the cumulative funding gap would be over an eight-week horizon after occurrence of the triggering event and how much counterbalancing liquidity Deutsche Bank could generate.

Scenario	Funding gap[1]	Gap closure[2]	Liquidity impact[3]
	in € bn.	in € bn.	
	(unaudited)		
Systemic market risk	45	112	Improves over time
Emerging markets	14	116	Improves over time
Event shock	17	95	Temporary disruption
Operational risk (DB specific)	15	120	Temporary disruption
1 notch downgrade (DB specific)	34	119	Permanent
Downgrade to A-2/P-2 (DB specific)	106	118	Permanent
Combined[4]	108	116	Permanent

Source: Deutsche Bank Risk Report 2009

1 Funding gap caused by impaired rollover of liabilities and other expected outflows.

2 Based on liquidity generation through counterbalancing and asset liquidity opportunities.

3 Deutsche Bank analyzes whether the risk to its liquidity would be temporary or longer-term in nature.

4 Combined impact of systemic market risk and downgrade to A-2/P-2.

With the increasing importance of liquidity management in the financial industry, Deutsche Bank considers it important to confer with central banks, supervisors, rating agencies and market participants on liquidity risk-related topics. Deutsche Bank participates in a number of working groups regarding liquidity and participates in efforts to create industry-wide standards that are appropriate to evaluate and manage liquidity risk at financial institutions.

Maturity Analysis of Financial Liabilities

The following table presents a maturity analysis of the earliest contractual undiscounted cash flows for financial liabilities as of December 31, 2009, and 2008.

December 31, 2009

(audited) in € m.	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years
Noninterest bearing deposits	51,731	–	–	–	–
Interest bearing deposits	117,960	126,598	14,649	21,362	11,987
Trading liabilities[1]	64,501	–	–	–	–
Negative market values from derivative financial instruments[1]	576,973	–	–	–	–
Financial liabilities designated at fair value through profit or loss	64,920	33,785	4,806	5,797	4,826
Investment contract liabilities[2]	–	514	806	1,247	4,710
Negative market values from derivative financial instruments qualifying for hedge accounting[3]	946	–	10	392	2,455
Central bank funds purchased	3,824	1,884	–	–	–
Securities sold under repurchase agreements	1,349	38,292	104	37	5
Securities loaned	5,028	54	16	–	466
Other short-term borrowings	24,830	17,370	632	–	–
Long-term debt	1,856	2,044	20,373	67,837	41,011
Trust preferred securities	–	–	746	3,991	5,840
Other financial liabilities	120,731	6,705	375	233	60
Off-balance sheet loan commitments	63,662	–	–	–	–
Financial guarantees	21,719	–	–	–	–
Total[4]	**1,120,030**	**227,246**	**42,517**	**100,896**	**71,360**

1 Trading liabilities and derivatives not qualifying for hedge accounting balances are recorded at fair value. Deutsche Bank believes that this best represents the cash flow that would have to be paid if these positions had to be closed out. Trading liabilities and derivatives not qualifying for hedge accounting balances are shown within on demand which management believes most accurately reflects the short-term nature of trading activities. The contractual maturity of the instruments may however extend over significantly longer periods.

2 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 39 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document for more detail on these contracts.

3 Derivatives designated for hedge accounting are recorded at fair value and are shown in the time bucket at which the hedged relationship is expected to terminate.

4 The balances in the table do not agree to the numbers in the Group balance sheet as the cash flows included in the table are undiscounted. This analysis represents the worst case scenario for the Group if they were required to repay all liabilities earlier than expected. Deutsche Bank believes that the likelihood of such an event occurring is remote. Interest cash flows have been excluded from the table.

December 31, 2008 *(audited)* in € m.	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years
Noninterest bearing deposits	34,211	–	–	–	–
Interest bearing deposits	143,417	143,309	39,367	20,917	14,332
Trading liabilities[1]	68,168	–	–	–	–
Negative market values from derivative financial instruments	1,181,617	–	–	–	–
Financial liabilities designated at fair value through profit or loss	52,323	33,751	8,494	7,909	9,180
Investment contract liabilities[2]	–	438	668	985	3,886
Negative market values from derivative financial instruments qualifying for hedge accounting[1]	4,362	–	–	–	–
Central bank funds purchased	9,669	17,440	–	–	–
Securities sold under repurchase agreements	871	36,899	19,602	–	2,636
Securities loaned	2,155	1,047	3	7	3
Other short-term borrowings	24,732	13,372	815	–	–
Long-term debt	9,799	4,455	15,096	68,337	35,685
Trust preferred securities	–	–	983	4,088	4,658
Other financial liabilities	124,534	6,751	234	108	49
Off-balance sheet loan commitments	69,516	–	–	–	–
Financial guarantees	22,505	–	–	–	–
Total[3][4]	**1,747,879**	**257,462**	**85,262**	**102,351**	**70,429**

1 Trading liabilities and derivatives balances are recorded at fair value. Deutsche Bank believes that this best represents the cash flow that would have to be paid if these positions had to be closed out. Trading and derivatives balances are shown within on demand which management believes most accurately reflects the short-term nature of trading activities. The contractual maturity of the instruments may however extend over significantly longer periods.

2 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 39 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document for more detail on these contracts.

3 The balances in the table do not agree to the numbers in the balance sheet as the cash flows included in the table are undiscounted. This analysis represents the worst case scenario if they were required to repay all liabilities earlier than expected. Deutsche Bank believes that the likelihood of such an event occurring is remote. Interest cash flows have been excluded from the table.

4 The prior year amounts have been adjusted and the 2009 amendment to IFRS 7 has not been applied to the comparative information. The fair value for embedded derivatives and derivatives designated for hedge accounting are shown within on demand.

In addition to the internal liquidity management systems, the liquidity exposure of German banks is regulated by the German Banking Act (KWG) and regulations issued by the BaFin. For a further description of these regulations, see Note 36 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document. Deutsche Bank is in compliance with all applicable liquidity regulations.

Capital Management

Deutsche Bank's Treasury function manages the capital at Group level and locally in each region. The allocation of financial resources, in general, and capital, in particular, favors business portfolios with the highest positive impact on the profitability and shareholder value. As a result, Treasury periodically reallocates capital among business portfolios.

Treasury implements the capital strategy, which itself is developed by the Capital and Risk Committee and approved by the Management Board, including the issuance and repurchase of shares. Deutsche Bank is committed to maintain its sound capitalization. Overall capital demand and supply are constantly monitored and adjusted, if necessary, to meet the need for capital from various perspectives. These include book equity based on IFRS accounting standards, regulatory capital and economic capital. Since October 2008, Deutsche Bank's target for the Tier 1 capital ratio continued to be at 10 % or above.

The allocation of capital, determination of the funding plan and other resource issues are framed by the Capital and Risk Committee.

Regional capital plans covering the capital needs of the branches and subsidiaries are prepared on a semi-annual basis and presented to the Group Investment Committee. Most of the subsidiaries are subject to legal and regulatory capital requirements. Local Asset and Liability Committees attend to those needs under the stewardship of regional Treasury teams. Furthermore, they safeguard compliance with requirements such as restrictions on dividends allowable for remittance to Deutsche Bank AG or on the ability of the subsidiaries to make loans or advances to the parent bank. In developing, implementing and testing the capital and liquidity, Deutsche Bank takes such legal and regulatory requirements into account.

The 2008 Annual General Meeting granted Deutsche Bank's management the authority to buy back up to 53.1 million shares before the end of October 2009. No shares had been repurchased under this authorization until the Annual General Meeting in May 2009 when a new authorization was granted.

The 2009 Annual General Meeting granted Deutsche Bank's management the authority to buy back up to 62.1 million shares before the end of October 2010. During the period from the Annual General Meeting in May 2009 until year-end 2009, 11.7 million shares (or 1.9 % of shares issued) were purchased, which were used for equity compensation purposes. The purchases were executed in July and August 2009.

In March 2009, the Bank issued 50 million new registered shares to Deutsche Post AG. In turn, Deutsche Post AG contributed-in-kind a minority stake in Deutsche Postbank AG to Deutsche Bank AG.

Deutsche Bank issued € 1.3 billion of hybrid Tier 1 capital for the year ended December 31, 2009. Total outstanding hybrid Tier 1 capital (all noncumulative trust preferred securities) as of December 31, 2009, amounted to € 10.6 billion compared to € 9.6 billion as of December 31, 2008.

Balance Sheet Management

Deutsche Bank manages its balance sheet on a Group level and, where applicable, locally in each region. In the allocation of financial resources Deutsche Bank favors business portfolios with the highest positive impact on its profitability and shareholder value. During 2009, Deutsche Bank strengthened balance sheet oversight by the introduction of a new function within Finance with the mandate to monitor and analyze balance sheet developments and to track certain market observed balance sheet ratios. Based on this Deutsche Bank triggers discussion and management action by the Capital and Risk Committee. While Deutsche Bank monitors IFRS balance sheet developments, its balance sheet management is principally focused on U.S. GAAP pro-forma values as used in its leverage ratio target definition. In 2009, Deutsche Bank reduced its leverage ratio, according to Deutsche Bank's target definition, from 28 as of December 31, 2008 to 23 as of December 31, 2009 and as of March 31, 2010, well below its leverage ratio target of 25. This improvement in Deutsche Bank's leverage ratio, according to Deutsche Bank's target definition, principally reflects lower U.S. GAAP pro-forma assets, as well as higher adjusted equity. The leverage ratio according to Deutsche Bank's target definition is calculated using adjusted total assets and total equity figures. Deutsche Bank's leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 42 at the end of the first quarter 2010 and 40 at the end of 2009 compared to 69 at the end of 2008.

Overall Risk Position

To determine its overall (nonregulatory) risk position, Deutsche Bank generally considers diversification benefits across risk types except for business risk, which it aggregates by simple addition.

The table below shows the overall risk position at year-end 2009 and 2008 as measured by the economic capital calculated for credit, market, business and operational risk; it does not include liquidity risk.

Economic capital usage

in € m.	Dec 31, 2009	Dec 31, 2008
	(unaudited)	
Credit risk	7,453	8,986
Market risk[1]	12,515	8,809
Trading market risk	4,613	5,547
Nontrading market risk[1]	7,902	3,262
Operational risk	3,493	4,147
Diversification benefit across credit, market and operational risk	(3,166)	(3,134)
Sub-total credit, market and operational risk[1]	20,295	18,808
Business risk[1]	501	498
Total economic capital usage	**20,796**	**19,306**

Source: Deutsche Bank Risk Report 2009

1 Deposit bucketing risk is reported under nontrading market risk beginning in 2009. It was reported previously under business risk. The amount for 2008 has been restated.

As of December 31, 2009, the economic capital usage totaled € 20.8 billion, which is € 1.5 billion, or 8 %, above the € 19.3 billion economic capital usage as of December 31, 2008. This increase in economic capital primarily reflected the acquisition of a minority stake in Deutsche Postbank AG, partly off-set by results from Deutsche Bank's de-risking initiative during the year.

The € 1.5 billion, or 17 % decrease in credit risk economic capital usage was primarily caused by lower derivative exposure, contributing € 1.3 billion to the decrease, which was largely due to market movements, but also to reduction efforts. The other changes were primarily driven by higher diversification within Deutsche Bank's portfolio as well as an impact from regular recalibrations of the credit risk parameters and other refinements of the credit risk model.

Deutsche Bank's economic capital usage for market risk increased by € 3.7 billion, or 42 %, to € 12.5 billion as of December 31, 2009. This increase was principally driven by nontrading market risk, which increased by € 4.6 billion, or 142 %, primarily reflecting the acquisition of a minority stake in Deutsche Postbank AG, which contributed € 4.3 billion to the increase. Other increases reflected refinements of market risk shock parameters and other methodology changes, which were partially offset by exposure reductions. Trading market risk economic capital decreased by € 934 million, or 17 %, principally reflecting lower positions as a result of de-risking which was partly offset by the impact from refined stress test shocks reflecting unfavorable market developments in 2008 and 2009, as well as other methodology enhancements.

Deutsche Bank's Operational Risk economic capital usage decreased by € 654 million, or 16 %, to € 3.5 billion as of December 31, 2009. The reduction in the economic capital usage was largely driven by improved insurance coverage, new monitoring and control mechanisms and an increased sensitivity of Deutsche Bank's AMA model to better reflect recent developments of the control framework.

Deutsche Bank's economic capital for business risk, consisting of a strategic risk and a tax risk component, totaled € 501 million as of December 31, 2009, and was materially unchanged compared to December, 31, 2008.

The diversification effect of the economic capital usage across credit, market and operational risk increased by € 32 million, or 1 %, as of December 31, 2009.

As of December 31, 2009 active book equity stood at 118 % of economic capital plus goodwill and intangibles.

The table below shows the economic capital usage of the business segments as of December 31, 2009.

	Corporate and Investment Bank			Private Clients and Asset Management				
December 31, 2009 *(unaudited)* in € m.	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total	Corporate Investments	Total DB Group[(1)]
Total economic capital usage	11,242	732	11,974	1,878	2,556	4,434	4,641	20,796

Source: Deutsche Bank Risk Report 2009

1 Including € (253) million of Consolidation & Adjustments.

The future allocation of economic capital may change to reflect refinements in the risk measurement methodology.

MANAGEMENT AND EMPLOYEES

Overview

The corporate bodies of the Company are the Management Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the General Meeting (*Hauptversammlung*). The powers vested in these bodies are governed by the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association (*Satzung*) and respective rules of procedure (*Geschäftsordnung*) of the Management Board and Supervisory Board.

The Management Board is responsible for managing the Company in accordance with the applicable laws, the provisions of the Articles of Association and the rules of procedure of the Management Board while taking into account the resolutions adopted by the General Meeting. The Management Board represents the Company *vis-à-vis* third parties. It is required to ensure the establishment and operation by the Company of an appropriate risk management and internal monitoring system to identify timely any developments that might place the continued existence of the Company at risk. The Management Board is required to report to the Supervisory Board. In particular, the Management Board is obliged to inform the Supervisory Board on a regular, timely and comprehensive basis about all issues of relevance to the Company with respect to planning, the development of business, risks, risk management and with respect to compliance. In this regard, the Management Board is also required to describe and explain ways in which the development of business has deviated from such plans and targets as have been set forth. In addition, the chairman of the Supervisory Board is to be advised of any other important developments. Furthermore, the Supervisory Board may request a report concerning the affairs of the Company at any time. Members of the Management Board are appointed and removed by the Supervisory Board. Under the provisions of the German Co-Determination Act of 1976 (*Mitbestimmungsgesetz*), a majority comprising at least two thirds of the votes held by Supervisory Board members is required in such cases.

The Supervisory Board is required to supervise the Management Board in its management of the Company. Generally, a member of the Company's Supervisory Board cannot simultaneously also serve as a member of its Management Board. For a limited period of time set in advance and not exceeding one year in total, the Supervisory Board can appoint from among its members individuals to act in place of members of the Management Board who are absent or incapacitated. While serving in place of Management Board members, a Supervisory Board member is not permitted to perform any function as a Supervisory Board member of the Company. Management tasks may not be transferred to the Supervisory Board. Under the Articles of Association of the Company, certain types of transaction and other actions engaged in require the consent of the Supervisory Board. In such cases, the Management Board is obliged to obtain the prior consent of the Supervisory Board (see "—*Supervisory Board — General*").

The members of the Management Board and of the Supervisory Board owe a duty of care and loyalty to the Company. A broad spectrum of interests, especially those of the Bank, its shareholders, employees, creditors, and of the public is to be taken into account in following these duties. The Management Board must take particular account of the rights of shareholders with respect to equal treatment and equal information.

Under German stock corporation law, individual shareholders, like any other persons, are prohibited from using their influence on the Company to cause a member of the Management Board or Supervisory Board to act in a manner that would be detrimental to the Company. Any person who uses his influence to cause a Management Board or Supervisory Board member, a holder of a general commercial power of attorney (*Prokurist*) or a person bearing power of attorney (*Handlungsbevollmächtigte*) to act in a manner causing damage to the Company or its shareholders is obliged to compensate the Company for any resulting damage. In addition, Management Board and Supervisory Board members are jointly and severally liable *vis-à-vis* the Company for breach of their duties if, as a result, the Company suffers damages.

Generally, a shareholder has no recourse to courts of law in relation to members of the Management Board or of the Supervisory Board when such shareholder believes that the members have breached their duties and that the Bank has suffered damages as a result. In general, only the Company is able to bring claims for compensatory damages against members of the Management Board or of the Supervisory Board, with the Company represented by the Management Board in the case of claims against members of the Supervisory Board and by the Supervisory Board in the case of claims against members of the Management Board. The Supervisory Board is obliged to pursue enforceable claims for compensatory damages against the Management Board unless significant reasons speak against pursuing such a claim for the good of the Company and these reasons outweigh or are at least comparable with the reasons favoring the pursuit of a claim. If the respective body vested with the power of representation decides not to pursue a claim, claims on the part of the Company for compensatory damages in relation to members of the Management Board or the Supervisory Board must nonetheless be brought should the General Meeting so resolve by a simple majority. The General Meeting may resolve to appoint a special representative for the purpose of asserting the claims. Shareholders whose combined shareholding corresponds to 10 % of the share capital or a proportionate total of the share capital of € 1 million, may also request a court-ordered appointment of a special representative to assert the claims for damages, who shall, upon appointment, be responsible for the matter in place of the Bank's

management bodies. Should facts warrant a strong suspicion that harm has been caused to the Company as a result of dishonesty or gross breach of a fiduciary duty, shareholders whose combined shareholdings amount to 1 % or the proportionate amount of € 100,000 of the share capital furthermore have the possibility to apply, under certain circumstances, to the competent court of law to be allowed, in their own name and on behalf of the Company, to assert damage claims of the Bank against members of the Management Board and Supervisory Board.

The Company may only waive or reach a settlement with respect to compensatory damages claims against Management Board or Supervisory Board members if three years have elapsed since the vesting of such claim, and after the shareholders have adopted a resolution to such effect by a simple majority at the General Meeting, provided that no shareholder minority whose combined shareholdings amount to at least 10 % of the share capital has recorded an objection to be included in the notary's minutes of the meeting. Shareholders and shareholder associations may use the shareholder forum in the electronic version of the Federal Gazette (*elektronische Bundesanzeiger*), which is also accessible via the Internet website of the Company Register (*Unternehmensregister*) (http://www.unternehmensregister.de), to call upon other shareholders to jointly or by proxy file an application for a special examination or demanding the convening of a General Meeting or to exercise the voting rights in a General Meeting.

Management Board

General

According to the Articles of Association, the Management Board of the Company is comprised of at least three members. The number of Management Board members is determined by the Supervisory Board. At present, the Management Board has eight members. The Supervisory Board appoints and dismisses members of the Management Board. It may designate a chairman of the Management Board. Substitute Management Board members may be appointed. Management Board members are appointed for a maximum term of five years. Reappointment or an extension for additional five-year terms of office is permissible. The Supervisory Board may revoke the appointment of a member of the Management Board prior to the expiration of his term of office for good cause, as in the case of a gross violation of duties or if the General Meeting adopts a no-confidence resolution in relation to the board member. The legal corporate relationship in respect of a board membership established by the appointment of a member of the Management Board is to be distinguished from the relationship under which the Management Board member is employed by the Company. A maximum term of five years also applies in the latter case. A service contract may be extended automatically in the event of a re-appointment. The provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) applicable to service relationships and their termination apply to the service relationship in all other respects.

The Management Board decides on all matters for which laws, Articles of Association or rules of procedure for the Management Board provide for the passing of resolutions by the Management Board. The Management Board only achieves a quorum if more than half of its members participate in the decision. Unless regulated otherwise by mandatory provisions of law, the Articles of Association or the by-laws, the Management Board resolves by the majority of the votes of the members participating in the resolution. In the event of an equal number of votes, the vote of the Chairman of the Management Board is decisive. Decisions concerning the Bank's financials, in particular, resolutions on the interim and annual financial statements, valuation issues or loan loss provisions, in any case require the approval of the Chairman of the Management Board and the Chief Financial Officer. The Management Board represents the Company *vis-à-vis* third parties. The Company may be represented by two Management Board members or by one Management Board member acting jointly with a holder of a general commercial power of attorney (*Prokurist*).

The current composition of the Management Board

The following details information on the current members of the Management Board, including their year of birth, the year in which they were appointed and the year in which their term expires, their current positions and areas of responsibility as well as their other memberships in administrative, management or supervisory bodies in corporations and companies or as partners outside Deutsche Bank during the last five years. The members of the Management Board have undertaken not to assume chairmanships of supervisory boards outside the Deutsche Bank Group.

Dr. Josef Ackermann
Born in 1948
First appointed: 1996
Term expires: 2013

Dr. Josef Ackermann joined Deutsche Bank as a member of the Management Board in 1996, where he was responsible for the investment banking division. On May 22, 2002, Dr. Ackermann was appointed Spokesman of the Management Board. On February 1, 2006, he was appointed Chairman of the Management Board by the Supervisory Board.

After studying Economics and Social Sciences at the University of St. Gallen, he worked at the University's Institute of Economics as research assistant and received a doctorate in Economics. Dr. Ackermann started his professional career in 1977 at Schweizerische Kreditanstalt (SKA) where he held a variety of positions in Corporate Banking, Foreign Exchange/Money Markets and Treasury, Investment Banking and Multinational Services. He worked in London and New York, as well as at several locations in Switzerland. Between 1993 and 1996, he served as President of SKA's Executive Board, following his appointment to that board in 1990.

Dr. Ackermann is a member of the supervisory board of Siemens AG (Second Deputy Chairman), Vice-Chairman of the board of directors of Belenos Clean Power Holding Ltd., non-executive member of the board of directors of Royal Dutch Shell Plc. and Vice Chairman of the board of directors of Zurich Financial Services Ltd. Until April 2007 Dr. Ackermann was a member of the supervisory board of Bayer AG. Until June 2006 Dr. Ackermann was a member of the supervisory board of Deutsche Lufthansa AG and a member of the supervisory board of Linde AG.

Dr. Hugo Bänziger
Born in 1956
First appointed: 2006
Term expires: 2014

Dr. Hugo Bänziger became a member of the Management Board of Deutsche Bank AG on May 4, 2006. He is the Chief Risk Officer of Deutsche Bank. He joined Deutsche Bank in London in 1996 as Head of Global Markets Credit. He was appointed Chief Credit Officer in 2000 and became Chief Risk Officer for Credit and Operational Risk in 2004.

Dr. Bänziger began his career in 1983 at the Swiss Federal Banking Commission in Berne. From 1985 to 1996, he worked at Schweizerische Kreditanstalt (SKA) in Zurich and London, first in Retail Banking and subsequently as Relationship Manager in Corporate Finance. In 1990 he was appointed Global Head of Credit for CS Financial Products.

He studied Modern History, Law and Economics at the University of Berne, where he subsequently earned a doctorate in Economic History.

Dr. Bänziger is a member of the supervisory board of EUREX Clearing AG, member of the supervisory board of EUREX Frankfurt AG and a member of the supervisory board of EUREX Zürich AG. Until March 2006 Dr. Bänziger was a member of the supervisory board of Eurohypo AG.

Michael Cohrs
Born in 1956
First Appointed: 2009
Term expires: 2012

Michael Cohrs became a member of the Management Board of Deutsche Bank AG on April 1, 2009. Mr. Cohrs joined Deutsche Bank in 1995 and has been a member of the Group Executive Committee since 2002. As member of the Management Board, he is responsible for Global Banking.

Mr. Cohrs began his career in 1981 at Goldman Sachs & Co., New York. From 1989 to 1991 he worked as Head of European Equity Capital Markets at Goldman Sachs International, London, and from 1991 to 1995 as Head of Global Equity Markets for SG. Warburg Securities in London.

Mr. Cohrs studied Economics at Harvard College and graduated in 1979 with a Bachelor's Degree and studied Business Administration at Harvard Business School and graduated in 1981 with an MBA.

Jürgen Fitschen
Born in 1948
Appointed: 2009
Term expires: 2012

Jürgen Fitschen became a member of the Management Board of Deutsche Bank AG on April 1, 2009. Mr. Fitschen has been with Deutsche Bank since 1987, was already member of the Management Board from 2001 to the beginning of 2002 and has been a member of the Group Executive Committee since 2002 and Head of Regional Management since 2005. As member of the Management Board, he is responsible for Regional Management.

Mr. Fitschen studied Economics and Business Administration at the University of Hamburg and graduated in 1975 with a master's degree in Business Administration. From 1975 to 1987, he worked at Citibank in Hamburg and Frankfurt am Main in various positions. In 1983 he was appointed member of the Executive Committee Germany of Citibank.

Mr. Fitschen is a member of the board of directors of Kühne + Nagel International AG, member of the supervisory board of METRO AG and member of the supervisory board of Schott AG. Until January 2006 Mr. Fitschen was director of Nissay Deutsche Asset Management Europe Ltd.

Anshuman Jain
Born in 1963
First Appointed: 2009
Term expires: 2012

Anshuman Jain became a member of the Management Board of Deutsche Bank AG on April 1, 2009. Mr. Jain joined Deutsche Bank in 1995 and became Head of Global Markets in 2001 as well as a member of the Group Executive Committee in 2002. As member of the Management Board he is responsible for Global Markets.

Mr. Jain studied Economics at Shri Ram College (Delhi University) and graduated in 1983, receiving a BA (Honours) and studied Business Administration at the University of Massachusetts and graduated in 1985 with a MBA Finance. After his academic studies Mr. Jain worked until 1988 for Kidder Peabody, New York in Derivatives Research; from 1988 to 1995 he set up and ran the global hedge fund coverage group for Merrill Lynch, New York.

Mr. Jain is a non-executive director of Sasol Ltd.

Stefan Krause
Born in 1962
First appointed: 2008
Term expires: 2013

Stefan Krause became a member of the Management Board of Deutsche Bank AG on April 1, 2008. He is the Bank's Chief Financial Officer.

Previously, Mr. Krause spent over 20 years in the automotive industry, holding various senior management positions with a strong focus on Finance and Financial Services. Starting in 1987 at BMW's Controlling department in Munich, he transferred to the U.S. in 1993, building up and ultimately heading BMW's Financial Services Division in the Americas. Relocating to Munich in 2001, he became Head of Sales Western Europe (excluding Germany). He was appointed member of the Management Board of BMW Group in May 2002, serving as Chief Financial Officer until September 2007 and subsequently as Chief of Sales & Marketing.

Mr. Krause studied Business Administration in Würzburg and graduated in 1986 with a master's degree in Business Administration.

Until April 2008 Mr. Krause was a member of the supervisory board of Allianz Deutschland AG.

Hermann-Josef Lamberti
Born in 1956
First appointed: 1999
Term expires: 2014

Hermann-Josef Lamberti became a member of the Management Board of Deutsche Bank AG in 1999. He is Chief Operating Officer of Deutsche Bank. He joined Deutsche Bank in 1998 as an Executive Vice President, based in Frankfurt.

Mr. Lamberti began his professional career in 1982 with Touche Ross in Toronto and subsequently joined Chemical Bank in Frankfurt. From 1985 to 1998 he worked for IBM, initially in Germany in the areas Controlling, Internal Application Development and Sales Banks/Insurance Companies. In 1993, he was appointed General Manager of the Personal Software Division for Europe, the Middle East and Africa at IBM Europe in Paris. In 1995, he moved to IBM in the U.S., where he was Vice President for Marketing and Brand Management. He returned to Germany in 1997 to take up the position of Chairman of the Management of IBM Germany in Stuttgart.

Mr. Lamberti studied Business Administration at the Universities of Cologne and Dublin and graduated in 1982 with a master's degree in Business Administration.

Mr. Lamberti is a member of the supervisory board or similar bodies of BVV Versicherungsverein des Bankgewerbes a.G., BVV Versorgungskasse des Bankgewerbes e.V., BVV Pensionsfonds des Bankgewerbes AG, Deutsche Börse AG, European Aeronautic Defence and Space Company EADS N.V. and Carl Zeiss AG. Mr. Lamberti was chairman of the supervisory board of e-Millenium 1 GmbH & Co. KG until May 2005, until September 2005 he was a member of the board of directors of Euroclear Plc and Euroclear S.A./N.V., until March 2006 he was a member of the supervisory board of Schering AG and until July 2007 he was a member of the board of directors of FIAT S.p.A.

Rainer Neske
Born in 1964
First Appointed: 2009
Term expires: 2012

Rainer Neske became a member of the Management Board of Deutsche Bank AG on April 1, 2009.

Mr. Neske joined Deutsche Bank in 1990 and in 2000 was appointed member of the Management Board of Deutsche Bank Privat- und Geschäftskunden AG. Since 2003 he has been a member of the Group Executive Committee and Spokesman of the Management Board of Deutsche Bank Privat- und Geschäftskunden AG. On the Management Board of Deutsche Bank AG, he is responsible for the Private and Business Clients Division.

Mr. Neske studied Computer Science and Business Administration at the University of Karlsruhe and graduated in 1990 with a master's degree in Information Technology.

Until April 2009 Mr. Neske was a member of the supervisory board of Zürich Beteiligungs-Aktiengesellschaft (Deutschland) and until April 2005 Mr. Neske was a member of the supervisory board of Deutsche Herold Lebensversicherung Aktiengesellschaft.

Compensation, Shareholding, Loans, Other Legal Relationships and Conflicts of Interest

Principles of the Compensation System

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. It also determines the total compensation and its composition for the members of the Management Board on the recommendation of the Chairman's Committee of the Supervisory Board.

For the 2009 fiscal year, the members of the Management Board received compensation for their service on the Management Board in a total amount of € 38,978,972. This aggregate compensation consisted of the following components:

in €	2009
Non-performance-related components:	
Salary	5,950,000
Other benefits	849,346
Performance-related (variable) components:	
without long-term incentives (non-deferred)[1]	9,587,269
with long-term incentives (deferred)	22,592,357
Total compensation	**38,978,972**

1 Immediately paid out.

Figures relate to Management Board members active in fiscal year 2009.

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

Non-Performance-Related Components. The non-performance-related components comprise the base salary and other benefits. The members of the Management Board receive a base salary which is reviewed at regular intervals. The base salary is disbursed in monthly installments. Other benefits comprise taxable reimbursements of 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 comprised for the year 2009 a bonus payment, a mid-term incentive ("MTI") and, for the Management Board members responsible for the CIB Group Division, a division-related compensation component ("division incentive"). The annual bonus payment, which was based on a target amount, was driven primarily by the achievement of the planned return on equity. The MTI (also based on a target amount) was based on the ratio between the Bank's total shareholder return and the corresponding average figure for a selected group of comparable companies for a rolling two year period. The division incentive considered the performance of the CIB Group Division (for example, net income before tax), also in relation to peers and set targets, as well as the risk aspects and individual performance.

Components with Long-Term Incentives. The variable compensation components that the members of the Management Board received for 2009 (bonus, MTI and (if applicable) division incentive) were deferred to a much higher proportion than in previous years, constituting for each member of the Management Board more than 60 % of his variable compensation. These deferrals were granted as restricted incentive awards and as restricted equity awards. Both deferred compensation elements have a long-term incentive effect and are subject to forfeiture. Forfeiture will take place in defined cases, for example, in the event of non-achievement of defined parameters, breach of policy or financial impairment.

Restricted incentive awards were distributed under the DB Restricted Incentive Plan. Their ultimate value will depend on, among other things, return on equity developments during the next three years (2010 – 2012). The awards are divided into three equal tranches which vest in early 2011, 2012 and 2013.

Restricted equity awards were distributed under the DB Equity Plan. Their ultimate value will depend on, among other things, the price of Deutsche Bank shares upon their delivery. Subject to the above-mentioned conditions, a part of the shares from these rights will vest in nine equal tranches, the last of which will be delivered in November 2013, and a significant portion of the rights will vest only in November 2013, i.e., after almost four years. In February 2010, members of the Management Board were granted a total of 405,349 shares in the form of restricted equity awards under the DB Equity Plan for their performance in 2009.

For further information on the DB Restricted Incentive Plan and DB Equity Plan see Notes 31 and 32 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document.

Due to revised legal and regulatory requirements, which have been newly implemented through the end of 2009, the Supervisory Board decided to redesign the compensation framework – without changing the total target amount – in consideration of the following aspects:

- The main focus of the further-developed framework is to align the compensation of the members of the Management Board with the sustainable and long-term leadership and development of the company, to constitute an adequate combination of fixed and variable compensation components, to establish an even more comprehensive assessment basis for the variable compensation, to grant large portions of the variable compensation on a deferred basis, to subject already granted variable compensation components to possible forfeiture in case of defined events as well as to continue to combine the interest of the members of the Management Board with the interest of the Company by their long-term investment in the Company.
- To provide further for the appropriate mix of fixed and variable compensation, in the future base salaries will be increased to € 1,150,000 per year for an ordinary Management Board member and to € 1,650,000 per year for Dr. Ackermann. Target bonus numbers will be reduced accordingly.
- To achieve a multi-year basis of assessment the bonus will be calculated in the future based on two equally weighted factors which are designed as follows. The first factor depends on the Bank's two year average return on equity in comparison to its internal plan. The second factor is driven by the Bank's actual two year average return on equity (with the exception for the 2010 financial year for which only the Bank's 2010 return on equity will be considered). In addition, the calculated amount may be increased or reduced by up to 50 % at the discretion of the Supervisory Board depending on individual performance and other considerations. The part of the bonus that relates to the respective factor will not be paid if pre-defined targets are not met. Any bonus will, as a rule, be in part deferred.
- As further part of the variable compensation the MTI will be replaced by a Long-Term Performance Award ("LTPA"), which is a compensation element with long-term incentive effect. The LTPA, which is based on a target number, reflects, for a rolling three year period, the ratio between the Bank's total shareholder return and the corresponding average figure for a selected group of comparable companies. If the average calculated for Deutsche Bank is less than a specific threshold value in comparison with the selected group of companies, no LTPA payment will be made. Any payout of the LTPA will, as a rule, be predominantly deferred.
- The division incentive will continue to apply to Management Board members with responsibility for the CIB Group Division. Such division incentive will consider the performance of the CIB Group Division (e.g. net income before tax), also in relation to peers and the set targets, as well as the risk aspects of the business and individual performance.
- In general, more than 60 % of the sum of all variable compensation elements (bonus, LTPA and (if applicable) division incentive) will be deferred. Any deferred amount may be granted in cash and/or in equity or equity-linked compensation instruments. As a further general rule more than 50 % of the deferred amount will be settled in equity or equity-linked compensation. The bonus deferral will in general be delivered in restricted incentive awards, whereas the LTPA and division incentive deferrals will as a rule be delivered in restricted equity awards or equity-linked compensation. Restricted incentive awards will be granted in three equal tranches and will vest starting one year after grant over a period of three years in total. Restricted equity awards will be granted to vest in several tranches starting one year after grant, the last of which will be delivered after almost four years. The value of those awards or equity-linked compensation instruments will be subject to share price performance.
- Any deferred award will be subject to forfeiture based on group performance and individual behavior and performance, to reflect and safeguard the risk orientation of the compensation. The members of the Management Board will not be allowed to restrict or suspend the risk orientation by hedging or other counter-measures. Even in case of extraordinary developments the total compensation including all variable components may be limited to a maximum amount.
- A payment of variable compensation elements will not take place, if the payment is prohibited or restricted by the BaFin in accordance with existing statutory requirements.

- The members of the Management Board will still receive in the future the above-mentioned other benefits and are entitled – with the exception of members of the Management Board which receive a division incentive – to the pension benefits described below.
- Management Board members have and will have a share holding requirement. They are required to keep during their membership on the Management Board 45 % of the Deutsche Bank shares which have been delivered or will be delivered to them during their membership on the Management Board since 2008. If the share-based components of the variable compensation exceed 50 % of the variable compensation in a given year, the requirement will not apply to the portion exceeding 50 %.
- In the course of developing the compensation structure further as well as defining the variable components for the financial year 2009, the Supervisory Board was advised by an external independent consultant.

Compensation for Fiscal Year 2009

The Management Board members active in 2009 received the following compensation components for their service on the Management Board for the year 2009:

	in €					
	Non-performance-related components		Performance-related components			Total Compensation
				With long-term incentives (deferred)[2]		
Mitglieder des Vorstands	**Base salary**	**Other benefits**	**Without long-term incentives (non-deferred)[1]**	**Restricted Incentive Awards**	**Restricted Equity Awards**	
Dr. Josef Ackermann	1,150,000	154,030	1,575,000	1,925,000	4,747,500	9,551,530
Dr. Hugo Bänziger	800,000	51,388	1,231,425	268,575	1,657,500	4,008,888
Michael Cohrs[3]	600,000	39,661	905,428	130,210	1,546,575	3,221,874
Jürgen Fitschen[3].	600,000	131,111	923,569	201,431	1,243,125	3,099,236
Anshuman Jain[3]	600,000	52,697	1,565,428	691,210	4,884,525	7,793,860
Stefan Krause	800,000	58,267	1,231,425	268,575	1,657,500	4,015,767
Hermann-Josef Lamberti. .	800,000	102,123	1,231,425	268,575	1,657,500	4,059,623
Rainer Neske[3]	600,000	260,069	923,569	201,431	1,243,125	3,228,194

1 Immediately paid out.
2 Long –term incentives include restricted incentive awards and restricted equity awards granted for the respective year. The number of shares in the form of restricted equity awards granted in 2010 for the year 2009 to each member of the Management Board was determined by dividing the respective Euro amounts by € 45.978, the average Xetra closing price of the DB share during the last ten trading days prior to February 1, 2010. As a result, the number of share awards to each member was as follows: Dr. Ackermann: 103,255, Dr. Bänziger: 36,049, Mr. Cohrs: 33,637, Mr. Fitschen: 27,037, Mr. Jain: 106,236, Mr. Krause: 36,049, Mr. Lamberti: 36,049, and Mr. Neske: 27,037.
3 Member of the Management Board since April 1, 2009.

Management Board members active in 2009 did not receive any compensation for mandates on boards of Deutsche Bank Group's own companies.

The members of the Management Board (with the exception of members of the Management Board which receive a division incentive) are entitled to a contribution-oriented pension plan which in its structure corresponds to a general pension plan for Deutsche Bank's employees. Under this contribution-oriented pension plan, a personal pension account has been set up for each participating member of the Management Board (after appointment to the Management Board). A contribution is made annually by Deutsche Bank 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 interest credited in advance, determined by means of an age-related factor, at an average rate of 6 % per year 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 2009, service cost for the aforementioned pensions was € 318,006 for Dr. Ackermann, € 405,530 for Dr. Bänziger, € 62,984 for Mr. Fitschen, € 407,171 for Mr. Krause, € 260,217 for Mr. Lamberti and € 114,385 for Mr. Neske.

As of December 31, 2009, the pension accounts of the current Management Board members, active in 2009, had the following balances: € 4,459,769 for Dr. Ackermann, € 1,583,668 for Dr. Bänziger, € 60,000 for Mr. Fitschen, € 492,000 for Mr. Krause, € 4,302,174 for Mr. Lamberti and € 225,000 for Mr. Neske. Other members of the Management Board do not participate in the Management Board pension plan. The different sizes of the balances are due to the different lengths of service 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 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, 2009 or on December 31, 2008, was for Dr. Ackermann € 2,825,000 and for each of Dr. Bänziger and Mr. Lamberti € 1,150,000.

If a Management Board member, whose appointment was in effect at the beginning of 2006 (Dr. Ackermann and Mr. Lamberti), 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 Management Board member reaches his 65th birthday.

Pursuant to the contractual 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 the Bank's initiative, without the Bank having been entitled to revoke the appointment or give notice under the contractual agreement for cause. The severance payment will be determined by the Supervisory Board 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 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 determined by the Supervisory Board 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 for the previous financial year).

For further information on payments to former members of the Management Board of the Company or their surviving dependents as well as provisions with respect to pension commitments *vis-à-vis* former members of the Management Board and their surviving dependents see Note 41 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 contained in the *"Financial Statements"* section of this Registration Document.

Furthermore, no service agreements exist between the Company or its subsidiaries on the one hand and one or more members of the Management Board, who have been active in 2009, on the other hand, which provide for benefits in the event that the service agreement is terminated. No agreements exist with major shareholders, customers or other persons, according to which a member of the Management Board, who has been active in 2009, was appointed to the Management Board.

Shareholding

As of February 19, 2010 the current members of the Management Board held the following numbers of shares and share awards.

Members of the Management Board	Number of shares	Number of share awards[1]
Dr. Josef Ackermann	355,474	197,260
Dr. Hugo Bänziger	36,116	89,402
Michael Cohrs	144,537	268,708
Jürgen Fitschen	98,339	86,747
Anshuman Jain	338,717	433,046
Stefan Krause	–	36,049
Hermann-Josef Lamberti	97,740	78,190
Rainer Neske	42,547	75,395
Total	**1,113,470**	**1,264,797**[2]

1 Including the share awards Dr. Bänziger, Mr. Cohrs, Mr. Fitschen, Mr. Jain and Mr. Neske received in connection with their employment by the Bank prior to their appointment as member of the Management Board. The share awards listed in the table have different vesting and allocation dates. The last share awards will mature and be allocated in November, 2013.

2 Thereof 138,405 vested.

The current members of the Management Board held an aggregate of 1,113,470 shares on February 19, 2010, amounting to approximately 0.18 % of the Company's shares issued on that date.

For more information on share awards in the table above granted under different plans, see Note 31 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 contained in the *"Financial Statements"* section of this Registration Document.

Loans, Other Legal Relationships and Conflicts of Interest

The Company has concluded a directors' and officers' liability insurance policy (D&O Insurance) with a deductible for the members of the Management Board.

As of December 31, 2009, loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 8,128,645.

Besides their functions as members of the Management Board, the current members of the Management Board have not entered into any other material legal relationship with Deutsche Bank AG and have no potential conflicts of interest with regard to their commitments *vis-à-vis* Deutsche Bank AG on the one hand and their private interests or other commitments on the other hand.

Supervisory Board

General

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the Bank. The Management Board regularly informs the Supervisory Board of the intended business policies and other fundamental matters relating to the assets, liabilities, financial and profit situation as well as its risk situation, risk management and risk controlling. A report is made to the Supervisory Board on corporate planning at least once a year. At the proposal of the Chairman's Committee, the Supervisory Board determines the compensation of the individual members of the Management Board including the main contract elements and reviews it regularly. The Chairman of the Supervisory Board coordinates work within the Supervisory Board. He maintains regular contact with the Management Board, especially with the Chairman of the Management Board, and consults with him on strategy, the development of business and risk management. The Supervisory Board Chairman is informed by the Chairman of the Management Board without delay of important events of substantial significance for the situation and development as well as for the management of Deutsche Bank Group. The types of business that require the approval of the Supervisory Board to be transacted are specified in the Bank's Articles of Association. The Supervisory Board meets if required without the Management Board. For the performance of its duties, the Supervisory Board may, at its professional discretion, use the services of auditors, legal advisors and other internal and external consultants. The duties, procedures and committees of the Supervisory Board are specified in its Rules of Procedure.

Pursuant to the Articles of Association, the Company's Supervisory Board has twenty members. Ten members representing the shareholders are elected by the General Meeting in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*). A further ten members representing employees are elected in accordance with the provisions of the German Co-Determination Act of 1976 (*Mitbestimmungsgesetz*). Of these ten Supervisory Board members, seven must be employees of the Company including a senior salaried employee. The remaining Supervisory Board members must be representatives of the unions represented within the enterprise. Members of the Supervisory Board are appointed for a term of office that ends with the conclusion of the General Meeting at which a resolution is adopted that discharges the Supervisory Board for the fourth fiscal year following the commencement of the term of office. The fiscal year in which the term of office commences is not included. The General Meeting may resolve in the election of shareholders' representatives that the terms in office of up to five members may commence or end at different times. Members of the Supervisory Board who were elected by the General Meeting without formal advance nomination as a candidate for election may be removed from office by the General Meeting prior to the end of their term in office. The resolution requires a majority of at least three quarters of the votes cast. Employee representatives may be removed by a three quarters majority of the votes cast by the employee group that elected the respective representative. In accordance with the provisions of the Articles of Association, every member of the Supervisory Board may tender his resignation, adhering to a one-month's notice period, by furnishing an appropriate declaration *vis-à-vis* the Management Board even without a good cause.

A quorum for resolutions of the Supervisory Board is established if the members have been invited to attend in writing or by electronic means to their last known address and at least half of its total number of members participates in voting on a resolution either in person or by casting their vote in writing. The chairman of the Supervisory Board or his deputy shall chair the meeting. The type of voting is set forth by the chairman of the meeting. Resolutions may be adopted without the holding of a meeting by mail, telegraph, telephone or electronic voting should the chairman of the Supervisory Board or his deputy so determine. Supervisory Board

resolutions are adopted by a simple majority of votes cast, unless provided otherwise by law. In the event of a tied vote, the vote of the chairman of the Supervisory Board shall be decisive.

The Articles of Association require consent of the Supervisory Board to be obtained for the following transactions and actions on the part of the Company:

- the granting of general powers of attorney;
- the acquisition and disposal of real estate in so far as the object involves more than 1 % of the Company's liable capital and reserves pursuant to the German Banking Act;
- the granting of credits, including the acquisition of participations in other companies, for which approval of a credit institution's Supervisory Board is required under the German Banking Act;
- the acquisition and disposal of other participations, in so far as the object involves more than 2% of the Company's liable capital and reserves pursuant to the German Banking Act. The Supervisory Board must be informed without delay of any acquisition or disposal of such participations involving more than 1% of the Company's liable capital and reserves.

Consent of the Supervisory Board is also required when the acquisition and disposal of real estate or of other participations is conducted in a dependent company. The Supervisory Board may also determine other transactions requiring its consent. The Management Board may demand that the General Meeting resolve the issue of consent should the Supervisory Board withhold its consent. A resolution of the General Meeting granting consent requires a majority of at least three quarters of the votes cast.

Current Supervisory Board Members

The members of the Supervisory Board representing the shareholders were elected at the General Meeting on May 29, 2008 except for Dr. Siegert, who was elected at the General Meeting 2007 until the end of the Annual General Meeting in 2012. The employee representatives were elected on May 8, 2008. The following table contains more details regarding the current members of the Supervisory Board. The information includes the members' ages as of December 31, 2009, the years in which they were first elected or appointed, the years when their terms expire, in addition to their principal occupation and their memberships during the past five years on administrative, management or supervisory bodies or as partners outside the Bank. Unless indicated otherwise, each of the memberships is current.

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships
Wolfgang Böhr* Age: 46 First elected: 2008 Term expires: 2013 Bank trainee, long-time employee of Deutsche Bank	Chairman of the Combined Staff Council Dusseldorf of Deutsche Bank; Member of the General Staff Council	
Dr. Clemens Börsig Age: 61 Appointed by the court: 2006 Term expires: 2013 Studies in business administration and mathematics, Diplom-Kaufmann, Dr.rer.pol., many years of experience as a member of supervisory boards, financial expert according to Section 100 (5) of the Stock Corporation Act (AktG)	Chairman of the Supervisory Board of Deutsche Bank AG, Frankfurt	Linde AG (since June 2006); Bayer AG (since April 2007); Daimler AG (since April 2007); Emerson Electric Company (since February 2009); Deutsche Lufthansa AG (until April 2008); Eurohypo AG (until May 2005); Foreign & Colonial Eurotrust Plc (until December 2007); Frankfurter Versicherungs-AG (until January 2006); Heidelberger Druckmaschinen AG (until March 2007)

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships
Dr. Karl-Gerhard Eick Age: 55 Appointed by the court: 2004 Term expires: 2013 Studies of business administration, Dipl.-Oec., Dr. rer. pol.,many years of experience as a member of supervisory boards, financial expert according to Section 100 (5) of the Stock Corporation Act (AktG)	Deputy Chairman of the Management Board of Deut- sche Telekom AG, Bonn (until February 28, 2009); Chairman of the Management Board of Arcan- dor AG, Essen (from March, 1 2009, until September 1, 2009)	DeTe Immobilien Deutsche Telekom Immobilien und Service GmbH (until September 2008); T-Mobile International AG (until February 2009); T-Systems Enterprise Services GmbH (until February 2009); T-Systems Business Services GmbH (until February 2009); FC Bayern München AG (until December 2009); CORPUS SIREO Holding GmbH & Co. KG (Chairman); STRABAG Property and Facility Services GmbH (until December 2009); Hellenic Telecommunications Organization S.A. (OTE S.A.) (until March 2009); Thomas Cook Group Plc (until September 2009); T-Online International AG (until June 2006); Sireo Real Estate Asset Management GmbH (until December 2007); GMG Generalmietgesellschaft mbH (until March 2006); T-Systems International GmbH (until December 2005)
Heidrun Förster* Age: 62 First elected: 1993 Term expires: 2013 Commercial-technical training, private customer advisor, long-time employee of Deutsche Bank as well as many years of experience of the supervisory board of Deutsche Bank	Chairperson of the Combined Staff Council Berlin of Deutsche Bank; Member of the General Staff Council	Deutsche Bank Privat- und Geschäftskunden AG (since May 2008); Betriebskrankenkasse Deutsche Bank AG
Alfred Herling* Age: 57 First elected: 2008 Term expires: 2013 Businessman engaged in wholesale and foreign trade, long-time employee of Deutsche Bank	Chairman of the Combined Staff Council Wuppertal/Sauerland of Deutsche Bank; Deputy Chairman of the General Staff Council; Chairman of the European Staff Council	
Gerd Herzberg* Age: 59 Appointed by the court: 2006 Term expires: 2013 Lawyer, many years of experience as a member of supervisory boards	Deputy Chairman of ver.di Vereinte Dienstleistungsgewerkschaft, Berlin	Franz Haniel & Cie GmbH (Deputy Chairman); DBV Winterthur Lebensversicherung AG (until April 2009); BGAG – Beteiligungsgesellschaft der Gewerkschaften AG; DAWAG – Deutsche Angestellten Wohnungsbau AG (Chairman) (until April 2009); Vattenfall Europe AG (Deputy Chairman)

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships
Sir Peter Job Age: 68 Appointed by the court: 2001 Term expires: 2011 Exeter College, Oxford; Bachelor of Arts, former CEO, Reuters Group, many years of experience as a member of supervisory boards both in Germany and abroad		Schroders Plc; Tibco Software Inc.; Royal Dutch Shell Plc.; Mathon Systems (Advisory Board); Bertelsmann AG (until May 2005); Instinet Inc. (until December 2005); Shell Transport and Trading Plc (until July 2005)
Prof. Dr. Henning Kagermann Age: 62 First elected: 2000 Term expires: 2013 Studies of experimental physics; Dr. rer. nat. habil., many years of experience as a member of supervisory boards	Co-Chief Executive Officer of SAP AG, Walldorf until May 31, 2009	Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft; Nokia Corporation; Deutsche Post AG; Wipro Technoligies (since October 2009); DaimlerChrysler Services AG (until July 2006)
Martina Klee* Age: 47 First elected: 2008 Term expires: 2013 Political sciences and Romance studies, Industrial clerk/Applications programmer, long-time employee of Deutsche Bank	Chairperson of the Staff Council GTO Deutsche Bank Frankfurt/Eschborn; member of the General Staff Council of Deutsche Bank	Sterbekasse für die Angestellten der Deutschen Bank VV a.G.
Suzanne Labarge Age: 63 First elected: 2008 Term expires: 2013 Bachelor of Arts, Economics, MBA Harvard Business School, former Vice Chairman and Chief Risk Officer, Royal Bank of Canada, former Deputy Superintendent, Office of the Superintendent of Financial Institutions Canada, many years of experience as a member of supervisory boards both in Germany and abroad		Bank of China (until 2007); Coca-Cola Enterprises Inc. (since December 2007); Novelis Inc. (until May 2007)
Maurice Lévy Age: 67 First elected: 2006 Term expires: 2012 Master's degree in information technology, many years of experience as a member of supervisory boards both in Germany and abroad	Chairman of the Management Board and Chief Executive Officer, Publicis Groupe S.A., Paris	Publicis Conseil S.A. (Chairman); Medias et Régies Europe S.A.; MMS USA Holdings, Inc.; Fallon Group, Inc. (until June 2008); Zenith Optimedia Group Ltd.; Honeyshed LLC (until January 2010);Publicis Groupe U.S. Investments LLC; MMS USA Investments, Inc.; MMS USA LLC Investments, Inc.; Publicis USA Holdings, Inc. (until December 2007)

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships
Henriette Mark* Age: 52 First elected: 2003 Term expires: 2013 Commercial training in bookselling, Conflict Management and Mediation, Master of Advanced Studies (Mediaton), long-time employee of Deutsche Bank	Chairperson of the Combined Staff Council Munich and Southern Bavaria of Deutsche Bank; Member of the Group and General Staff Councils; Member of the European Staff Council	
Gabriele Platscher* Age: 52 First elected: 2003 Term expires: 2013 Bank trainee, Bank academy qualifications, long-time employee of Deutsche Bank	Chairperson of the Combined Staff Council Braunschweig/Hildesheim of Deutsche Bank; Member of the Group and General Staff Council	Deutsche Bank Privat- und Geschäftskunden AG (until May 2008); BVV Versicherungsverein des Bankgewerbes a.G. (Deputy Chairperson); BVV Versorgungskasse des Bankgewerbes e.V. (Deputy Chairperson); BVV Pensionsfonds des Bankgewerbes AG (Deputy Chairperson)
Karin Ruck* Age: 44 First elected: 2003 Term expires: 2013 Bank trainee, Bank academy qualifications, long-time employee of Deutsche Bank	Deputy Chairperson of the Supervisory Board of Deutsche Bank AG; Deputy Chairperson of the Combined Staff Council Frankfurt branch of Deutsche Bank	Deutsche Bank Privat- und Geschäftskunden AG; BVV Versicherungsverein des Bankgewerbes a.G.; BVV Versorgungskasse des Bankgewerbes e.V.; BVV Pensionsfonds des Bankgewerbes AG
Dr. Theo Siegert Age: 62 First elected: 2006 Term expires: 2012 Studies in business administration, Diplom-Kaufmann, Dr.rer.pol., former Chairman of the Management Board, Franz Haniel & Cie. GmbH, many years of experience as a member of supervisory boards	Managing Partner of de Haen-Carstanjen & Söhne, Dusseldorf	E.ON AG; ERGO AG; Henkel AG & Co. KGaA (since April 2009); Merck KGaA; E. Merck OHG (member of the Shareholders' Committee); DKSH Holding Ltd. (member of the Board of Administration); Celesio AG (until April 2006); Metro AG (until February 2006); Takkt AG (until May 2006)
Dr. Johannes Teyssen Age: 50 First elected: 2008 Term expires: 2013 Studies of economics and legal sciences, Dr.jur., many years of experience as a member of supervisory boards	Chief Operating Officer and (as of May 1, 2010) Chairman of the Management Board of E.ON AG, Dusseldorf	E.ON Energie AG; E.ON Ruhr- gas AG; E.ON Energy Trading SE (Chairman); Salzgitter AG (since November 2005); E.ON Nordic AB; E.ON Sverige AB; E.ON Italia Holding s.r.l.
Marlehn Thieme* Age: 52 First elected: 2008 Term expires: 2013 Studies of legal sciences, long-time employee of Deutsche Bank	Director Infrastructure/Regional Management Communications Corporate Citizenship Deutsche Bank AG, Frankfurt	

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships
Tilman Todenhöfer Age: 66 Appointed by the court: 2001 Term expires: 2013 Studies of legal sciences, many years of experience as a member of supervisory boards	Managing Partner of Robert Bosch Industrietreuhand KG, Stuttgart	Robert Bosch GmbH; Robert Bosch Int. Beteiligungen AG (President of the Board of Administration); HOCHTIEF AG (since September 2008); Carl Zeiss AG (Chairman, until September 2008); Schott AG (Chairman, until July 2008)
Werner Wenning Age: 63 First elected: 2008 Term expires: 2013 Commercial trainee, many years of experience as a member of supervisory boards	Chairman of the Management Board of Bayer AG, Leverkusen	E.ON AG; Henkel AG & Co. KGaA (member of the Supervisory Board until April 14, 2008; member of the Shareholders' Committee since April 14, 2008); Evonik Industries AG (until September 2008); Bayer Schering Pharma AG (Chairman) (until August 2009); Gerling Konzern Versicherungs-Beteiligungs AG (until April 2006); HDI V.a.G.; Talanx AG
Leo Wunderlich* Age: 60 First elected: 2003 Term expires: 2013 Bank trainee, long-time employee of Deutsche Bank	Chairman of the Group and General Staff Councils of Deutsche Bank AG, Mannheim	

* Employee representatives of the Supervisory Board.

Dr. Clemens Börsig was a member of the Management Board of Deutsche Bank AG until May 3, 2006. Dr. Börsig has declared that he would abstain from voting in his function as member of the Supervisory Board and its committees on all questions that relate to his former membership of the Management Board and could create a conflict of interest.

Committees

The Supervisory Board may form committees in addition to the mediation committee required under the provisions of the German Co-Determination Act of 1976 (*Mitbestimmungsgesetz*). They act in the name and on behalf of the entire Supervisory Board in discharging the tasks assigned to them under the Supervisory Board rules of procedure and by special resolutions adopted by the Supervisory Board. The Supervisory Board has currently formed five standing committees: the Chairman's Committee, the Nomination Committee, the Audit Committee, the Risk Committee and the Mediation Committee. The Supervisory Board may form further committees.

Chairman's Committee: The Chairman's Committee is responsible for all Management Board and Supervisory Board matters. It prepares the decisions for the Supervisory Board on the appointment and dismissal of members of the Management Board, including long-term succession planning. It also submits a proposal to the Supervisory Board on the compensation for the individual members of the Management Board including the main contract elements. It is responsible for entering into, amending and terminating the service contracts and other agreements with the Management Board members and provides its approval for ancillary activities of Management Board members pursuant to Section 112 of the German Stock Corporation Act (*Aktiengesetz*) and for certain contracts with Supervisory Board members pursuant to Section 114 of the German Stock Corporation Act (*Aktiengesetz*). Furthermore, it prepares the decisions of the Supervisory Board in the field of corporate governance. The Chairman's Committee held seven meetings in 2009.

The current members of the Chairman's Committee are Dr. Clemens Börsig (Chairman), Heidrun Förster, Karin Ruck and Tilman Todenhöfer.

Nomination Committee: The Nomination Committee prepares the Supervisory Board's proposals for the election or appointment of new shareholder representatives to the Supervisory Board. The Nomination Committee held no meetings in 2009.

The current members of the Nomination Committee are Dr. Clemens Börsig (Chairman), Tilman Todenhöfer and Werner Wenning.

Audit Committee: The Audit Committee is in particular responsible for the monitoring of financial accounting, including the accounting process and the effectiveness of the system of internal controls, issues of risk management and especially the effectiveness of the risk management system, as well as the effectiveness of the internal audit system, compliance and the auditing of annual financial statements. It reviews the documentation relating to the annual and consolidated financial statements and discusses the audit reports with the auditor. It prepares the decisions of the Supervisory Board on the annual financial statements and the approval of the consolidated financial statements and discusses important changes to the audit and accounting methods. The Audit Committee also discusses the quarterly financial statements and the report on the limited review of the quarterly financial statements with the Management Board and the auditor prior to their publication.

In addition, the Audit Committee issues the audit mandate to the auditor elected by the General Meeting. It resolves on the compensation paid to the auditor and monitors the auditor's independence, qualifications and efficiency. The Head of Internal Audit regularly reports to the Audit Committee on the work done. The Audit Committee is informed about special audits, substantial complaints and other exceptional measures on the part of bank regulatory authorities. It has functional responsibility for taking receipt of and dealing with complaints concerning accounting, internal accounting controls and issues relating to the audit. Subject to its review, the Audit Committee grants its approval for mandates engaging the auditor for non-audit-related services The Audit Committee held nine meetings in 2009.

The current members of the Audit Committee are Dr. Karl-Gerhard Eick (Chairman), Dr. Clemens Börsig, Sir Peter Job, Henriette Mark, Karin Ruck and Marlehn Thieme.

Risk Committee: The Risk Committee handles loans which require a resolution by the Supervisory Board pursuant to law or the Articles of Association of Deutsche Bank. Subject to its review, it grants its approval for the acquisition of shareholdings in other companies that amount to between 2 % and 3 % of the Bank's regulatory banking capital if it is likely that the shareholding will not remain in the Bank's full or partial possession for more than twelve months. At the meetings of the Risk Committee, the Management Board reports on credit, market, liquidity, operational, litigation and reputational risks. The Management Board also reports on risk strategy, credit portfolios, loans requiring Supervisory Board approval pursuant to law or the Articles of Association, questions of capital resources and matters of special importance due to the risks they entail. The Risk Committee held six meetings in 2009.

The current members of the Risk Committee are Dr. Clemens Börsig (Chairman), Professor Dr. Henning Kagermann and Sir Peter Job. Suzanne Labarge and Dr. Theo Siegert are substitute members of the Risk Committee. They are invited to all meetings and regularly attend them.

Mediation Committee: The Mediation Committee, which is required by German law, makes proposals to the Supervisory Board on the appointment or dismissal of members of the Management Board in those cases where the Supervisory Board is unable to reach a two-thirds majority decision with respect to the appointment or dismissal. The Mediation Committee only meets if necessary and did not hold any meetings in 2009.

The current members of the Mediation Committee are Dr. Clemens Börsig (Chairman), Wolfgang Böhr, Karin Ruck, and Tilman Todenhöfer.

Compensation, Shareholding, Loans, Other Legal Relationships and Conflicts of Interest

Principles of the Compensation System

The principles of the compensation of the Supervisory Board members are set forth in the Articles of Association which may be amended by the General Meeting.

The following provisions apply to the 2009 financial year: compensation consists of a fixed compensation of € 60,000 per year and a dividend-based bonus of € 100 per year for each € 0.01 increment in dividend distributed in excess of € 1.00 per share. The members of the Supervisory Board also receive annual remuneration linked to the Bank's long-term profits in the amount of € 100 each for each € 0.01 by which the average earnings per share (diluted), reported for the Group in the Company's financial report 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 German Co-Determination Act (*Mitbestimmungsgesetz*). The Supervisory Board Chairman reveives four times the total compensation of a regular member, without any such increment for committee work, and the deputy receives 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 which they take part. Furthermore, the members of the Supervisory Board will be included in any financial liability insurance policy held in an appropriate amount by Deutsche Bank, with the corresponding premiums being paid by the Bank.

The members of the Supervisory Board are reimbursed 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, the Bank pays 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 2009 and the following years, as in the previous years.

Compensation for Fiscal Year 2009

Supervisory Board members receive their compensation after the end of each fiscal year. In January 2010, each Supervisory Board member was paid the fixed portion of their remuneration for their services in 2009 and their meeting fees. In addition, each Supervisory Board member receives a remuneration linked to the Bank's long-term performance as well as a dividend-based bonus for their services in 2009. Assuming that the Annual General Meeting in May 2010 approves the proposed dividend of € 0.75 per share, the Supervisory Board will receive a total remuneration of € 2,561,316.

Individual members of the Supervisory Board received the following compensation for the 2009 financial year (excluding statutory value added tax):

	in €			
Member of the Supervisory Board	**Fixed**	**Variable[1]**	**Meeting Fee**	**Total**
Dr. Clemens Börsig	240,000	13,733	28,000	281,733
Wolfgang Böhr	60,000	3,433	7,000	70,433
Dr. Karl-Gerhard Eick	180,000	10,300	16,000	206,300
Heidrun Förster	120,000	6,867	14,000	140,867
Alfred Herling	60,000	3,433	7,000	70,433
Gerd Herzberg	60,000	3,433	7,000	70,433
Sir Peter Job	180,000	10,300	22,000	212,300
Prof. Dr. Henning Kagermann	120,000	6,867	12,000	138,867
Martina Klee	60,000	3,433	7,000	70,433
Suzanne Labarge	120,000	6,867	12,000	138,867
Maurice Lévy	60,000	3,433	6,000	69,433
Henriette Mark	120,000	6,867	16,000	142,867
Gabriele Platscher	60,000	3,433	7,000	70,433
Karin Ruck	210,000	12,017	23,000	245,017
Dr. Theo Siegert	120,000	6,867	12,000	138,867
Dr. Johannes Teyssen	60,000	3,433	7,000	70,433
Marlehn Thieme	120,000	6,867	15,000	141,867
Tilman Todenhöfer	120,000	6,867	14,000	140,867
Werner Wenning	60,000	3,433	7,000	70,433
Leo Wunderlich	60,000	3,433	7,000	60,000
Total	**2,190,000**	**125,316**	**246,000**	**2,561,316**

1 Variable compensation for a simple member of € 3,433 comprises a dividend-based amount of € 0 and an amount of € 3,433 linked to the long-term performance of the Company.

Furthermore, no service agreements exist between the Company or its subsidiaries on the one hand and one or more members of the Supervisory Board on the other hand, which provide for benefits in the event that the service agreement is terminated. No agreements exist with major shareholders, customers or other persons, according to which a member of the Supervisory Board was appointed to the Supervisory Board.

Shareholding

As of February 19, 2010, the current members of the Supervisory Board held the following numbers of the Bank's shares (including share awards under the employee share plans):

Members of the Supervisory Board	Number of shares	Number of share awards[1]
Wolfgang Böhr	20	–
Dr. Clemens Börsig[2]	129,367	5,322
Dr. Karl-Gerhard Eick	–	–
Heidrun Förster	905	–
Alfred Herling	777	–
Gerd Herzberg	–	–
Sir Peter Job	4,000	–
Prof. Dr. Henning Kagermann	–	–
Martina Klee	378	–
Suzanne Labarge	–	–
Maurice Lévy	–	–
Henriette Mark	388	–
Gabriele Platscher	739	–
Karin Ruck	110	–
Dr. Theo Siegert	–	–
Dr. Johannes Teyssen	–	–
Marlehn Thieme	109	–
Tilman Todenhöfer	300	–
Werner Wenning	–	–
Leo Wunderlich	722	–
Total	**137,815**	**5,322**

1 This does not include 150 Deutsche Bank shares held in a family-owned partnership, in which Dr. Clemens Börsig has a 25 % interest as well as 14,612 Deutsche Bank shares attributable to a charitable foundation with separate legal capacity, the "Gerhild und Clemens Börsig Jugend- und Sozialstiftung".

2 Dr. Clemens Börsig holds 5.322 DB Equity Units granted under the DB Global Partnership Plan in connection with his prior service as a member of the Management Board, which are scheduled to be delivered to him in August 2010.

As of February 19, 2010, the members of the Supervisory Board held 137,815 shares, amounting to less than 0.02 % of the Bank's shares issued on that date.

Loans, Other Legal Relationships and Conflicts of Interest

The Company has concluded a directors' and officers' liability insurance policy (D&O Insurance) with a deductible for the members of the Supervisory Board.

As of December 31, 2009, loans and advances granted and contingent liabilities assumed for members of the Supervisory Board amounted to € 1,166,445. Besides their functions as members of the Supervisory Board, the members of the Supervisory Board have not entered into any other material legal relationship with Deutsche Bank. Potential conflicts of interest may arise if the subject of the discussion of the Supervisory Board directly or indirectly concerns a member, for instance in the case where members of the Supervisory Board are also members of the boards of other companies. This is the case for example if the Risk Committee has to decide on a loan to be granted to a company and a member of the Bank's Supervisory Board is also a member of the board of the borrower. If such a potential conflict of interest arises, the relevant member of the Supervisory Board does not participate in the discussion and voting of the Supervisory Board or the relevant committee.

Except for the above, the members of the Supervisory Board have no potential conflicts of interest with regard to their commitments *vis-à-vis* Deutsche Bank AG on the one hand and their private interests or other commitments on the other hand.

Additional Information on Members of the Management Board and Supervisory Board

In the last five years, no member of the Management Board or the Supervisory Board of the Company has been found guilty of any fraudulent offences. In February 2003, the Düsseldorf Prosecutor filed charges against Dr. Ackermann and other former members of the supervisory board, members of the management board and one manager of Mannesmann AG at the Düsseldorf District Court (*Landgericht Düsseldorf*). The complaint

alleged a breach of trust in connection with payments to former members of the management board and other managers of Mannesmann AG following the takeover of Mannesmann by Vodafone in spring 2000. On July 22, 2004 the Düsseldorf District Court acquitted every defendant of such charges. The Düsseldorf Prosecutor filed a notice of appeal to the Federal Supreme Court (*Bundesgerichtshof*). On December 21, 2005 the Federal Supreme Court ordered a retrial at the Düsseldorf District Court. On November 29, 2006 the Düsseldorf District Court agreed to discontinue the court proceedings and ordered the defendants to make non-penal payments. No findings of guilt result from this decision.

Excepting above, in the last five years, there have been no public incriminations and/or sanctions with respect to the members of the Management Board or the Supervisory Board from statutory or regulatory authorities (including designated professional bodies). In the last five years, no member of the Management Board or Supervisory Board, within the scope of his or her position in administrative, management or supervisory bodies or as an issuer, was subject to insolvency, receivership or liquidation , except for the member of the Supervisory Board Dr. Karl-Gerhard Eick, the former chairman of the management board of Arcandor AG which filed for insolvency in June 2009. No member of the Management Board or Supervisory Board has been disqualified by a court in the last five years from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer. There is no kinship between the members of the Management Board and Supervisory Board, neither among themselves nor to members of the respective other corporate body.

Members of the Management Board and the Supervisory Board can be contacted at the business address of the Company, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (tel: +49-69-910-00).

Corporate Governance Code

The "Government Commission for the German Corporate Governance Code" (*Regierungskommission Deutscher Corporate Governance Kodex*), appointed by the Federal Minister of Justice in September 2001, adopted the German Corporate Governance Code (the "Code") on February 26, 2002 and resolved various amendments to the Code, most recently on June 18, 2009. The Code contains recommendations and suggestions relating to the management and supervision of German listed companies. It follows internationally and nationally recognized standards for good and responsible corporate governance. The Code aims at making the German corporate governance system transparent and understandable. The Code contains corporate governance recommendations (so called "shall" provisions) and suggestions (so called "should" or "can" provisions) with respect to shareholders and the general shareholders' meeting, the management board and supervisory board, transparency, accounting policies and audits.

There is no duty to comply with the recommendations or suggestions of the Code. The German stock corporation law only obliges the management boards and supervisory boards of listed companies to issue an annual declaration stating either that the Code recommendations have been complied with and are being complied with, or to declare which recommendations have not been applied or are not being applied. The declaration has to be made accessible to shareholders at all times. Non-compliance with suggestions contained in the Code need not be disclosed.

The Management Board and Supervisory Board issued the last declaration of compliance regarding the Code in accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz*) on October 28, 2009 and amended the declarations on January 5, 2010:

1. *From the last Declaration of Conformity dated October 29, 2008, until the new version of the "Government Commission's German Corporate Governance Code" came into effect on August 5, 2009, Deutsche Bank AG complied with the recommendations of the Code in the version dated June 6, 2008, published in the Electronic Federal Gazette (Elektronischer Bundesanzeiger) on August 8, 2008, with the following exception:*

   - *For the members of the Management Board and Supervisory Board, there was a directors' and officers' liability insurance policy without a deductible (Code No. 3.8).*

2. *Deutsche Bank AG acted in conformity with the recommendations of the "Government Commission's German Corporate Governance Code" in the Code version dated June 18, 2009, from its publication in the Electronic Federal Gazette on August 5, 2009, until January 1, 2010, with following exception:*

   - *For the members of the Supervisory Board, there was a directors' and officers' liability insurance policy without a deductible (Code No. 3.8).*

This directors' and officers' liability insurance policy is a group insurance policy for a large number of individuals in Germany and abroad. Internationally, a deductible is unusual. While a resolution was already adopted in October 2009 to introduce a deductible for Management Board members on the basis of legal requirements, no decision had been taken on the deductible for Supervisory Board members.

3. *Deutsche Bank AG will act in conformity with the recommendations of the "Government Commission's German Corporate Governance Code" in the Code version dated June 18, 2009, with effect from January 1, 2010, without exception.*

Deutsche Bank AG voluntarily complies with the suggestions of the Code in the version dated June 18, 2009, with the following exceptions:

- The representatives appointed by the Bank to exercise shareholders' voting rights can be reached by those attending the General Meeting until just before voting commences. The representatives are reachable by those not attending until 12 noon on the day of the General Meeting using the instruction tool in the Internet (Code No. 2.3.3). In this manner, the risk of any technical disruptions directly before voting takes place can basically be excluded. The broadcast through the Internet also ends at the latest at this time, which means information useful for non-participants in forming an opinion can no longer be expected thereafter.
- The broadcast of the General Meeting through the Internet (Code No. 2.3.4) covers the opening of the General Meeting by the chairman and the report of the Management Board. The shareholders are thus free to hold their discussions with management unencumbered by a public broadcast to a wide audience.

General Shareholders' Meeting

According to the Articles of Association, the General Meeting of the Company is held in Frankfurt am Main, Düsseldorf or in another major German city with a population of more than 500,000. It is called by the Management Board or by the Supervisory Board. Each no-par value share confers one vote at the General Meeting.

In particular, the General Meeting resolves on the following:

- Appointment of shareholder representatives to the Supervisory Board
- Allocation of the balance sheet profit (*Bilanzgewinn*)
- Formal approval (*Entlastung*) of the acts of the Management Board and the Supervisory Board
- Appointment of auditors
- Capital increases and capital reductions
- Any amendments to the Articles of Association

Resolutions of the Company's General Meeting are adopted by a simple majority of the votes cast and, should a majority of the share capital be required, a simple majority of the share capital present at the adoption of the resolution, absent mandatory laws or Articles of Association to the contrary. Under German stock corporation law, certain resolutions of fundamental importance require a majority of at least three quarters of the share capital present at the adoption of a resolution in addition to a majority of the votes cast. Such resolutions include the following in particular:

- Amendments changing the business objectives
- Capital increases that exclude subscription rights
- Capital reductions
- Creation of authorized or conditional capital
- Dissolution of the Company
- Actions involving legal conversion such as mergers, spin-offs and changes in legal form
- Transfer of all assets of the Company
- Integration of another company
- Intercompany agreements (in particular, controlling and profit-transfer agreements)

A General Meeting is usually called once a year (Annual General Meeting). The Annual General Meeting is held within the first eight months of each fiscal year. In addition, the Management Board or Supervisory Board can call an extraordinary General Meeting if such is required in the interest of the Company. Shareholders who have combined shareholdings of at least 5 % of the share capital can request the Management Board to call a General Meeting. Such request must be made in writing and provide details of the purpose and reasons for calling such meeting.

Shareholders who are registered with the Company's share register and have registered for the General Meeting in due time are entitled to participate in the respective General Meeting and exercise their voting rights. The registration must be received by the Company at the address specified in the notice calling the

meeting in written or electronic form at least five days before the meeting. The day of receipt is not to be counted.

The General Meeting must be convened at least 30 days before the end of the day on which the shareholders are required to register unless the law provides for a shorter notice period. The notice period does not include the day on which the meeting convenes nor the final day of the registration period.

Employees

As of March 31, 2010, Deutsche Bank Group employed a total of 80,849 staff members as compared to 77,053 as of December 31, 2009, 80,456 as of December 31, 2008 and 78,291 as of December 31, 2007. The Bank and its subsidiaries calculate the employee figures on a full-time equivalent basis, meaning proportionate numbers of part-time employees are included.

The following table shows the numbers of full-time equivalent employees of Deutsche Bank Group as of March 31, 2010 as well as of December 31, 2009, 2008 and 2007.

Employees[1]	March 31, 2010	December 31, 2009[2]	2008[2]	2007[2]
Germany	30,839	27,321	27,942	27,779
Europe (outside Germany), Middle East and Africa	22,054	22,031	23,073	21,996
Asia/Pacific	16,779	16,518	17,120	15,073
North America[3]	10,800	10,815	11,947	13,088
South America	377	368	374	355
Total employees	**80,849**	**77,053**	**80,456**	**78,291**

1 Full-time equivalent employees.

2 In 2010, Kazakhstan, which originally was assigned to Asia/Pacific, was attributed to the region Europe (outside Germany), Middle East and Africa. The numbers for 2009, 2008 and 2007 were restated accordingly.

3 Primarily the United States.

As of the date of this Registration Document no material changes in the number of employees of Deutsche Bank Group have occurred.

In the first three months of 2010, the number of employees increased by 3,796 or 4.9% to 80,849. This development was driven by the integration of the Sal. Oppenheim Group with 3,675 employees. This was also the main reason for the increase of the number of employees in Germany.

The number of employees decreased in 2009 by 3,403 or 4.2 %. The number of Corporate and Investment Bank Group Division staff was reduced by 641 due to market developments in the first six months 2009, particularly in the global financial centers in the United Kingdom, the United States and Hong Kong. In the second half year 2009, due to slowing global economy and reduction in market volumes, the number of Private Clients and Asset Management Group Division staff was reduced by 1,997, particularly in the Asset and Wealth Management corporate division in the United States as well as the Private & Business Clients corporate division internationally. In Infrastructure, Deutsche Bank's service centers in India and the Philippines, and the establishment of service centers in Birmingham (U.K.) and Jacksonville (U.S.) contributed to the increase of approximately 1,000 employees. This increase was offset by staff reductions of approximately 1,800 in other locations.

The number of employees increased in 2008 by 2,165 or 2.8 % to 80,456 employees. This development was driven by an addition of 1,114 staff members in the Private Clients and Asset Management Group division, most notably in Poland and India, while the number of Corporate and Investment Bank Group Division staff was reduced by 1,476, mainly in those business areas in the U.K. and United States, whose near-term recovery cannot be currently foreseen. In Infrastructure, the establishment of larger Operations Centers was a major contributor to the increase of 2,535 employees, mainly in Asia.

The number of employees increased in 2007 by 9,442 or 13.7 % to 78,291. This increase is attributable mainly to the implementation of growth initiatives including acquisitions and the related expansion in the growth markets of the world. Excluding investments and divestments, the number of employees increased by 6,726. Furthermore, jobs were created at less expensive locations, especially in the infrastructure groups. Most of the overall expansion, over 40 %, took place in the growth markets of the Asia/Pacific region.

Deutsche Bank offers a number of post-employment benefit plans. Further information hereto is contained in Note 32 to the consolidated financial statements 2009 contained in the *"Financial Statements"* section of this Registration Document.

Information on the employee share programs of Deutsche Bank is contained in Note 31 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 contained in the *"Financial Statements"* section of this Registration Document.

RELATIONSHIPS WITH RELATED PARTIES

Parties are considered to be related pursuant to IFRS if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions.

Deutsche Bank Group's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members,
- subsidiaries, joint ventures, and
- post-employment benefit plans for the benefit of Deutsche Bank employees.

Deutsche Bank Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other parties.

For further quantitative information on Deutsche Bank's related party transactions as of March 31, 2010, see the notes to Deutsche Bank's consolidated interim financial statements as of March 31, 2010 which are included in the section *"Financial Statements"* of this Registration Document. As of the date of this Registration Document, there are no other material relationships between Deutsche Bank and related third parties. For further information on the business relationships with related third parties in the fiscal year 2009, see Note 37 to Deutsche Bank's consolidated financial statements for the fiscal year 2009 which are also included in the section "*Financial Statements*" of this Registration Document. For corresponding information for the fiscal years 2008 and 2007, see Note 38 to the consolidated financial statements of Deutsche Bank for the fiscal year 2008 which are incorporated by reference into this Registration Document (see *"Documents Incorporated By Reference*").

MATERIAL CONTRACTS

In the ordinary course of business, companies of Deutsche Bank Group enter into numerous contracts with other companies. In the two years immediately preceding the date of this Registration Document, Deutsche Bank Group has not entered into any contracts outside the ordinary course of business, which are material to the Group.

REGULATION AND SUPERVISION

Overview

Deutsche Bank's operations throughout the world are regulated and supervised by the relevant authorities in each of the jurisdictions where Deutsche Bank conducts business. Such regulation relates to licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting requirements. It affects the type and scope of the business Deutsche Bank Group conducts in a country and how it structures specific operations. Currently and in reaction to the crisis in the financial markets, significant changes in the regulatory environment continue to be under consideration in the jurisdictions in which Deutsche Bank operates. While the extent and nature of these changes cannot be predicted now, they may include an increase in regulatory oversight and enhanced prudential standards relating to capital, liquidity, employee compensation, limitations on activities and other aspects of Deutsche Bank's operations in ways that may have a material effect on the businesses of Deutsche Bank Group and the services and products that it will be able to offer.

The following sections present a summarized description of the supervision of the business of Deutsche Bank by the authorities in Germany, Deutsche Bank's home market, the European Economic Area member states, and in the United States, which Deutsche Bank views as the most significant for it. Beyond these regions, local country regulations generally have limited impact on Deutsche Bank's operations that are unconnected with these countries.

Regulation and Supervision in Germany

Basic Principles

Deutsche Bank AG is authorized to conduct banking business and to provide financial services as set forth in the German Banking Act (KWG).

Deutsche Bank AG is subject to comprehensive regulation and supervision by the BaFin and the Deutsche Bundesbank (referred to as the "Bundesbank"), the German central bank.

The BaFin is a federal regulatory authority and reports to the German Federal Ministry of Finance. It supervises the operations of German banks to ensure that they are in compliance with the German Banking Act (KWG) and other applicable German laws and regulations. The Bundesbank supports the BaFin and closely cooperates with it. The cooperation includes the ongoing review and evaluation of reports submitted by Deutsche Bank and of its audit reports as well as assessments of the adequacy of Deutsche Bank's capital base and risk management systems. The BaFin and the Bundesbank require German banks to file comprehensive information in order to monitor compliance with applicable legal requirements and to obtain information on the financial condition of banks.

Generally, supervision by the BaFin and the Bundesbank applies on an unconsolidated basis (company only) and on a consolidated basis (the company and the entities consolidated with it for German regulatory purposes). Parent banks of a consolidated group may waive the application of capital adequacy requirements, large exposure limits and certain organizational requirements on an unconsolidated basis if certain conditions are met. Deutsche Bank AG meets these conditions and has waived application of these rules since January 1, 2007.

Deutsche Bank is materially in compliance with the German laws that are applicable to its business.

The German Banking Act

The German Banking Act (KWG) contains the principal rules for German banks, including the requirements for a banking license, and regulates the business activities of German banks. In particular it requires that an enterprise that engages in one or more of the activities defined in the German Banking Act (KWG) as "banking business" or "financial services" in Germany must be licensed as a "credit institution" (*Kreditinstitut*) or "financial services institution" (*Finanzdienstleistungsinstitut*), as the case may be. Deutsche Bank AG is licensed as a credit institution.

The German Banking Act (KWG) and the rules and regulations adopted thereunder implement certain European Union directives relating to banks. These directives reflect recommendations of the Basel Committee on Banking Supervision and address issues such as accounting standards, regulatory capital, risk-based capital adequacy, consolidated supervision and the monitoring and control of large exposures. As a result of the increased risk sensitivity of the currently applicable capital framework, which is based upon the Basel II capital framework of 2004, capital requirements are more cyclical than in the past and may also increase compared to levels before application of the Basel II framework in times of economic downturn.

The German Securities Trading Act

Under the German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG), the BaFin regulates and supervises securities trading in Germany. The German Securities Trading Act (WpHG) prohibits, among other things, insider trading with respect to securities admitted to trading on, or included in the regulated market or the over-the-counter market at a German exchange, or admitted to trading on an organized market in another country that is a member state of the European Union or another contracting state of the Agreement on the European Economic Area.

The German Securities Trading Act (WpHG) also contains rules of conduct. These rules of conduct apply to all businesses that provide securities services. Securities services include, in particular, the purchase and sale of securities or derivatives for others and the intermediation of transactions in securities or derivatives and certain types of investment advice. The BaFin has broad powers to investigate businesses providing securities services to monitor their compliance with the rules of conduct and the reporting requirements. In addition, the German Securities Trading Act (WpHG) requires an independent auditor to perform an annual audit of the securities services provider's compliance with its obligations under the German Securities Trading Act (WpHG).

Capital Adequacy Requirements

The German Banking Act (KWG) and the Solvency Regulation issued by the Federal Ministry of Finance *(Bundesministerium der Finanzen)* thereunder reflect the capital adequacy rules of Basel II and require German banks to maintain an adequate level of regulatory capital in relation to their risk positions. Risk positions (commonly referred to as "risk-weighted assets" or "RWA") comprise credit risks, market risks and operational risks (comprising, among other things, risks related to certain external factors, as well as to technical errors and errors of employees). Credit risks and operational risks must be covered with Tier 1 capital ("core capital") and Tier 2 capital ("supplementary capital") (together, "regulatory banking capital"). Market risk must be covered with regulatory banking capital (to the extent not required to cover credit and operational risk) and Tier 3 capital (together with regulatory banking capital, "own funds"). Under certain circumstances, the BaFin may impose capital requirements on individual banks which are more stringent than statutory requirements. For details of Deutsche Bank's regulatory capital see Note 36 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009 which are included in the *"Financial Statements"* section of this Registration Document.

Limitations on Large Exposures

The German Banking Act (KWG) and the Large Exposure Regulation (*Großkredit- und Millionenkreditverordnung*) limit a bank's concentration of credit risks through restrictions on large exposures (*Großkredite*). All exposures to a single customer (and customers connected with it) are aggregated for these purposes.

An exposure incurred in the banking book that equals or exceeds 10 % of the bank's regulatory banking capital constitutes a banking book large exposure. A banking book and trading book exposure taken together that equals or exceeds 10 % of the bank's own funds constitutes an aggregate book large exposure. No large exposure may exceed 25 % of the bank's regulatory banking capital or own funds, as applicable. Where the exposure is to affiliates of the bank that are not consolidated for regulatory purposes the limit is 20 %.

In addition, the total of all banking book large exposures must not exceed eight times the bank's regulatory banking capital, and the total of all aggregate book large exposures must not exceed eight times the bank's own funds.

A bank may exceed these ceilings only with the approval of the BaFin and subject to increased capital requirements for the amount of the large exposure that exceeds the ceiling.

Furthermore, total trading book exposures to a single customer (and customers affiliated with it) must not exceed five times the bank's own funds that are not required to meet the capital adequacy requirements with respect to the banking book. Total trading book exposures to a single customer (and customers affiliated with it) in excess of the aforementioned limit are not permitted.

Consolidated Regulation and Supervision

The German Banking Act's (KWG) provisions on consolidated supervision require that each group of institutions (*Institutsgruppe*) taken as a whole complies with the requirements on capital adequacy and the limitations on large exposures described above. A group of institutions generally consists of a domestic bank or financial services institution, as the parent company, and all other banks, financial services institutions, investment management companies, financial enterprises, ancillary services enterprises or payment institutions in which the parent company holds more than 50 % of the capital or voting rights or on which the parent company can otherwise exert a controlling influence. Special rules apply to joint venture arrangements that result in the joint management of another bank, financial services institution, investment company, financial enterprise, bank service enterprise or payment institution by a bank and one or more third parties.

Financial groups which offer services and products in various financial sectors (banking and securities business, insurance and reinsurance business) are subject to supplementary supervision as a financial conglomerate (*Finanzkonglomerat*) once certain thresholds have been exceeded. The supervision on the level of the conglomerate is exercised by the BaFin. It comprises requirements regarding own funds, risk concentration, risk management, transactions within the conglomerate and organizational matters. Following the acquisition of Abbey Life Assurance Company Limited, the BaFin determined in November 2007 that Deutsche Bank is a financial conglomerate. The main effect of this determination is that since 2008 Deutsche Bank has been reporting to the BaFin and the Bundesbank capital adequacy requirements and risk concentrations also on a conglomerate level. In addition, Deutsche Bank is required to report significant conglomerate internal transactions as well as significant risk concentrations.

Liquidity Requirements

The German Banking Act (KWG) requires German banks and certain financial services institutions to invest their funds so as to maintain adequate liquidity at all times. The Liquidity Regulation (*Liquiditätsverordnung*) is based on a comparison of the remaining terms of certain assets and liabilities. It requires maintenance of a ratio (*Liquiditätskennzahl* or "liquidity ratio") of liquid assets to liquidity reductions expected during the month following the date on which the ratio is determined of at least one. The Liquidity Regulation also allows banks and financial services institutions subject to it to use their own methodology and procedures to measure and manage liquidity risk if the BaFin has approved such methodology and procedures. The liquidity ratio and estimated liquidity ratios for the next eleven months must be reported to the BaFin on a monthly basis. The liquidity requirements do not apply on a consolidated basis. The BaFin may impose on individual banks liquidity requirements which are more stringent than the general statutory requirements if such bank's continuous liquidity would otherwise not be ensured.

Financial Statements and Audits

As required by the German Commercial Code (HGB), Deutsche Bank AG prepares its non-consolidated financial statements in accordance with German GAAP. Its consolidated financial statements are prepared in accordance with International Financial Reporting Standards, and the Bank's compliance with capital adequacy requirements and large exposure limits is determined solely based upon such consolidated financial statements.

Under German law, Deutsche Bank AG and Deutsche Bank Group are required to be audited annually by a certified public accountant (*Wirtschaftsprüfer*). The accountant is appointed at Deutsche Bank AG's General Meeting. However, the Supervisory Board mandates the accountant and supervises the audit. The BaFin must be informed of and may reject the accountant's appointment.

The German Banking Act (KWG) requires that a bank's auditor informs the BaFin of any facts that come to the accountant's attention which would lead it to refuse to certify or to limit its certification of the bank's annual financial statements or which would adversely affect the financial position of the bank. The auditor is also required to notify the BaFin in the event of a material breach by management of the articles of association or of any other applicable law.

The auditor is required to prepare a detailed and comprehensive annual audit report (*Prüfungsbericht*) for submission to the Bank's Supervisory Board, the BaFin and the Bundesbank.

Enforcement of Banking Regulations; Investigative Powers

Investigations and Official Audits

The BaFin conducts audits of banks on a random basis, as well as for cause. The BaFin is also responsible for auditing internal risk models used by a bank for regulatory purposes. It may revoke the approval to use such models or impose conditions on their continued use for regulatory purposes.

The BaFin may require a bank to furnish information and documents in order to ensure that the bank is complying with the German Banking Act (KWG) and applicable regulations. The BaFin may conduct investigations without having to state a reason therefor. Such investigations may also take place at a foreign entity that is part of a bank's group for regulatory purposes. Investigations of foreign entities are limited to the extent that the law of the jurisdiction where the entity is located restricts such investigations.

The BaFin may attend meetings of a bank's supervisory board and general meetings. It also has the authority to require that such meetings be convened.

Enforcement Powers

The BaFin has a wide range of enforcement powers in the event it discovers any irregularities. It may request the removal of a bank's managers from office, transfer their responsibilities in whole or in part to a special commissioner or prohibit them from exercising their current managerial capacities. The BaFin may also cause

the removal of members of the supervisory board of a bank if they are not reliable, lack the necessary expertise or violate their duties.

If a bank's own funds are inadequate, if a bank does not meet the liquidity requirements, or if, based upon the circumstances, the BaFin concludes that a bank will likely not be able to continuously fulfill the statutory capital or liquidity requirements, the BaFin may prohibit or restrict the bank from distributing profits or extending credit. In addition, subject to the same prerequisites, the BaFin may generally prohibit a bank from making payments on own funds instruments if such payments are not covered by the bank's annual profit. These prohibitions also apply to the parent bank of a group of institutions in the event that the own funds of the group are inadequate on a consolidated basis. The BaFin may also order a bank to adopt measures to contain risks if such risks result from particular types of transactions or systems used by the bank.

If a bank is in danger of defaulting on its obligations to creditors, the BaFin may take emergency measures to avert default. These emergency measures may include:

- issuing instructions relating to the management of the bank;
- prohibiting the acceptance of deposits and the extension of credit;
- ordering that certain measures to reduce risks are taken;
- prohibiting or restricting the bank's managers from carrying on their functions; and
- appointing supervisors.

If these measures are inadequate, the BaFin may revoke the bank's license and, if appropriate, order the closure of the bank.

To avoid the insolvency of a bank, the BaFin may prohibit payments and disposals of assets, close the bank's customer services, and prohibit the bank from accepting any payments other than payments of debts owed to the bank. Only the BaFin may file an application for the initiation of insolvency proceedings against a bank.

Violations of the German Banking Act (KWG) may result in criminal and administrative penalties.

Deposit Protection in Germany

The Deposit Guarantee Act

The Law on Deposit Insurance and Investor Compensation (*Einlagensicherungs- und Anlegerentschädigungsgesetz,* referred to as the "Deposit Guarantee Act") provides for a mandatory deposit insurance system in Germany. It requires that each German bank participate in one of the licensed government-controlled investor compensation institutions (*Entschädigungseinrichtungen*). *Entschädigungseinrichtung deutscher Banken GmbH* acts as the investor compensation institution for private sector banks such as Deutsche Bank AG, collects and administers the contributions of the member banks, and settles the compensation claims of investors in accordance with the Deposit Guarantee Act.

Investor compensation institutions are liable only for obligations resulting from deposits and securities transactions that are denominated in euro or the currency of a contracting state to the Agreement on the European Economic Area. They are not liable for obligations represented by instruments in bearer form or negotiable by endorsement. Claims of certain entities, such as banks, financial institutions (*Finanzinstitute*), insurance companies, investment funds, the Federal Republic of Germany, the German federal states, municipalities and medium-sized and large corporations, are not protected.

The maximum liability of an investor compensation institution to any one creditor is limited to an amount of € 50,000 for deposits, rising to € 100,000 from December 31, 2010 onwards, and to 90 % of any one creditor's aggregate claims arising from securities transactions up to an amount of € 20,000.

Banks are obliged to make annual contributions to the investor compensation institution in which they participate. An investor compensation institution must levy special contributions on the banks participating therein or take up loans, whenever it is necessary to settle compensation claims by such institution in accordance with the Deposit Guarantee Act. There is no absolute limit on such special contributions. The investor compensation institution may exempt a bank from special contributions in whole or in part if full payments of such contributions are likely to render such bank unable to repay its deposits or perform its obligations under securities transactions. The amount of such contribution will then be added proportionately to the special contributions levied on the other participating banks. Following the increase of the protected amounts of customer claims in 2009, Deutsche Bank's contributions increased and may increase further to accommodate the increased maximum liability of its investor compensation institution from December 31, 2010 onwards.

Voluntary Deposit Protection System

Liabilities to creditors that are not covered under the Deposit Guarantee Act may be covered by one of the various protection funds set up by the banking industry on a voluntary basis. Deutsche Bank AG takes part in the Deposit Protection Fund of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbandes deutscher Banken e. V.*). The Deposit Protection Fund covers liabilities to customers up to an amount equal to 30 % of the bank's core capital and supplementary capital (to the extent that supplementary capital does not exceed 25 % of core capital). Liabilities to other banks and other specified institutions, obligations of banks represented by instruments in bearer form and covered bonds in registered form (*Namenspfandbriefe*) are not covered. To the extent the Deposit Protection Fund makes payments to customers of a bank, it will be subrogated to their claims against the bank.

Banks that participate in the Deposit Protection Fund make regular contributions to the fund based on their liabilities to customers, and may be required to make special contributions up to the amount of their regular contributions to the extent requested by the Deposit Protection Fund to enable it to fulfill its purpose. If one or more German banks are in financial difficulties, Deutsche Bank may therefore participate in their restructuring even where Deutsche Bank has no business relationship or strategic interest, in order to avoid making special contributions to the Deposit Protection Fund in case of an insolvency of such bank or banks, or Deutsche Bank may be required to make such special contributions. Following financial difficulties of various German banks, the regular contributions to the Deposit Protection Fund were doubled from 2009 onwards.

Regulation and Supervision in the European Economic Area

Since 1989 the European Union has enacted a number of directives to create a single European Union-wide market with almost no internal barriers on banking and financial services. The Agreement on the European Economic Area extends this single market to Iceland, Liechtenstein and Norway. Within this market Deutsche Bank AG's branches generally operate under the so-called "European Passport". Under the European Passport, Deutsche Bank AG's branches are subject to regulation and supervision primarily by the BaFin. The authorities of the host country are responsible for the regulation and supervision of the liquidity requirements and the financial markets of the host country. They also retain responsibility with regard to the provision of securities services within the territory of the host country.

Regulation and Supervision in the United States

The operations of Deutsche Bank are subject to extensive federal and state banking and securities regulation and supervision in the United States. Deutsche Bank engages in U.S. banking activities directly through its New York branch. The Company also controls U.S. banking subsidiaries, including Deutsche Bank Trust Company Americas ("DBTCA"), and U.S. broker-dealers, such as Deutsche Bank Securities Inc., U.S. nondepositary trust companies and nonbanking subsidiaries.

Regulatory Authorities

Deutsche Bank AG and Taunus Corporation, its wholly owned subsidiary, are bank holding companies under the U.S. Bank Holding Company Act of 1956, as amended (the Bank Holding Company Act), by virtue of, among other things, their ownership of DBTCA. As a result, Deutsche Bank and its U.S. operations are subject to regulation, supervision and examination by the Federal Reserve Board as its U.S. "umbrella supervisor".

DBTCA is a New York state-chartered bank whose deposits are insured by the Federal Deposit Insurance Corporation (the FDIC). DBTCA is subject to regulation, supervision and examination by the Federal Reserve Board and the New York State Banking Department and to relevant FDIC regulation. Deutsche Bank Trust Company Delaware is a Delaware state-chartered bank which is subject to regulation, supervision and examination by the FDIC and the Office of the State Bank Commissioner of Delaware. Deutsche Bank AG's New York branch is supervised by the Federal Reserve Board and the New York State Banking Department. Deutsche Bank's federally-chartered nondeposit trust companies are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency. Certain of the Bank's subsidiaries are also subject to regulation, supervision and examination by state banking regulators of certain states in which Deutsche Bank conducts banking operations, including New Jersey and New Hampshire.

Restrictions on Activities

As described below, federal and state banking laws and regulations restrict the ability of Deutsche Bank to engage, directly or indirectly through subsidiaries, in activities in the United States.

Deutsche Bank is required to obtain the prior approval of the Federal Reserve Board before directly or indirectly acquiring the ownership or control of more than 5 % of any class of voting shares of U.S. banks, certain other depository institutions, and bank or depository institution holding companies. Under applicable U.S. federal banking law, the U.S. banking operations of Deutsche Bank are also restricted from engaging in certain "tying" arrangements involving products and services.

The Bank's two U.S. FDIC-insured bank subsidiaries are subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be made and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered.

Under U.S. law, the Company's activities and those of its subsidiaries are generally limited to the business of banking, managing or controlling banks, and so long as the Company remains a financial holding company under U.S. law, nonbanking activities in the United States that are financial in nature, or incidental or complementary to such financial activity, including securities, merchant banking, insurance and other financial activities, but subject to certain limitations on the conduct of such activities and to prior regulatory approval in some cases. As a non-U.S. bank, the Company is generally authorized under U.S. law and regulations to acquire a non-U.S. company engaged in non-financial activities provided that the company's U.S. operations do not exceed certain thresholds and certain other conditions are met.

The Company's status as a financial holding company, and resulting ability to engage in a broader range of non-banking activities, is dependent on Deutsche Bank AG and its two insured U. S. depository institutions remaining "well capitalized" and "well managed" (as defined by Federal Reserve Board regulations) and upon the Company's insured U.S. depository institutions meeting certain requirements under the Community Reinvestment Act. In order to meet the "well capitalized" test, the Company and its U.S. depository institutions are required to maintain a Tier 1 risk-based capital ratio of at least 6 % and a total risk-based capital ratio of at least 10 %.

Pursuant to Federal Reserve Board policy, Taunus Corporation, as the top-tier U.S. bank holding company subsidiary of Deutsche Bank AG, is not required to comply with capital adequacy guidelines generally made applicable to U.S. banking organizations, as long as Deutsche Bank AG remains a financial holding company that the Federal Reserve Board continues to regard as well capitalized and well managed. Because Taunus Corporation is able to fund its subsidiaries via its parent, it does not maintain stand-alone capital. Therefore, should Deutsche Bank AG cease to be well capitalized or well managed, and should Taunus Corporation thereby (or otherwise because of a change in Federal Reserve Board policy) become subject to U.S. capital guidelines, Deutsche Bank AG would have to restructure its U.S. activities and/or materially increase the capital of Taunus Corporation. The extent of such restructuring and recapitalization, and the adverse effects that they would have on the financial condition and operations of Deutsche Bank, cannot be estimated at this time.

State-chartered banks (such as DBTCA) and state-licensed branches and agencies of foreign banks (such as the Company's New York branch) may not, with certain exceptions that require prior regulatory approval, engage as a principal in any type of activity not permissible for their federally chartered or licensed counterparts. United States federal banking laws also subject state branches and agencies to the same single-borrower lending limits that apply to federal branches or agencies, which are substantially similar to the lending limits applicable to national banks. These single-borrower lending limits are based on the worldwide capital of the entire foreign bank (*i.e.*, Deutsche Bank AG in the case of its New York branch).

The Federal Reserve Board may terminate the activities of any U.S. office of a foreign bank if it determines that the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country or that there is reasonable cause to believe that such foreign bank or its affiliate has violated the law or engaged in an unsafe or unsound banking practice in the United States.

There are various qualitative and quantitative restrictions on the extent to which the Company and its non-bank subsidiaries can borrow or otherwise obtain credit from the Company's U.S. banking subsidiaries or engage in certain other transactions involving those subsidiaries. In general, these transactions must be on terms that would ordinarily be offered to unaffiliated entities and must be secured by designated amounts of specified collateral and are subject to volume limitations. These restrictions also apply to certain transactions of the Company's New York Branch with the Bank's U.S. broker-dealer and certain of its other affiliates.

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing and compliance with economic sanctions. Failure of an institution to have policies and procedures and controls in place to prevent, detect and report money laundering and terrorist financing could in some cases have serious legal, financial and reputational consequences for the institution.

New York Branch

The Bank's New York branch is licensed by the New York Superintendent of Banks to conduct a commercial banking business and is required to maintain eligible high-quality assets with banks in the State of New York. Should the Bank's New York branch cease to be "well-rated" by the New York State Superintendent of Banks, Deutsche Bank may need to maintain substantial additional amounts of eligible assets (up to a maximum of U.S.$ 100 million of assets pledged). The Superintendent of Banks may also establish asset maintenance requirements for branches of foreign banks. Currently, no such requirement has been imposed upon the Company's New York branch.

The New York State Banking Law authorizes the Superintendent of Banks to take possession of the business and property of a New York branch of a foreign bank under circumstances involving violation of law, conduct of business in an unsafe manner, impairment of capital, suspension of payment of obligations, or initiation of liquidation proceedings against the foreign bank at its domicile or elsewhere. In liquidating or dealing with a branch's business after taking possession of a branch, only the claims of creditors which arose out of transactions with a branch are to be accepted by the Superintendent of Banks for payment out of the business and property of the foreign bank in the State of New York, without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the foreign bank. After such claims are paid, the Superintendent of Banks will turn over the remaining assets, if any, to the foreign bank or its duly appointed liquidator or receiver.

Deutsche Bank Trust Company Americas

The Federal Deposit Insurance Corporation Improvement Act of 1991 (referred to as FDICIA) provides for extensive regulation of depository institutions (such as DBTCA and its direct and indirect parent companies), including requiring federal banking regulators to take "prompt corrective action" with respect to FDIC-insured banks that do not meet minimum capital requirements. As an insured bank's capital level declines and the bank falls into lower categories (or if it is placed in a lower category by the discretionary action of its supervisor), greater limits are placed on its activities and federal banking regulators are authorized (and, in many cases, required) to take increasingly more stringent supervisory actions, which could ultimately include the appointment of a conservator or receiver for the bank (even if it is solvent). In addition, FDICIA generally prohibits an FDIC-insured bank from making any capital distribution (including payment of a dividend) or payment of a management fee to its holding company if the bank would thereafter be undercapitalized. If an insured bank becomes "undercapitalized", it is required to submit to federal regulators a capital restoration plan guaranteed by the bank's holding company. Since the enactment of FDICIA, both of the Company's U.S. insured banks have been categorized as "well capitalized", the highest capital category under applicable regulations.

DBTCA, like other FDIC-insured banks, is required to pay assessments to the FDIC for deposit insurance under the FDIC's Deposit Insurance Fund (calculated using the FDIC's risk-based assessment system). As a result of losses incurred by the Deposit Insurance Fund on account of current financial market conditions, the amount of these assessments has been increasing. The FDIC authorized the imposition of special assessments of five basis points on each FDIC-insured institution's assets minus its Tier 1 capital (subject to a cap of 10 basis points of an institution's domestic deposits). The first special assessment was calculated based on asset levels at June 30, 2009, and was collected on September 30, 2009. Instead of imposing additional special assessments, the FDIC issued a regulation that required FDIC-insured institutions to prepay on December 30, 2009, their estimated quarterly risk-based assessments for the fourth quarter of 2009 and for all of 2010, 2011 and 2012, with institutions accounting for the prepayment as a prepaid expense (an asset).

The FDIC's basic amount of deposit insurance was temporarily increased from U.S.$ 100,000 to U.S.$ 250,000 per depositor through December 31, 2013.

DBTCA and its sister bank, Deutsche Bank Trust Company Delaware, participated in the FDIC's Temporary Liquidity Guarantee Program, and particularly, the Transaction Account Guarantee Program ("TAGP") thereunder, pursuant to which the FDIC fully guaranteed (for a fee) certain non-interest-bearing transaction accounts. The TAGP was originally scheduled to expire on June 30, 2009, but has been twice extended for six months, and is now scheduled to expire on June 30, 2010. Both DBTCA and Deutsche Bank Trust Company Delaware are participating in the TAGP as extended.

Other

In the United States, U.S.-registered broker-dealers of Deutsche Bank are regulated by the Securities and Exchange Commission. Broker-dealers are subject to regulations that cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, use and safekeeping of customers' funds and securities, capital structure, recordkeeping, the financing of customers' purchases, and the conduct of directors, officers and employees.

In addition, the Company's principal U.S. SEC-registered broker-dealer subsidiary, Deutsche Bank Securities Inc., is a member of the New York Stock Exchange and is regulated by the Financial Industry Regulatory Authority ("FINRA") and the individual state securities authorities in the states in which it operates. The U.S. government agencies and self-regulatory organizations, as well as state securities authorities in the United States having jurisdiction over Deutsche Bank's U.S. broker-dealer affiliates, are empowered to conduct administrative proceedings that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer or its directors, officers or employees.

In June 2009, the U.S. Government released a regulatory reform proposal that includes measures to enhance the supervision of financial institutions, establish comprehensive supervision of financial markets (including requiring certain derivatives contracts to be traded on an exchange or centrally cleared), protect consumers and investors from financial abuse, provide government with the tools to manage a financial crisis (including

enhanced resolution authority), and raise international regulatory standards and enhance international cooperation. Although the applicability of certain of these proposals to international banks is unclear, if enacted, these proposals, and other proposals announced more recently, could have a significant financial impact on Deutsche Bank's businesses and on the resources needed to enhance its regulatory and compliance systems and maintain them on an ongoing basis.

MAJOR SHAREHOLDERS

The German Securities Trading Act (WpHG) requires holders of voting rights in a listed stock corporation to notify the respective corporation and the BaFin without undue delay, and no later than within four trading days, of the level of their holdings if they reach certain thresholds (see *"Description of Deutsche Bank AG's Share Capital — Shareholding Notification Requirements — Disclosure of Interests in a Listed Stock Corporation"*). The minimum threshold triggering a notification requirement is 3 % of the voting share capital.

On the basis of the shareholding notifications received by the Bank (as of April 30, 2010), the following shareholders hold a significant interest (*i.e.,* an interest of at least 3 % of the voting share capital) in Deutsche Bank AG: BlackRock, Inc., New York (5.05 %) and Credit Suisse Group, Zurich (through financial instruments) (3.55 %).

Shareholder	**Number of Shares**[(1)]	**Percentage of Voting Rights**[(2)]
BlackRock, Inc., New York, USA	31,325,649	5.05%
Credit Suisse Group, Zurich, Switzerland[(3)]	22,031,896	3.55%

1 Number of shares according to the shareholding notifications received by the Bank as of April 30, 2010.

2 Calculated on the basis of the Bank's registered share capital (620,859,015 shares) on the date of this Registration Document.

3 Directly or indirectly via financial instruments which entitle to the acquisition of Deutsche Bank AG shares.

Each share of the Bank confers one vote at the General Meeting. Pursuant to German law and the Bank's Articles of Association, to the extent that the Bank may have major shareholders at any time, it may not grant them voting rights different from any of the other shareholders.

DESCRIPTION OF DEUTSCHE BANK AG'S SHARE CAPITAL

The following overview presents information regarding the Bank's share capital as well as certain provisions of the Bank's Articles of Association and of German law.

Share Capital and Shares

As of the date of this Registration Document, the Bank's share capital amounts to € 1,589,399,078.40 and is divided into 620,859,015 no par value ordinary registered shares, each representing a notional par value of € 2.56 in the Bank's share capital and carrying full dividend rights as from January 1, 2009.

All shares are fully paid up. Each share confers one vote at the Bank's General Meeting. There are no restrictions on voting rights.

According to the Articles of Association, all shares of the Bank are issued in the form of registered shares. Shareholders are required to notify the Bank for registration in the share register in particular, where natural persons are concerned, their name, their address as well as their date of birth or, where legal persons are concerned, their registered name, their business address and their registered domicile, and in all cases the number of shares they hold. The entry in the Bank's share register constitutes a prerequisite for attending and for exercising voting rights at the General Meeting.

Stock Exchange Listing

The Bank's shares have been admitted to the regulated market (*Regulierter Markt*) and the sub-segment of the regulated market with additional obligations arising from admission (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) as well as to the regulated market of the six other German stock exchanges (Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart). In addition, the Bank's shares are listed on the New York Stock Exchange.

Transferability of Shares

The transferability of the Bank's shares is not restricted by law or the Bank's Articles of Association.

Development of the Share Capital since 2007

As of January 1, 2007, the Bank's registered share capital amounted to € 1,317,210,291.20 and was divided into 514,535,270 ordinary registered shares with no par value. Since January 1, 2007, the Bank's registered share capital has developed as follows:

- On April 27, 2007, the Bank's registered share capital was adjusted to € 1,343,406,103.04 to reflect the issuance of 10,232,739 ordinary registered shares out of the Bank's conditional capital in the year 2006 to employees or members of management of the Bank and its affiliates.
- On February 14, 2008, the Bank's registered share capital was adjusted to € 1,357,824,256.00 to reflect the issuance of 5,632,091 ordinary registered shares out of the Bank's conditional capital in the year 2007 to employees or members of management of the Bank and its affiliates.
- By resolution of the Management Board dated September 22, 2008, and with the consent of the Chairman's Committee of the Supervisory Board dated September 22, 2008, the Bank's share capital was increased by € 102,400,000.00, through the use of authorized capital created by the General Meeting in 2004 and the partial use of authorized capital created by the General Meeting in 2007, by issuing 40,000,000 ordinary registered shares out of the Bank's authorized capital against cash payments. The shares were sold to institutional investors. The implementation of the capital increase was registered with the commercial register on September 23, 2008. Following this capital increase, the Bank's registered share capital amounted to € 1,460,224,256.00, divided into 570,400,100 ordinary registered shares.
- On February 11, 2009, the Bank's registered share capital was adjusted to € 1,461,399,078.40 to reflect the issuance of 458,915 ordinary registered shares out of the Bank's conditional capital in the year 2008 to employees or members of management of the Bank and its affiliates.
- By resolution of the Management Board of February 23, 2009, and with the consent of the Supervisory Board's Chairman's Committee of February 23, 2009, which had been authorized by resolution of the Supervisory Board of January 14, 2009, the Bank's share capital was increased by € 128,000,000 to € 1,589,399,078.40 through use of the authorized capital created in 2006 by issuing 50,000,000 ordinary registered shares out of the Bank's authorized capital against contribution of 50,000,000 ordinary shares in Deutsche Postbank AG. The shareholders' pre-emptive rights were excluded. The new ordinary registered shares, together with certain value guaranty considerations, were issued to Deutsche Post AG as consideration for the transfer of shares in Deutsche Postbank AG. The implementation of the capital increase was registered with the commercial register on March 6, 2009. Following this capital increase, the Bank's

registered share capital amounts to € 1,589,399,078.40, divided into 620,859,015 ordinary registered shares.

Authorized Capital

The Bank's share capital may be increased by issuing new shares out of authorized capital against cash payments, and in some circumstances against contributions in kind. At the date of this Registration Document, the Bank, pursuant to its Articles of Association, had authorized but unissued share capital in the aggregate amount of € 790,120,000.00 as follows:

- By resolution of the General Meeting dated May 24, 2007, the Management Board is authorized to increase the Bank's share capital on or before April 30, 2012, with the consent of the Supervisory Board, on one or more occasions, by up to a total of € 30,600,000.00 through the issuance of new shares against cash payment. Shareholders are to be granted pre-emptive rights, but the Management Board is authorized to except broken amounts from shareholders' pre-emptive rights and to exclude pre-emptive rights in so far as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Bank and its subsidiaries preemptive rights to new shares to the extent that they would be entitled to such rights after exercising their option or conversion rights. The Management Board is also authorized to exclude the pre-emptive rights in full with the consent of the Supervisory Board if the issue price of the new shares is not significantly lower than the quoted price of the shares already listed at the time of the final determination of the issue price.
- By resolution of the General Meeting dated May 29, 2008, the Management Board is authorized to increase the Bank's share capital on or before April 30, 2013, with the consent of the Supervisory Board, on one or more occasions, by up to a total of € 140,000,000.00 through the issuance of new shares against cash payment or contribution in kind. Shareholders are to be granted pre-emptive rights, but the Management Board is authorized to except broken amounts from shareholders' pre-emptive rights and to exclude pre-emptive rights in so far as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Bank and its subsidiaries pre-emptive rights to new shares to the extent that they would be entitled to such rights after exercising their option or conversion rights. The Management Board is also authorized to exclude the pre-emptive rights with the consent of the Supervisory Board, if the capital increase against contribution in kind is carried out in order to acquire companies or shareholdings in companies. The new shares may also be taken up by banks specified by the Management Board with the obligation to offer them to shareholders (indirect pre-emptive right).
- By resolution of the General Meeting dated May 26, 2009, the Management Board is authorized to increase the share capital on or before April 30, 2014, on one or more occasions, by up to a total of € 128,000,000.00 through the issuance of new shares against cash payment. Shareholders are to be granted pre-emptive rights, but the Management Board is authorized to except broken amounts from shareholders' pre-emptive rights and to exclude pre-emptive rights in so far as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Company and its affiliated companies pre-emptive rights to new shares to the extent that they would be entitled to such rights after exercising their option or conversion rights. The Management Board is also authorized to exclude the pre-emptive rights in full if the issue price of the new shares is not significantly lower than the quoted price of the shares already listed at the time of the final determination of the issue price. Management Board resolutions to utilize authorized capital and to exclude pre-emptive rights require the Supervisory Board's approval. The new shares may also be taken up by banks specified by the Management Board with the obligation to offer them to shareholders (indirect pre-emptive right).
- By resolution of the General Meeting dated May 26, 2009, the Management Board is authorized to increase the share capital on or before April 30, 2014, on one or more occasions, by up to a total of € 176,640,000.00 through the issuance of new shares against cash payment or contributions in kind. Shareholders are to be granted pre-emptive rights, but the Management Board is authorized to except broken amounts from shareholders' pre-emptive rights and to exclude pre-emptive rights in so far as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Company and its affiliated companies pre-emptive rights to new shares to the extent that they would be entitled to such rights after exercising their option or conversion rights. The Management Board is also authorized to exclude the pre-emptive rights if the capital increase against contributions in kind is carried out in order to acquire companies or shareholdings in companies. Management Board resolutions to utilize authorized capital and to exclude pre-emptive rights require the Supervisory Board's approval. The new shares may also be taken up by banks specified by the Management Board with the obligation to offer them to shareholders (indirect pre-emptive right).
- By resolution of the General Meeting dated May 26, 2009, the Management Board is authorized to increase the share capital on or before April 30, 2014, on one or more occasions, by up to a total of € 314,880,000.00 through the issuance of new shares against cash payment. Shareholders are to be granted pre-emptive rights, but the Management Board is authorized to except broken amounts from shareholders' pre-emptive

rights and to exclude pre-emptive rights in so far as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Bank and its affiliated companies pre-emptive rights to new shares to the extent that they would be entitled to such rights after exercising their option or conversion rights. Management Board resolutions to utilize authorized capital and to exclude pre-emptive rights require the Supervisory Board's approval. The new shares may also be taken up by banks specified by the Management Board with the obligation to offer them to the shareholders (indirect pre-emptive right).

Moreover, pursuant to the so-called statutory authorized capital set forth in Section 3 of the German Act on Accelerating the Stabilization of Financial Markets (*Finanzmarktstabilisierungsbeschleunigungsgesetz*) dated October 17, 2009, as amended, the Management Board, subject to the consent of the Supervisory Board, is authorized by law through December 31, 2010 to increase the Bank's share capital by up to 50 % of the Bank's share capital existing as of October 18, 2008 through the issuance of new shares to the German Financial Market Stabilization Fund against consideration. The pre-emptive rights of shareholders are excluded. The German Financial Market Stabilization Fund is a federal special fund (*Sondervermögen des Bundes*) which may, upon application, support financial institutions until December 31, 2010 by implementing stabilization measures.

Conditional Capital

At the date of this Registration Document, the Bank has conditional but unissued share capital in the aggregate amount of € 406,000,000.00 as follows:

- By resolution of the General Meeting dated May 29, 2008, the Bank's share capital is conditionally increased by up to € 150,000,000.00 through the issuance of up to 58,593,750 new no par value ordinary registered shares. The conditional capital increase will only be carried out in so far as (a) the holders of conversion rights or warrants linked with participatory notes or convertible bonds or bonds with warrants to be issued up to April 30, 2013 by the Bank or a company in which the Bank has a direct or indirect majority holding, make use of their conversion or option rights, or (b) the holders with conversion obligations of convertible participatory notes or convertible bonds to be issued on or before April 30, 2013 by the Bank or by companies in which the Bank has a direct or indirect majority holding, fulfill their obligation to convert.

  The 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.

- By resolution of the General Meeting dated May 26, 2009, the Bank's share capital is conditionally increased by up to € 256,000,000 through the issuance of up to 100,000,000 new no par value ordinary registered shares. The conditional capital increase will only be carried out in so far as (a) the holders of conversion rights or option rights linked with participatory notes or convertible bonds or bonds with warrants to be issued on or before April 30, 2014 by the Bank or by one of its affiliated companies make use of their conversion or option rights, or (b) the holders with conversion obligations of convertible participatory notes or convertible bonds to be issued on or before April 30, 2014 by the Bank and/or its affiliated companies fulfil their obligation to convert.

  The General Meeting on May 26, 2009 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, 2014.

As set out in the agenda for the General Meeting on May 27, 2010, which was published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*) on April 7, 2010, the Company's share capital is to be conditionally increased by up to € 230,400,000 through the issue of up to 90,000,000 new registered no par value shares. The conditional capital increase is designated to serve to grant rights to holders of participatory notes with warrants and/or convertible participatory notes or bonds with warrants and convertible bonds issued on or before April 30, 2015, in accordance with the authorization to be resolved by the General Meeting on May 27, 2010, by the Company or by one of its affiliated companies. The new shares are to be issued at the conversion and/or option prices to be calculated in each case in accordance with the authorization. The conditional capital increase can only be carried out to the extent to which these rights are exercised or holders with an obligation to convert fulfil their conversion obligations. The new shares are to be entitled to a dividend from the beginning of the financial year in which they are created by exercise of conversion rights and/or option rights or by the fulfilment of conversion obligations. The Management Board is to be authorized to determine further details concerning the execution of the conditional capital increase.

The Management Board is to be authorized by the General Meeting on May 27, 2010 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, 2015.

Convertible Bonds and Bonds with Warrants

At the date of this Registration Document, no convertible bonds or bonds with warrants of the Bank or its subsidiaries are outstanding.

Treasury Shares

As of April 30, 2010, the Bank held 1,387,044 own shares (not taking into account any trading positions).

Authorization to Acquire Own Shares

On May 26, 2009, the Bank's General Meeting resolved to authorize the Management Board, pursuant to Section 71(1) no. 7 and Section 71(1) no. 8 of the German Stock Corporation Act (*Aktiengesetz*), to acquire own shares of the Bank.

Authorization to Acquire own Shares for Trading Purposes (Section 71(1) no. 7 of the German Stock Corporation Act)

The Management Board is authorized pursuant to Section 71(1) no. 7 of the German Stock Corporation Act (*Aktiengesetz*) to buy and sell, for the purpose of securities trading, own shares of the Bank on or before October 31, 2010, at prices which do not exceed or fall short of the average of the share prices (closing auction prices of the Bank's 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 Bank's share capital.

Authorization to Acquire own Shares Pursuant to Section 71(1) no. 8 of the German Stock Corporation Act

The Management Board is authorized pursuant to Section 71(1) no. 8 of the German Stock Corporation Act to buy, on or before October 31, 2010, own shares of the Bank in a total volume of up to 10 % of the share capital at the time the resolution is taken. Together with its own shares acquired for trading purposes and/or for other reasons and which are from time to time in the Bank's possession or attributable to the Company pursuant to Sections 71a *ff.* of the German Stock Corporation Act, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the Bank's share capital. The own shares may be bought through a stock exchange or by means of a public purchase offer to all shareholders. The price for the purchase of shares (excluding ancillary purchase costs) through a stock exchange may not exceed or fall short by more than 10 % of the average of the share prices (closing auction prices of the Bank's 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 exceed or fall short by more than 10 % of the average of the share prices (closing auction prices of the Bank's share in Xetra trading and/or 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 Bank shares offered for purchase per shareholder may be provided for.

The Management Board is also authorized to dispose of the purchased shares and of any shares purchased on the basis of previous authorizations pursuant to Section 71(1) no. 8 of the German Stock Corporation Act through the stock exchange, by an offer to all shareholders or 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 such own shares by an offer to all shareholders, to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Bank and its affiliated companies pre-emptive rights to the extent to which 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 is authorized to exclude shareholders' pre-emptive rights insofar as the shares are to be issued as staff shares to employees and retired employees of the Bank or its affiliated companies or to service option rights on shares of the Company and/or rights or duties to purchase shares of the Company granted to employees or members of executive or non-executive management bodies of the Company and of affiliated companies.

Furthermore, the Management Board is authorized to sell such own shares to third parties against cash payment under exclusion of the shareholders' pre-emptive rights if the purchase price is not substantially lower than the stock exchange price of the shares at the time of sale. This authorization may only be used to the extent that the number of shares sold on the basis of this authorization does not exceed 10 % of the Company's share capital at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of Section 186(3) sent. 4 of the German Stock Corporation Act, are to be included in the maximum limit of 10 % of the share

capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bonds or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of Section 186(3) sent. 4 of the German Stock Corporation Act.

The Management Board is also authorized to cancel shares acquired on the basis of this authorization without further resolution of the General Meeting.

Resolutions planned for the General Meeting on May 27, 2010

Authorization to acquire own shares for trading purposes pursuant to Section 71(1) no. 7 of the German Stock Corporation Act

As set out in the agenda for the Company's General Meeting on May 27, 2010, which was published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*) on April 7, 2010, the Company is to be authorized to buy and sell, for the purpose of securities trading, its own shares on or before November 30, 2014, at prices which do not exceed 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 respective three preceding stock exchange trading days. In this context, the shares acquired for this purpose may not, at the end of any day, exceed 5 % of the share capital of the Company. The currently existing authorization given by the General Meeting on May 26, 2009, and valid until October 31, 2010, to purchase own shares for trading purposes is to be cancelled with effect from the time when the new authorization comes into force.

Authorization to acquire own shares for trading purposes pursuant to Section 71(1) no. 8 of the German Stock Corporation Act as well as for their use with the possible exclusion of preemptive rights

As set out in the agenda for the General Meeting on May 27, 2010, the Company is further to be authorized to buy, on or before November 30, 2014, its own shares in a total volume of up to 10 % of the share capital at the time the resolution is taken or — if the value is lower — of the share capital at the time this authorization is exercised. Together with its 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 Section 71a ff. of the German Stock Corporation Act, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the Company's respectively applicable 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 a stock exchange may not exceed 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 the obligation to purchase. In the case of a public purchase offer, it may not exceed 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 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 is to be authorized to dispose of the purchased shares and of any shares purchased on the basis of previous authorizations pursuant to Section 71(1) no. 8 of the German Stock Corporation Act on the stock exchange, by an offer to all shareholders or against contribution in kind with the exclusion of 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 such own shares by offer to all shareholders, to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Company and its affiliated companies 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 is also authorized with the exclusion of shareholders' pre-emptive rights to use such own shares to issue staff shares to employees and retired employees of the Company and its affiliated companies or to use them to service option rights on shares of the Company and/or rights or duties to purchase shares of the Company granted to employees or members of executive or non-executive management bodies of the Company and of affiliated companies.

Furthermore, the Management Board is to be authorized with the exclusion of shareholders' pre-emptive rights to sell such own shares to third parties against cash payment 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 if it has been ensured that the number of shares sold on the basis of this authorization does not exceed 10 % of the Company's share capital at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of Section 186(3) sentence 4 of the German Stock Corporation Act, are to be included in the maximum limit of

10 % of the share capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bonds or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of Section 186(3) sentence 4 of the German Stock Corporation Act.

The Management Board is also to be 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 currently existing authorization given by the General Meeting on May 26, 2009, and valid until October 31, 2010, to purchase own shares will be cancelled with effect from the time when the new authorization comes into force.

Authorization to use derivatives within the framework of the purchase of own shares pursuant to Section 71(1) no. 8 of the German Stock Corporation Act

As set out in the agenda for the General Meeting on May 27, 2010, the Company is to be authorized, in supplementing the preceding authorization to acquire own shares pursuant to Section 71(1) no. 8 of the German Stock Corporation Act also to be resolved by the General Meeting on May 27, 2010, to acquire own shares with the use of derivatives.

The purchase of shares subject to the authorization to acquire own shares to be resolved by the General Meeting on May 27, 2010 may be executed, apart from in the ways described there, with the use of put and call options or forward purchase contracts. The Company may 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 term of the options must be selected such that the share purchase upon exercising the option is carried out at the latest on November 30, 2014.

The purchase price to be paid per share upon exercise of the put options or upon the maturity of the forward purchase may not exceed 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. The call option may only be exercised if the purchase price to be paid does not exceed by more than 10 % or fall below 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 the acquisition of the shares. The rules to be specified by resolution of the General Meeting on May 27, 2010 with respect to the authorization to acquire own shares pursuant to Section 71(1) no. 8 of the German Stock Corporation Act shall apply to the sale and cancellation of shares acquired with the use of derivatives.

General Provisions on Capital Measures

An increase in the Bank's share capital through the issuance of new ordinary shares requires a resolution by the General Meeting adopted with a simple majority of the votes cast and of the share capital represented at the time of the resolution. Furthermore, the Management Board may be authorized by resolution of the General Meeting, subject to the approval of the Supervisory Board, to increase the share capital of the Bank (authorized capital) by issuing shares up to a certain amount within a maximum of five years. In addition, the shareholders, pursuant to the German Stock Corporation Act, may resolve to create conditional capital, but only for the purposes of issuing conversion or subscription rights to holders of convertible bonds, in preparation of a merger with another company, or to issue subscription rights to employees or members of management of the Bank or of an affiliated company (conditional capital increase). Also, the General Meeting may resolve to increase the share capital by transforming the capital reserves into share capital (capital increase using funds from retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*)). Resolutions by the General Meeting regarding the creation of authorized or conditional capital require a simple majority of the votes cast and a majority of at least 75 % of the share capital represented at the time of the resolution. A resolution by the General Meeting regarding a capital increase using funds from retained earnings requires a simple majority of the votes cast and of the share capital represented at the time of the resolution.

The total amount of the authorized capital created by the General Meeting may not exceed 50 % of the share capital existing at the time the authorized capital was registered in the commercial register. The total amount of the conditional capital created by the General Meeting may not exceed 50 % of the share capital existing at the time of the resolution regarding the conditional capital increase. The total amount of the conditional capital for the purpose of granting subscription rights to employees and members of management of the Bank or of an

affiliated company may not exceed 10 % of the share capital existing at the time of the resolution regarding the conditional capital increase.

General Provisions on Shareholders' Pre-Emptive Rights

Under the German Stock Corporation Act, every shareholder generally has pre-emptive rights corresponding to their existing proportionate participation in the company's share capital regarding the issuance of new shares issued in the context of a capital increase. The same applies with regard to convertible bonds, bonds with warrants, profit participation rights and participation bonds. In general, pre-emptive rights are freely transferable. The pre-emptive rights of the Bank's shareholders may be excluded upon resolution by the General Meeting with a majority of the votes cast and a concurrent majority of at least 75 % of the share capital represented at the time of the resolution. Such an exclusion of pre-emptive rights further requires a report by the Management Board setting forth the reasons why the Bank's interest in excluding the pre-emptive rights outweighs the interest of the shareholders in retaining their pre-emptive rights. Under the German Stock Corporation Act, the exclusion of pre-emptive rights with respect to the issuance of new shares is deemed permissible in particular if the Bank increases its share capital against cash payment in an amount not exceeding 10 % of the existing share capital and the issue price of the new shares is not materially lower than the stock exchange price of the Bank's existing shares.

General Provisions on Use of Profits and Dividend Distribution

The distribution of dividends on the Bank's shares for a given fiscal year is resolved by the General Meeting of the subsequent fiscal year following a proposal by the Management Board and the Supervisory Board.

Under the German Stock Corporation Act, a resolution regarding dividends and any distribution thereof must be based on a balance sheet profit recorded in the Bank's unconsolidated financial statements. When determining the balance sheet profit available for distribution, net income/loss must be adjusted to account for profit/loss carry-forwards of the previous years, as well as release of or allocation to reserves. Certain reserves are required by law and the respective allocations must be deducted when calculating the amount of balance sheet profit available for distribution.

Under the Bank's Articles of Association, the distributable profit shall be distributed among the shareholders unless the General Meeting determines otherwise. The General Meeting may resolve a non-cash distribution instead of or in addition to a cash dividend. The dividends are to be allocated to the shareholders in proportion to the contribution made on their share in share capital and in proportion to the time which has elapsed since the date fixed for contribution. In the event of new shares being issued, a different dividend entitlement may be established for such shares.

Squeeze-Out of Minority Shareholders

Under the rules of Sections 327a *et seq.* of the German Stock Corporation Act regarding the so-called "squeeze-out", the general meeting of a stock corporation may resolve upon request by a shareholder who holds 95 % of the share capital (majority shareholder) that the shares held by the remaining minority shareholders be transferred to the majority shareholder against payment of adequate cash compensation. The amount of the cash compensation to be granted to the minority shareholders must reflect the situation of the company at the time the resolution is adopted by the general meeting. For the purpose of calculating the compensation amount, the full enterprise value is relevant, which will generally be determined by applying the discounted future earnings method (*Ertragswertmethode*).

Furthermore, pursuant to the provisions in Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*) regarding the so-called "takeover law squeeze-out", a bidder who, following a takeover offer or a mandatory tender offer, holds at least 95 % of the voting share capital of the target company may, within a period of three months following the expiration of the acceptance period, apply to the Regional Court (*Landgericht*) of Frankfurt am Main for a court order to transfer to such bidder the remaining voting shares against payment of adequate compensation. No resolution of the general meeting is required. The consideration granted under the takeover offer or the mandatory tender offer is considered adequate compensation if the bidder, based on such offer, has acquired at least 90 % of the share capital subject to the offer. Furthermore, following a takeover offer or a mandatory tender offer, the shareholders of the target company who did not accept such offer may accept the offer within three months after the expiration of the acceptance period (so-called "sell-out"), provided the bidder is entitled to file an application for the transfer of the remaining voting shares in accordance with Section 39a of the German Securities Acquisition and Takeover Act (Section 39c of the German Securities Acquisition and Takeover Act).

Pursuant to the provisions of Sections 319 et seq. of the German Stock Corporation Act regarding the integration (*Eingliederung*) of a subsidiary, the general meeting of a stock corporation may resolve the integration into another company, provided that the future principal company (*Hauptgesellschaft*) holds at least 95 % of the shares of the company to be integrated. The shareholders of the integrated company are

entitled to adequate compensation, which is generally to be granted in the form of shares of the principal company. The amount of compensation is to be determined by the so-called merger value ratio (*Verschmelzungswertrelation*) between the companies, *i.e.,* the exchange ratio, which would have to be considered adequate in the event of a merger of the two companies.

Shareholding Notification Requirements

Disclosure of Interests in a Listed Stock Corporation

Disclosure obligations under the German Securities Trading Act

The German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG) provides that any shareholder whose voting interest in a listed company, through acquisition, sale or by other means, reaches, exceeds or falls below a 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 %, 50 % or 75 % threshold must notify in writing and without undue delay, but at the latest within four trading days, the respective company and the BaFin thereof and of its current aggregate voting interest. In connection with this requirement, the German Securities Trading Act contains various provisions regarding the attribution of shareholdings to the person who actually controls the voting rights attached to the shares. For example, a company will be attributed shares held by a third party if the former controls the latter, as well as any shares which are held by a third party for the account of the former or a company controlled by the former. Furthermore, the voting rights attached to a third party's shares may have to be attributed to another shareholder if this shareholder coordinates its conduct concerning the company on the basis of an agreement or by other means with the third party (so-called "acting in concert"). Acting in concert is deemed to exist if the parties coordinate their voting at the company's general meetings or, outside general meetings, coordinate their actions with the aim to permanently and extensively modify the corporate strategy of the company. Acting in concert leads to mutual attribution of voting rights held by the persons acting in concert. Coordination in individual instances, however, does not qualify as acting in concert.

Corresponding notification obligations *vis-à-vis* the company and the BaFin apply with regard to financial instruments whose holders are vested with the right, by a legally binding agreement, to unilaterally acquire existing voting shares of the company. With respect to these financial instruments, the foregoing thresholds (with the exception of the 3 % threshold) apply *mutatis mutandis.* Holdings in the foregoing financial instruments are to be aggregated with holdings of voting rights attached to shares for purposes of determining whether any of the relevant notification thresholds have been triggered.

Shareholders failing to comply with their notification obligations will be precluded from exercising any rights attached to their shares (including voting rights and the right to receive dividends) until proper notice has been given. In the event of a willful or grossly negligent breach of the notification obligations, the preclusion of voting rights will be extended by a six-month period commencing upon the delayed submission of the notification, unless the shareholder submitted an incorrect notification and the deviation in the voting rights stated therein equals less than 10 % of the actual voting rights and the shareholder did not fail to notify the company of the fact that his or her holdings reached, exceeded or fell below the foregoing notification thresholds. Non-compliance with the disclosure requirement may also result in a fine.

The company must publish the foregoing notifications without undue delay, but no later than within three trading days after their receipt, and report such publication to the BaFin. Furthermore, the company must publish the total number of voting rights at the end of each month in which an increase or decrease of the total number of voting rights occurs and report such publication to the BaFin. Also, the company must, without undue delay, but not prior to their publication, forward to the Company Register (*Unternehmensregister*) for purposes of recordation any notifications it receives, and any information regarding an increase or decrease in voting rights.

Shareholders whose voting rights reach or exceed thresholds of 10 %, 15 %, 20 %, 25 %, 30 %, 50 % or 75 % of the voting rights in a listed company are obliged to inform the company within 20 trading days of the purpose of their investment and the origin of the funds used for such investment, unless the articles of association of the company provide otherwise. This provision may be waived by amendment of the company's articles of association.

Disclosure obligations under the German Securities Acquisition and Takeover Act

Pursuant to the German Securities Acquisition and Takeover Act, any person whose voting interest reaches or exceeds 30 % of the voting shares of a listed stock corporation must, within seven calendar days, publish this fact, including the percentage of its voting rights, in at least one national newspaper designated for exchange notices or by means of an electronically operated financial information dissemination system, and subsequently make a mandatory public tender offer within four weeks to all shareholders of the company unless an exemption has been granted. The German Securities Acquisition and Takeover Act contains a number of provisions intended to ensure that shareholdings are attributed to those persons who actually control the voting rights attached to the shares. The provisions regarding coordinated conduct as part of the German Securities Acquisition and Takeover Act (so-called "acting in concert") and the rules on the attribution of voting rights attached to shares of third parties

correspond to the statutory securities trading provisions set forth in the preceding paragraph *"Disclosure obligations under the German Securities Trading Act"* except with respect to voting rights of shares underlying financial instruments whose holders are vested with the right, by a legally binding agreement, to unilaterally acquire existing voting shares of the company. If a shareholder fails to provide notice on reaching or exceeding the 30 % threshold, or fails to make a public tender offer, such shareholder will be precluded from exercising any rights associated with his, her or its shares (including voting and dividend rights) until proper notice has been given. In addition, non-compliance with the disclosure requirement may result in a fine.

Disclosure of Participations in a Credit Institution

The German Banking Act (*Kreditwesengesetz* – KWG) requires any person intending to acquire, alone or acting in concert with another person, a significant participation (*bedeutende Beteiligung*) in a credit or financial services institution to notify the BaFin and the Bundesbank without undue delay and in writing of the intended acquisition. A significant participation is deemed to exist if at least 10 % of the capital of, or the voting rights in, the institution is held directly or indirectly through one or more subsidiaries or a similar relationship or in concert with other persons or enterprises, or if a significant influence can be exercised on the management of the institution in which a participating interest is held. The required notice must contain information demonstrating, among others, the reliability of the person or, in the case of a corporation or other legal entity, the reliability of its directors and officers.

A person holding a significant participation shall also notify the BaFin and the Bundesbank without undue delay and in writing if he intends to increase the amount of the qualified participating interest up to or beyond the thresholds of 20 %, 30 % or 50 % of the voting rights or capital or in such way that the institution comes under such person's control.

Moreover, a person holding a significant participation shall notify the BaFin and Bundesbank without undue delay and in writing if such person intends to reduce the participation below 10 % or below one of the other thresholds described above.

The BaFin may, within a period of 60 business days following its confirmation that it received the complete notification, prohibit the intended acquisition if there appears to be reason to assume that the acquirer or its directors and officers are not reliable or financially sound, that the participation would impair the effective supervision of the relevant banking institution, that the prospective managing director (*Geschäftsleiter*) is not reliable or not qualified, that money laundering or financing of terrorism has occurred or been attempted in connection with the intended acquisition, or that there would be an increased risk of such illegal acts as a result of the intended acquisition. During its assessment period the BaFin may request further information necessary for its assessment. Such a request delays the expiration of the assessment period by up to 20 business days.

If a person acquires a significant participation despite of such prohibition or without making the required notification, the BaFin may prohibit the person to exercise the voting rights attached to the shares. In addition, non-compliance with the disclosure requirement may result in the imposition of a fine in accordance with statutory provisions.

Review of Acquisition of 25 % or more by the German Federal Ministry of Economics and Technology

Pursuant to the German Foreign Trade Act (*Außenwirtschaftsgesetz*) and the Foreign Trade Regulation (*Außenwirtschaftsverordnung*), the direct or indirect acquisition of 25 % or more of the voting rights in a German company by investors from outside the European Union and the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland) or by entities which are owned by 25 % or more by investors from outside the aforementioned region may be reviewed by the German Federal Ministry of Economics and Technology. If such Ministry determines that the acquisition poses a threat to the public policy or public security of Germany, it may impose conditions on or suspend the acquisition or require that it is unwound. The decision to review an acquisition must be made within three months following the conclusion of the contract or publication of the decision to launch a take-over bid or publication of the acquisition of control. The review must be completed within two months following receipt of the complete acquisition documents. No notification of the acquisition is required but the acquirer may seek pre-clearance of a proposed acquisition from the Federal Ministry of Economics.

Disclosure of Transactions of Managers

The German Securities Trading Act requires persons with management responsibilities ("Managers") in a listed company to notify the company and the BaFin within five working days of their own transactions in shares of the company or financial instruments based thereon, in particular derivatives. This obligation also applies to persons who are closely related to a Manager. The company is obligated to publish a notification received from a Manager without undue delay and to forward the publication to the BaFin as well as to the Company Register (*Unternehmensregister*) for recordation. This obligation does not apply if the aggregate annual transactions by a Manager and persons to whom he or she is closely related do not exceed an amount of € 5,000.00 through the

end of a calendar year. Deemed to be a Manager are members of management, administrative or supervisory bodies of the company as well as other persons who routinely have access to insider information within the meaning of the German Securities Trading Act and who are authorized to make material corporate decisions. The following persons are deemed to be closely related to a Manager: spouses, registered domestic partners, dependent children and other relatives who at the time of the transaction requiring notification have lived in the same household with the Manager for at least one year. Legal entities for which the aforementioned persons have management responsibilities are also subject to the notification requirement. The aforementioned provisions also apply to legal entities, companies and institutions directly or indirectly controlled by a Manager or by a person closely related to a Manager, which have been founded to the benefit of such a person, or whose economic interests correspond to a considerable extent to those of such a person. Negligent non-compliance with the notification requirement may result in a fine.

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Condensed Consolidated Interim Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Period from January 1 to March 31, 2010 (auditor reviewed)

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Consolidated Statement of Income (unaudited)

Income Statement

in € m.	Three months ended Mar 31, 2010	Three months ended Mar 31, 2009
Interest and similar income	6,541	8,799
Interest expense	2,870	4,956
Net interest income	**3,671**	**3,843**
Provision for credit losses	262	526
Net interest income after provision for credit losses	**3,409**	**3,317**
Commissions and fee income	2,461	2,179
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	2,579	2,264
Net gains (losses) on financial assets available for sale	27	(504)
Net income (loss) from equity method investments	172	(187)
Other income (loss)	89	(357)
Total noninterest income	**5,328**	**3,395**
Compensation and benefits	3,575	2,976
General and administrative expenses	2,200	1,983
Policyholder benefits and claims	140	(62)
Impairment of intangible assets	29	–
Restructuring activities	–	–
Total noninterest expenses	**5,944**	**4,897**
Income before income taxes	**2,793**	**1,815**
Income tax expense	1,016	633
Net income	**1,777**	**1,182**
Net income (loss) attributable to noncontrolling interests	15	(3)
Net income attributable to Deutsche Bank shareholders	1,762	1,185

Earnings per Common Share

	Three months ended Mar 31, 2010	Three months ended Mar 31, 2009
Earnings per common share:		
Basic	€ 2.77	€ 1.97
Diluted	€ 2.66	€ 1.92
Number of shares in million:		
Denominator for basic earnings per share – weighted-average shares outstanding	636.1	602.7
Denominator for diluted earnings per share – adjusted weighted-average shares after assumed conversions	663.3	616.6

Consolidated Statement of Recognized Income and Expense (unaudited)

in € m.	Three months ended	
	Mar 31, 2010	Mar 31, 2009
Net income recognized in the income statement	**1,777**	**1,182**
Actuarial gains (losses) related to defined benefit plans, net of tax	**(68)**	**116**
Net gains (losses) not recognized in the income statement, net of tax		
Unrealized net gains (losses) on financial assets available for sale[1]:		
Unrealized net gains (losses) arising during the period, before tax	323	(539)
Net (gains) losses reclassified to profit or loss, before tax	2	504
Unrealized net gains (losses) on derivatives hedging variability of cash flows[1]:		
Unrealized net gains (losses) arising during the period, before tax	(29)	59
Net (gains) losses reclassified to profit or loss, before tax	1	2
Foreign currency translation[1]:		
Unrealized net gains (losses) arising during the period, before tax	587	492
Net (gains) losses reclassified to profit or loss, before tax	3	–
Unrealized net gains (losses) from equity method investments	30	(6)
Tax on net gains (losses) not recognized in the income statement	86	141
Total net gains (losses) not recognized in the income statement, net of tax	**1,003**[2]	**653**[3]
Total recognized income and expense	**2,712**	**1,951**
Attributable to:		
Noncontrolling interests	41	27
Deutsche Bank shareholders	2,671	1,924

1 Excluding unrealized net gains (losses) from equity method investments.
2 Represents the change in the balance sheet in net gains (losses) not recognized in the income statement (net of tax) between December 31, 2009 of € (3,780) million and March 31, 2010 of € (2,803) million, adjusted for changes in noncontrolling interests attributable to these components of € 26 million.
3 Represents the change in the balance sheet in net gains (losses) not recognized in the income statement (net of tax) between December 31, 2008 of € (4,851) million and March 31, 2009 of € (4,228) million, adjusted for changes in noncontrolling interests attributable to these components of € 30 million.

Consolidated Balance Sheet (unaudited)

Assets

in € m.	Mar 31, 2010	Dec 31, 2009
Cash and due from banks	10,010	9,346
Interest-earning deposits with banks	59,985	47,233
Central bank funds sold and securities purchased under resale agreements	9,757	6,820
Securities borrowed	48,760	43,509
Financial assets at fair value through profit or loss		
Trading assets	262,886	234,910
Positive market values from derivative financial instruments	619,633	596,410
Financial assets designated at fair value through profit or loss	151,647	134,000
Total financial assets at fair value through profit or loss	1,034,166	965,320
Financial assets available for sale	26,726	18,819
Equity method investments	8,011	7,788
Loans	266,835	258,105
Property and equipment	3,226	2,777
Goodwill and other intangible assets	11,627	10,169
Other assets	181,585	121,538
Income tax assets	9,754	9,240
Total assets	**1,670,442**	**1,500,664**

Liabilities and Equity

in € m.	Mar 31, 2010	Dec 31, 2009
Deposits	366,040	344,220
Central bank funds purchased and securities sold under repurchase agreements	47,714	45,495
Securities loaned	8,350	5,564
Financial liabilities at fair value through profit or loss		
Trading liabilities	78,742	64,501
Negative market values from derivative financial instruments	607,736	576,973
Financial liabilities designated at fair value through profit or loss	105,808	73,522
Investment contract liabilities	7,660	7,278
Total financial liabilities at fair value through profit or loss	799,946	722,274
Other short-term borrowings	43,993	42,897
Other liabilities	203,418	154,281
Provisions	1,724	1,307
Income tax liabilities	4,595	4,298
Long-term debt	143,687	131,782
Trust preferred securities	10,737	10,577
Obligation to purchase common shares	54	–
Total liabilities	**1,630,258**	**1,462,695**
Common shares, no par value, nominal value of € 2.56	1,589	1,589
Additional paid-in capital	14,744	14,830
Retained earnings	25,749	24,056
Common shares in treasury, at cost	(107)	(48)
Equity classified as obligation to purchase common shares	(54)	–
Net gains (losses) not recognized in the income statement, net of tax	(2,803)	(3,780)
Total shareholders' equity	**39,118**	**36,647**
Noncontrolling interests	1,066	1,322
Total equity	**40,184**	**37,969**
Total liabilities and equity	**1,670,442**	**1,500,664**

Consolidated Statement of Changes in Equity (unaudited)

in € m.	Common shares (no par value)	Additional paid-in capital	Retained earnings	Common shares in treasury, at cost	Equity classified as obligation to purchase common shares
Balance as of December 31, 2008	**1,461**	**14,961**	**20,074**	**(939)**	**(3)**
Total recognized income and expense[1]	–	–	1,185	–	–
Common shares issued	128	830	–	–	–
Cash dividends paid	–	–	–	–	–
Actuarial gains (losses) related to defined benefit plans, net of tax	–	–	116	–	–
Net change in share awards in the reporting period	–	(330)	–	–	–
Treasury shares distributed under share-based compensation plans	–	–	–	509	–
Tax benefits related to share-based compensation plans	–	(2)	–	–	–
Common shares issued under share-based compensation plans	–	–	–	–	–
Additions to Equity classified as obligation to purchase common shares	–	–	–	–	–
Deductions from Equity classified as obligation to purchase common shares	–	–	–	–	–
Option premiums and other effects from options on common shares	–	–	(1)	–	–
Purchases of treasury shares	–	–	–	(2,820)	–
Sale of treasury shares	–	–	–	2,924	–
Net gains (losses) on treasury shares sold	–	(123)	–	–	–
Other	–	(81)	–	–	–
Balance as of March 31, 2009	**1,589**	**15,255**	**21,374**	**(326)**	**(3)**
Balance as of December 31, 2009	**1,589**	**14,830**	**24,056**	**(48)**	**–**
Total recognized income and expense[1]	–	–	1,762	–	–
Common shares issued	–	–	–	–	–
Cash dividends paid	–	–	–	–	–
Actuarial gains (losses) related to defined benefit plans, net of tax	–	–	(68)	–	–
Net change in share awards in the reporting period	–	(337)	–	–	–
Treasury shares distributed under share-based compensation plans	–	–	–	761	–
Tax benefits related to share-based compensation plans	–	101	–	–	–
Common shares issued under share-based compensation plans	–	–	–	–	–
Additions to Equity classified as obligation to purchase common shares	–	–	–	–	(54)
Deductions from Equity classified as obligation to purchase common shares	–	–	–	–	–
Option premiums and other effects from options on common shares	–	(108)	–	–	–
Purchases of treasury shares	–	–	–	(2,951)	–
Sale of treasury shares	–	–	–	2,131	–
Net gains (losses) on treasury shares sold	–	(3)	–	–	–
Other	–	261	(1)	–	–
Balance as of March 31, 2010	**1,589**	**14,744**	**25,749**	**(107)**	**(54)**

1 Excluding actuarial gains (losses) related to defined benefit plans, net of tax.
2 Excluding unrealized net gains (losses) from equity method investments.

Unrealized net gains (losses) on financial assets available for sale, net of applicable tax and other[2]	Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax[2]	Foreign currency translation, net of tax[2]	Unrealized net gains (losses) from equity method investments	Total net gains (losses) not recognized in the income statement, net of tax	Total shareholders' equity	Noncontrolling interests	Total equity
(855)	**(346)**	**(3,628)**	**(22)**	**(4,851)**	**30,703**	**1,211**	**31,914**
(12)	184	459	(8)	623	**1,808**	27	**1,835**
–	–	–	–	–	**958**	–	**958**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**116**	–	**116**
–	–	–	–	–	**(330)**	–	**(330)**
–	–	–	–	–	**509**	–	**509**
–	–	–	–	–	**(2)**	–	**(2)**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**(1)**	–	**(1)**
–	–	–	–	–	**(2,820)**	–	**(2,820)**
–	–	–	–	–	**2,924**	–	**2,924**
–	–	–	–	–	**(123)**	–	**(123)**
–	–	–	–	–	**(81)**	(1)	**(82)**
(867)	**(162)**	**(3,169)**	**(30)**	**(4,228)**	**33,661**	**1,237**	**34,898**
(186)	**(134)**	**(3,521)**	**61**	**(3,780)**	**36,647**	**1,322**	**37,969**
288	(21)	680	30	977	**2,739**	41	**2,780**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**(68)**	–	**(68)**
–	–	–	–	–	**(337)**	–	**(337)**
–	–	–	–	–	**761**	–	**761**
–	–	–	–	–	**101**	–	**101**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**(54)**	–	**(54)**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**(108)**	–	**(108)**
–	–	–	–	–	**(2,951)**	–	**(2,951)**
–	–	–	–	–	**2,131**	–	**2,131**
–	–	–	–	–	**(3)**	–	**(3)**
–	–	–	–	–	**260**	(297)	**(37)**
102	**(155)**	**(2,841)**	**91**	**(2,803)**	**39,118**	**1,066**	**40,184**

Consolidated Statement of Cash Flows (unaudited)

in € m.	Three months ended Mar 31, 2010	Mar 31, 2009
Net income	**1,777**	**1,182**
Cash flows from operating activities:		
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	262	526
Restructuring activities	–	–
Gain on sale of financial assets available for sale, equity method investments, and other	(32)	(512)
Deferred income taxes, net	395	(287)
Impairment, depreciation and other amortization, and accretion	577	1,586
Share of net income from equity method investments	(150)	139
Income adjusted for noncash charges, credits and other items	**2,829**	**2,634**
Adjustments for net change in operating assets and liabilities:		
Interest-earning time deposits with banks	(1,115)	(5,775)
Central bank funds sold, securities purchased under resale agreements, securities borrowed	(5,616)	2,480
Trading assets and positive market values from derivative financial instruments	(29,507)	216,345
Financial assets designated at fair value through profit or loss	(15,095)	4,989
Loans	(3,260)	4,856
Other assets	(51,851)	(12,442)
Deposits	2,480	(9,545)
Trading liabilities and negative market values from derivative financial instruments	26,710	(206,340)
Financial liabilities designated at fair value through profit or loss and investment contract liabilities[1]	30,967	6,848
Central bank funds purchased, securities sold under repurchase agreements and securities loaned	1,869	(28,211)
Other short-term borrowings	309	(3,978)
Other liabilities	44,497	14,518
Senior long-term debt[2]	9,718	(5,199)
Other, net	(3,627)	(4,715)
Net cash provided by (used in) operating activities	**9,308**	**(23,535)**
Cash flows from investing activities:		
Proceeds from:		
Sale of financial assets available for sale	1,572	2,137
Maturities of financial assets available for sale	916	3,732
Sale of equity method investments	116	120
Sale of property and equipment	57	12
Purchase of:		
Financial assets available for sale	(3,355)	(3,607)
Equity method investments	(54)	(3,257)
Property and equipment	(191)	(136)
Net cash received in business combinations/divestitures	2,124	–
Other, net	(204)	(1,381)
Net cash provided by (used in) investing activities	**981**	**(2,380)**
Cash flows from financing activities:		
Issuances of subordinated long-term debt	41	236
Repayments and extinguishments of subordinated long-term debt	(138)	(334)
Issuances of trust preferred securities	89	–
Repayments and extinguishments of trust preferred securities	(10)	–
Purchases of treasury shares	(2,951)	(2,820)
Sale of treasury shares	2,127	2,569
Dividends paid to noncontrolling interests	(3)	(1)
Net change in noncontrolling interests	(277)	(3)
Net cash used in financing activities	**(1,122)**	**(353)**
Net effect of exchange rate changes on cash and cash equivalents	**769**	**1,766**
Net increase (decrease) in cash and cash equivalents	9,936	(24,502)
Cash and cash equivalents at beginning of period	51,549	65,264
Cash and cash equivalents at end of period	61,485	40,762
Net cash provided by (used in) operating activities include		
Income taxes paid (received), net	155	208
Interest paid	2,949	6,136
Interest and dividends received	6,318	9,673
Cash and cash equivalents comprise		
Cash and due from banks	10,010	11,256
Interest-earning demand deposits with banks (not included: time deposits of € 8,510 million as of March 31, 2010, and € 15,326 million as of March 31, 2009)	51,475	29,506
Total	**61,485**	**40,762**

1 Included are senior long-term debt issuances of € 4,679 million and € 3,506 million and repayments and extinguishments of € 5,155 million and € 4,550 million until March 31, 2010 and March 31, 2009, respectively.

2 Included are issuances of € 10,662 million and € 9,813 million and repayments and extinguishments of € 8,129 million and € 12,396 million until March 31, 2010 and March 31, 2009, respectively.

The acquisition of Deutsche Postbank AG shares in 2009, including the non-cash portion, is described in detail in the Financial Report 2009 in Note [16].

Basis of Preparation (unaudited)

The accompanying condensed consolidated interim financial statements, which include Deutsche Bank AG and its subsidiaries, are stated in euros, the presentation currency of the Group. They are presented in accordance with the requirements of IAS 34, "Interim Financial Reporting", and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU"). The Group's application of IFRS results in no differences between IFRS as issued by the IASB and IFRS as endorsed by the EU.

Deutsche Bank's condensed consolidated interim financial statements are unaudited and include supplementary disclosures on segment information, income statement and balance sheet and other financial information. They should be read in conjunction with the audited consolidated financial statements of Deutsche Bank for 2009, for which the same accounting policies have been applied, except for changes due to the adoption of the revised version of IFRS 3, "Business Combinations", the amended version of IAS 27, "Consolidated and Separate Financial Statements", and the "Improvements to IFRS 2009". For the impact of the adoption of these amendments please refer to "Recently Adopted Accounting Pronouncements".

The preparation of financial statements under IFRS requires management to make estimates and assumptions for certain categories of assets and liabilities. Areas where this is required include the fair value of certain financial assets and liabilities, the allowance for loan losses, the impairment of assets other than loans, goodwill and other intangibles, the recognition and measurement of deferred tax assets, provisions for uncertain income tax positions, legal and regulatory contingencies, the reserves for insurance and investment contracts, reserves for pensions and similar obligations. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates and the results reported should not be regarded as necessarily indicative of results that may be expected for the entire year.

The Group applies estimates in determining the allowance for loan losses in its homogeneous loan portfolio which use statistical models based on historical experience. On a regular basis the Group performs procedures to align input parameters and model assumptions with historically evidenced loss levels. Alignment of input parameters and model assumptions in 2009 led to a one-time release of loan loss allowance of € 60 million in the first quarter 2009 as well as a lower level of provisions for credit losses of € 28 million for the first quarter 2010.

In the second quarter 2009 retrospective adjustments were made in the income statement to present premiums paid for financial guarantees as expenses instead of offsetting them against revenues because they are not directly related to a revenue generating activity. The adjustment did not have an impact on net income but resulted in an increase of € 36 million in both, Other income and General and administrative expenses.

Impact of Changes in Accounting Principles (unaudited)

Recently Adopted Accounting Pronouncements

The following are those accounting pronouncements which have been adopted in the first quarter of 2010 and which are relevant to the Group in the preparation of these condensed consolidated interim financial statements.

IFRS 3 and IAS 27

In January 2008, the IASB issued a revised version of IFRS 3, "Business Combinations" ("IFRS 3 R"), and an amended version of IAS 27, "Consolidated and Separate Financial Statements" ("IAS 27 R"). IFRS 3 R reconsiders the application of acquisition accounting for business combinations and IAS 27 R mainly relates to changes in the accounting for noncontrolling interests and the loss of control of a subsidiary. Under IFRS 3 R, the acquirer can elect to measure any noncontrolling interest on a transaction-by-transaction basis, either at fair value as of the acquisition date or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquiree. When an acquisition is achieved in successive share purchases (step acquisition), the identifiable assets and liabilities of the acquiree are recognized at fair value when control is obtained. A gain or loss is recognized in profit or loss for the difference between the fair value of the previously held equity interest in the acquiree and its carrying amount. IAS 27 R also requires the effects of all transactions with noncontrolling interests to be recorded in equity if there is no change in control. Transactions resulting in a loss of control result in a gain or loss being recognized in profit or loss. The gain or loss includes a remeasurement to fair value of any retained equity interest in the investee. In addition, all items of consideration transferred by the acquirer are measured and recognized at fair value, including contingent consideration, as of the acquisition date. Transaction costs incurred by the acquirer in connection with the business combination do not form part of the cost of the business combination transaction but are expensed as incurred unless they relate to the issuance of debt or equity securities, in which case they are accounted for under IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 3 R and IAS 27 R are effective for business combinations in annual periods beginning on or after July 1, 2009, with early application permitted provided that both Standards are applied together. IFRS 3 R has been applied to the acquisition of the Sal. Oppenheim Group. In contrast to prior acquisitions, all transaction costs have been expensed. For further detail, please refer to the section "Other Financial Information" of this Interim Report. Compared to the prior versions of the standards, IFRS 3 R and IAS 27 R could have a material impact on the Group's consolidated financial statements when acquisitions and dispositions take place.

Improvements to IFRS 2009

In April 2009, the IASB issued amendments to IFRS, which resulted from the IASB's annual improvement project. They comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after January 1, 2010, with earlier application permitted. The adoption of the amendments did not have a material impact on the Group's consolidated financial statements.

New Accounting Pronouncements

The following accounting pronouncements will be relevant to the Group but were not effective as of March 31, 2010 and therefore have not been applied in preparing these financial statements.

IAS 24

In November 2009, the IASB issued a revised version of IAS 24, "Related Party Disclosures" ("IAS 24 R"). IAS 24 R provides a partial exemption from the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after January 1, 2011, with earlier application permitted. While approved by the IASB, the standard has yet to be endorsed by the EU. The Group is currently evaluating the potential impact that the adoption of IAS 24 R will have on its consolidated financial statements.

IFRS 9

In November 2009, the IASB issued IFRS 9, "Financial Instruments", as a first step in its project to replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for how an entity should classify and measure financial assets that are in the scope of IAS 39. The standard requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if two criteria are met: (a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and (b) the contractual cash flows under the instrument solely represent payments of principal and interest. If a financial asset meets the criteria to be measured at amortized cost, it can be designated at fair value through profit or loss under the fair value option, if doing so would significantly reduce or eliminate an accounting mismatch. If a financial asset does not meet the business model and

contractual terms criteria to be measured at amortized cost, then it is subsequently measured at fair value. IFRS 9 also removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract with a financial asset host to be classified in its entirety at either amortized cost or fair value. IFRS 9 requires reclassifications when the entity's business model changes, which is expected to be an infrequent occurrence; in this case, the entity is required to reclassify affected financial assets prospectively. There is specific guidance for contractually linked instruments that create concentrations of credit risk, which is often the case with investment tranches in a securitization. In addition to assessing the instrument itself against the IFRS 9 classification criteria, management should also 'look through' to the underlying pool of instruments that generate cash flows to assess their characteristics. To qualify for amortized cost, the investment must have equal or lower credit risk than the weighted-average credit risk in the underlying pool of instruments, and those instruments must meet certain criteria. If a 'look through' is impracticable, the tranche must be classified at fair value through profit or loss. Under IFRS 9, all equity investments should be measured at fair value. However, management has an option to present directly in gains (losses) not recognized in the income statement unrealized and realized fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 9 should be applied retrospectively; however, if adopted before January 1, 2012, comparative periods do not need to be restated. In addition, entities adopting before January 1, 2011 are allowed to designate any date between the date of issuance of IFRS 9 and January 1, 2011 as the date of initial application that will be the date upon which the classification of financial assets will be determined. While approved by the IASB, the standard has yet to be endorsed by the EU. The Group is currently evaluating the potential impact that the adoption of IFRS 9 will have on its consolidated financial statements.

Segment Information (unaudited)

The following segment information has been prepared in accordance with the "management approach", which requires presentation of the segments on the basis of the internal reports about components of the entity which are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

Business Segments

The Group's segment reporting follows the organizational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to the business segments.

During the first three months of 2010, there were no material changes in the organizational structure which affected the composition of the business segments. Restatements due to minor changes in the organizational structure have been implemented in the presentation of prior period comparables if they were considered in the Group's management reporting systems.

The following transaction affected the Group's segment operations: On March 15, 2010, the Group acquired the Sal. Oppenheim Group. It is included in the corporate division Asset and Wealth Management, with the exception of its BHF-Bank operations, which are included in the group division Corporate Investments.

Measurement of Segment Profit or Loss

The management reporting systems follow a "matched transfer pricing concept" in which the Group's external net interest income is allocated to the business segments based on the assumption that all positions are funded or invested via the wholesale money and capital markets. The Group reviewed its internal funding systems as a reaction to the significant changes of funding costs during the financial crisis, and in the second quarter 2009 adopted a refinement of internal funding rates used to more adequately reflect risk of certain assets and the value of liquidity provided by unsecured funding sources.

The financial impact on the business segments was as follows for the three months ended March 31, 2010:

– GTB (€ 29 million) and AWM (€ 5 million) received additional funding benefit.

– CB&S (€ 25 million) and CI (€ 9 million) received additional funding costs.

Segmental Results of Operations

The following tables present the results of the business segments, including the reconciliation to the consolidated results under IFRS, for the three months ended March 31, 2010 and March 31, 2009.

Three months ended Mar 31, 2010	Corporate and Investment Bank			Private Clients and Asset Management			Corporate Investments	Consolidation & Adjustments	Total Consolidated
in € m. (unless stated otherwise)	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total			
Net revenues	**5,992**	**636**	**6,628**	**831**	**1,412**	**2,244**	**220**	**(93)**	**8,999**
Provision for credit losses	**93**	**(4)**	**90**	**3**	**170**	**173**	**0**	**(0)**	**262**
Total noninterest expenses	**3,295**	**520**	**3,816**	**832**	**1,053**	**1,885**	**156**	**87**	**5,944**
therein:									
Policyholder benefits and claims	140	–	140	0	–	0	–	–	140
Impairment of intangible assets	–	29	29	–	–	–	–	–	29
Restructuring activities	–	–	–	–	–	–	–	–	–
Noncontrolling interests	**14**	**–**	**14**	**1**	**0**	**1**	**(1)**	**(15)**	**–**
Income (loss) before income taxes	**2,589**	**119**	**2,708**	**(5)**	**189**	**184**	**65**	**(165)**	**2,793**
Cost/income ratio	55%	82%	58%	100%	75%	84%	71%	N/M	66%
Assets[1]	1,442,197	57,377	1,483,087	57,028	129,831	186,830	43,802	10,624	1,670,442
Average active equity[2]	14,914	1,277	16,191	5,754	3,400	9,154	5,264	6,992	37,601
Pre-tax return on average active equity[3]	69%	37%	67%	(0)%	22%	8%	5%	N/M	30%

N/M – Not meaningful

1 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to 'Total Consolidated'.

2 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. The Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their economic risk exposures, which comprise economic capital, goodwill and unamortized other intangible assets.

3 For an explanation of the return on average active equity please refer to Note [4] of the Financial Report 2009. For 'Total Consolidated' pre-tax return on average shareholders' equity is 29 %.

Three months ended Mar 31, 2009 in € m. (unless stated otherwise)	Corporate and Investment Bank			Private Clients and Asset Management			Corporate Investments	Consolidation & Adjustments	Total Consolidated
	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total			
Net revenues	**4,255**	**666**	**4,922**	**514**	**1,381**	**1,896**	**153**	**267**	**7,238[1]**
Provision for credit losses	**356**	**1**	**357**	**5**	**165**	**169**	**(0)**	**(0)**	**526**
Total noninterest expenses	**2,581**	**438**	**3,019**	**687**	**1,010**	**1,697**	**89**	**91**	**4,897**
therein:									
Policyholder benefits and claims	(64)	–	(64)	0	–	0	–	2	(62)
Impairment of intangible assets	–	–	–	–	–	–	–	–	–
Restructuring activities	–	–	–	–	–	–	–	–	–
Noncontrolling interests	**1**	**–**	**1**	**(4)**	**(0)**	**(4)**	**0**	**3**	**–**
Income (loss) before income taxes	**1,318**	**227**	**1,545**	**(173)**	**206**	**33**	**65**	**173**	**1,815**
Cost/income ratio	61%	66%	61%	134%	73%	90%	58%	N/M	68%
Assets (as of Dec 31, 2009)[2]	1,308,222	47,414	1,343,824	43,761	131,014	174,739	28,456	9,556	1,500,664
Average active equity[3]	20,328	1,163	21,491	4,715	3,681	8,395	2,913	347	33,146
Pre-tax return on average active equity[4]	26%	78%	29%	(15)%	22%	2%	9%	N/M	22%

N/M – Not meaningful

1 Includes an impairment charge of € 278 million on industrial holdings, which is excluded from the Group's target definitions.

2 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on group division level. The same approach holds true for the sum of group divisions compared to 'Total Consolidated'.

3 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. The Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their economic risk exposures, which comprise economic capital, goodwill and unamortized other intangible assets.

4 For an explanation of the return on average active equity please refer to Note [4] of the Financial Report 2009. For 'Total Consolidated' pre-tax return on average shareholders' equity is 23 %.

Reconciliation of Segmental Results of Operations to Consolidated Results of Operations

Loss before income taxes in Consolidation & Adjustments was € 165 million in the first quarter 2010 compared to an income of € 173 million in the prior year quarter. The development was mainly due to different accounting methods used for management reporting and IFRS. In the prior year quarter, euro interest rates decreased significantly, resulting in a gain on economically hedged short-term positions, which was partly offset by the reversal of prior period gains on such positions. The reporting period included a small loss from the reversal of such gains from prior periods.

Entity-Wide Disclosures

The following tables present the net revenue components of the CIB and PCAM Group Divisions for the three months ended March 31, 2010 and March 31, 2009.

	Corporate and Investment Bank	
	Three months ended	
in € m.	Mar 31, 2010	Mar 31, 2009
Sales & Trading (equity)	944	215
Sales & Trading (debt and other products)	3,802	3,812
Total Sales & Trading	**4,746**	**4,027**
Origination (equity)	116	90
Origination (debt)	316	130
Total Origination	**432**	**220**
Advisory	131	129
Loan products	513	645
Transaction services	636	666
Other products	170	(765)
Total[1]	**6,628**	**4,922**

1 Total net revenues presented above include net interest income, net gains (losses) on financial assets/liabilities at fair value through profit or loss and other revenues such as commissions and fee income.

The presentation of Sales & Trading revenues was adjusted during the first quarter 2010 following a review of the assignment of specific revenue components to the product categories. Prior periods were amended retrospectively. The review resulted in a transfer of negative revenues of approximately € 60 million from

Sales & Trading (debt and other products) to Sales & Trading (equity) in the first quarter 2009. The adjustment had no impact on CIB's total revenues.

	Private Clients and Asset Management	
	Three months ended	
in € m.	Mar 31, 2010	Mar 31, 2009
Discretionary portfolio management/fund management	577	443
Advisory/brokerage	420	405
Credit products	657	628
Deposits and payment services	473	436
Other products	116	(17)
Total[1]	**2,244**	**1,896**

1 Total net revenues presented above include net interest income, net gains (losses) on financial assets/liabilities at fair value through profit or loss and other revenues such as commissions and fee income.

The presentation of PCAM product revenues was adjusted during the first quarter 2010 following a review and refinement of product classifications. These changes primarily impacted the classification of revenues from deposits, which had previously been reported jointly with loan revenues. Revenues from deposits have now been combined with revenues from payment services. Revenues from credit products are now reported separately. Insurance brokerage revenues, previously reported under Payments, Account and Remaining Financial Services, are now reported under Advisory/Brokerage. These changes enhance transparency and better reflect how products are managed internally. Prior periods were amended retrospectively. The adjustments had no impact on PCAM's total revenues.

Information on the Income Statement (unaudited)

Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss by Group Division

	Three months ended	
in € m.	Mar 31, 2010	Mar 31, 2009
Net interest income	3,671	3,843
Trading income[1]	3,126	1,926
Net gains (losses) on financial assets/liabilities designated at fair value through profit or loss[2]	(547)	338
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	2,579	2,264
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**6,250**	**6,107**
Breakdown by Group Division/CIB product:		
Sales & Trading (equity)	797	0
Sales & Trading (debt and other products)	3,357	3,996
Total Sales & Trading	4,154	3,996
Loan products[3]	297	368
Transaction services	268	273
Remaining products[4]	156	11
Total Corporate and Investment Bank	4,876	4,648
Private Clients and Asset Management	1,033	986
Corporate Investments	10	370
Consolidation & Adjustments	331	103
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**6,250**	**6,107**

1 Trading income includes gains and losses from derivatives held for trading and from derivatives not qualifying for hedge accounting.
2 Includes losses of € 30 million and losses of € 106 million from securitization structures for the three months ended March 31, 2010 and March 31, 2009, respectively. Fair value movements on related instruments of € 54 million and of € (400) million for the three months ended March 31, 2010 and March 31, 2009, respectively, are reported within trading income. Both are reported under Sales & Trading (debt and other products). The total of these gains and losses represents the Group's share of the losses in these consolidated securitization structures.
3 Includes the net interest spread on loans as well as the fair value changes of credit default swaps and loans designated at fair value through profit or loss.
4 Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss on origination, advisory and other products.

Commissions and Fee Income

	Three months ended	
in € m.	Mar 31, 2010	Mar 31, 2009
Commissions and fees from fiduciary activities	811	727
Commissions, brokers' fees, mark-ups on securities underwriting and other securities activities	912	830
Fees for other customer services	738	622
Total commissions and fee income	**2,461**	**2,179**

Pensions and Other Post-Employment Benefits

in € m.	Three months ended Mar 31, 2010	Mar 31, 2009
Expenses for retirement benefit plans:		
Current service cost	58	51
Interest cost	128	116
Expected return on plan assets	(120)	(102)
Past service cost (credit) recognized immediately	7	9
Total retirement benefit plans	**73**	**74**
Expenses for post-employment medical plans:		
Current service cost	1	1
Interest cost	2	2
Total post-employment medical plans	**3**	**3**
Total expenses defined benefit plans	**76**	**77**
Total expenses for defined contribution plans	**71**	**64**
Total expenses for post-employment benefits	**147**	**141**
Employer contributions to mandatory German social security pension plan	42	39

The Group expects to contribute approximately € 275 million to its retirement benefit plans in 2010. The final amounts to be contributed in 2010 will be determined in the fourth quarter 2010.

General and Administrative Expenses

in € m.	Three months ended Mar 31, 2010	Mar 31, 2009
General and administrative expenses:		
IT costs	503	425
Occupancy, furniture and equipment expenses	359	352
Professional service fees	300	253
Communication and data services	177	176
Travel and representation expenses	120	93
Payment and clearing services	98	104
Marketing expenses	64	64
Other expenses	579	516
Total general and administrative expenses	**2,200**	**1,983**

Information on the Balance Sheet (unaudited)

Financial Assets/Liabilities at Fair Value through Profit or Loss

in € m.	Mar 31, 2010	Dec 31, 2009
Trading assets:		
Trading securities	232,733	206,710
Other trading assets[1]	30,153	28,200
Total trading assets	**262,886**	**234,910**
Positive market values from derivative financial instruments	**619,633**	**596,410**
Financial assets designated at fair value through profit or loss:		
Securities purchased under resale agreements	103,945	89,977
Securities borrowed	22,967	19,987
Loans	12,528	12,964
Other financial assets designated at fair value through profit or loss	12,207	11,072
Total financial assets designated at fair value through profit or loss	**151,647**	**134,000**
Total financial assets at fair value through profit or loss	**1,034,166**	**965,320**

1 Includes traded loans of € 23,412 million and € 21,847 million as of March 31, 2010 and December 31, 2009, respectively.

in € m.	Mar 31, 2010	Dec 31, 2009
Trading liabilities:		
Trading securities	75,528	62,402
Other trading liabilities	3,214	2,099
Total trading liabilities	**78,742**	**64,501**
Negative market values from derivative financial instruments	**607,736**	**576,973**
Financial liabilities designated at fair value through profit or loss:		
Securities sold under repurchase agreements	83,443	52,795
Loan commitments	434	447
Long-term debt	15,968	15,395
Other financial liabilities designated at fair value through profit or loss	5,963	4,885
Total financial liabilities designated at fair value through profit or loss	**105,808**	**73,522**
Investment contract liabilities[1]	7,660	7,278
Total financial liabilities at fair value through profit or loss	**799,946**	**722,274**

1 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value.

Financial Assets Available for Sale

in € m.	Mar 31, 2010	Dec 31, 2009
Debt securities	20,074	13,851
Equity securities	3,906	3,268
Other equity interests	1,212	699
Loans	1,534	1,001
Total financial assets available for sale	**26,726**	**18,819**

The increase in Financial Assets Available for Sale is primarily related to the first consolidation of the Sal. Oppenheim Group.

Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets"

During the second half of 2008 and the first quarter 2009 the Group reclassified certain trading assets and financial assets available for sale to loans and receivables. No reclassifications were made during the first quarter 2010.

The Group identified assets, eligible under the amendments, for which at the reclassification date it had a clear change of intent and ability to hold for the foreseeable future rather than to exit or trade in the short term. The reclassifications were made at the fair value of the assets at the reclassification date. The disclosures below detail the impact of the reclassifications to the Group.

The carrying values and the fair values of assets reclassified in 2008 and 2009 are shown in the table below.

	Cumulative reclassifications through Mar 31, 2010			Cumulative reclassifications through Mar 31, 2009		
	Carrying value at reclassifi- cation date	Mar 31, 2010		Carrying value at reclassifi- cation date	Mar 31, 2009	
in € m.		Carrying value	Fair value		Carrying value	Fair value
Trading assets reclassified to loans	26,594	23,817	21,483	26,594	26,735	22,655
Financial assets available for sale reclassified to loans	11,354	9,192	8,264	11,354	11,390	8,774
Total financial assets reclassified to loans	**37,948**	**33,009**[1]	**29,747**	**37,948**	**38,125**	**31,429**

1 The decline of the carrying values since reclassification was mainly attributable to repayments, credit loss provisions and sales.

The following table shows the ranges of effective interest rates based on weighted average rates by business and the expected recoverable cash flows estimated at reclassification date.

	Cumulative reclassifications through Mar 31, 2010		Cumulative reclassifications through Mar 31, 2009	
in € bn. (unless stated otherwise)	Trading assets reclassified to loans	Financial assets available for sale reclassified to loans	Trading assets reclassified to loans	Financial assets available for sale reclassified to loans
Effective interest rates at reclassification date:				
upper range	13.1%	9.9%	13.1%	9.9%
lower range	2.8%	3.9%	2.8%	3.9%
Expected recoverable cash flows at reclassification date	**39.6**	**17.6**	**39.6**	**17.6**

The impact on the Group's income statement and net gains (losses) not recognized in the income statement if the reclassifications had not been made is shown in the table below.

	Three months ended	
in € m.	Mar 31, 2010	Mar 31, 2009
Unrealized fair value gains (losses) on the reclassified trading assets, gross of provisions for credit losses	222	(1,044)
Impairment losses on the reclassified financial assets available for sale which were impaired	(8)	(106)
Movement in net gains (losses) not recognized in the income statement representing additional unrealized fair value gains (losses) on the reclassified financial assets available for sale which were not impaired	125	(405)

After reclassification, the pre-tax contribution of all reclassified assets to the income statement was as follows.

in € m.	Three months ended Mar 31, 2010	Mar 31, 2009
Interest income	320	388
Provision for credit losses	(104)	(155)
Other income[1]	(7)	–
Income before income taxes on reclassified trading assets	**209**	**233**
Interest income	37	67
Provision for credit losses	–	(63)
Income before income taxes on reclassified financial assets available for sale	**37**	**4**

1 The net loss on sale of loans which have settled was € 2 million. This comprises a loss amounting to € 7 million and a release of not utilized credit provisions of € 5 million for loans sold.

Prior to their reclassification, assets reclassified from trading in the first quarter 2009 contributed fair value losses of € 87 million to the income statement for the fourth quarter 2008 and fair value losses of € 48 million to the income statement for the first quarter 2009.

Problem Loans and IFRS Impaired Loans

With the acquisition of Sal. Oppenheim the Group also acquired certain loans for which a specific allowance had been established beforehand by Sal. Oppenheim. These loans were taken on the Group's balance sheet at their fair values which reflected the credit quality of these loans. As the Group's expectations regarding these loans have not changed since acquisition they are not considered problem loans.

	Mar 31, 2010			Dec 31, 2009		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Nonaccrual loans	5,883	2,276	8,159	5,937	2,186	8,123
Loans 90 days or more past due and still accruing	143	265	408	55	266	321
Troubled debt restructurings	364	144	508	252	217	469
Total problem loans	**6,390**	**2,685**	**9,075**	**6,244**	**2,669**	**8,913**
thereof: IFRS impaired loans	4,975	2,393	7,368	4,903	2,298	7,201

Allowance for Credit Losses

Allowance for loan losses	**Three months ended Mar 31, 2010**			**Three months ended Mar 31, 2009**		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Balance, beginning of year	**2,029**	**1,314**	**3,343**	**977**	**961**	**1,938**
Provision for loan losses	89	178	267	359	179	539
Net charge-offs	(71)	(98)	(169)	(80)	(112)	(192)
Charge-offs	(79)	(124)	(203)	(92)	(142)	(234)
Recoveries	8	26	34	11	31	42
Changes in the group of consolidated companies	–	–	–	–	–	–
Exchange rate changes/other	5	9	14	7	(6)	1
Balance, end of period	**2,052**	**1,403**	**3,455**	**1,263**	**1,022**	**2,285**

Allowance for off-balance sheet positions	Three months ended Mar 31, 2010			Three months ended Mar 31, 2009		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Balance, beginning of year	**83**	**124**	**207**	**98**	**112**	**210**
Provision for off-balance sheet positions	(6)	1	(5)	–	(13)	(13)
Usage	–	–	–	–	–	–
Changes in the group of consolidated companies	9	–	9	–	–	–
Exchange rate changes	1	5	5	3	4	7
Balance, end of period	**87**	**130**	**217**	**101**	**103**	**204**

Other Assets and Other Liabilities

in € m.	Mar 31, 2010	Dec 31, 2009
Other assets:		
Brokerage and securities related receivables		
Cash/margin receivables	45,646	43,890
Receivables from prime brokerage	6,951	6,837
Pending securities transactions past settlement date	5,488	9,229
Receivables from unsettled regular way trades	86,573	33,496
Total brokerage and securities related receivables	144,658	93,452
Accrued interest receivable	3,648	3,426
Other	33,279	24,660
Total other assets	**181,585**	**121,538**

in € m.	Mar 31, 2010	Dec 31, 2009
Other liabilities:		
Brokerage and securities related payables		
Cash/margin payables	40,002	40,448
Payables from prime brokerage	28,845	31,427
Pending securities transactions past settlement date	2,707	5,708
Payables from unsettled regular way trades	82,182	33,214
Total brokerage and securities related payables	153,736	110,797
Accrued interest payable	3,571	3,713
Other	46,111	39,771
Total other liabilities	**203,418**	**154,281**

Long-term Debt

in € m.	Mar 31, 2010	Dec 31, 2009
Senior debt:		
Bonds and notes:		
Fixed rate	82,850	76,536
Floating rate	52,913	47,646
Subordinated debt:		
Bonds and notes:		
Fixed rate	3,861	3,548
Floating rate	4,063	4,052
Total long-term debt	**143,687**	**131,782**

Shares Issued and Outstanding

in million	Mar 31, 2010	Dec 31, 2009
Shares issued	620.9	620.9
Shares in treasury	2.0	0.7
– thereof buyback	1.0	0.6
– thereof other	1.0	0.1
Shares outstanding	**618.9**	**620.2**

Other Financial Information (unaudited)

Regulatory Capital

The following two tables present a summary of the Group's regulatory capital and risk-weighted assets. Amounts presented are pursuant to the revised capital framework presented by the Basel Committee ("Basel II") as adopted into German law by the German Banking Act and the Solvency Regulation ("Solvabilitätsverordnung").

in € m.	Mar 31, 2010	Dec 31, 2009
Tier 1 capital:		
Core Tier 1 capital:		
Common shares	1,589	1,589
Additional paid-in capital	14,744	14,830
Retained earnings, common shares in treasury, equity classified as obligation to purchase common shares, foreign currency translation, noncontrolling interests	23,832	21,807
Items to be fully deducted from Tier 1 capital (inter alia goodwill and intangible assets)	(11,815)	(10,238)
Items to be partly deducted from Tier 1 capital:		
Deductible investments in banking, financial and insurance entities	(2,246)	(2,120)
Securitization positions not included in risk-weighted assets	(3,175)	(1,033)
Excess of expected losses over risk provisions	(982)	(1,045)
Items to be partly deducted from Tier 1 capital[1]	(6,403)	(4,198)
Core Tier 1 capital	**21,948**	**23,790**
Additional Tier 1 capital:		
Noncumulative trust preferred securities	10,889	10,616
Additional Tier 1 capital	**10,889**	**10,616**
Total Tier 1 capital	**32,837**	**34,406**
Tier 2 capital:		
Unrealized gains on listed securities (45 % eligible)	456	331
Cumulative preferred securities	298	294
Qualified subordinated liabilities	7,349	7,096
Items to be partly deducted from Tier 2 capital[1]	(6,403)	(4,198)
Total Tier 2 capital	**1,700**	**3,523**

1 Pursuant to section 10 (6) and section 10 (6a) in conjunction with section 10a German Banking Act.

Regulatory Risk-Weighted Assets and Capital Adequacy Ratios

in € m. (unless stated otherwise)	Mar 31, 2010	Dec 31, 2009
Credit risk	231,160	217,003
Market risk	28,214	24,880
Operational risk	33,092	31,593
Risk-weighted assets	**292,466**	**273,476**
Tier 1 capital ratio	11.2%	12.6%
Core Tier 1 capital ratio	7.5%	8.7%
Total capital ratio	11.8%	13.9%

Basel II requires the deduction of goodwill from Tier 1 capital. However, for a transitional period, section 64h (3) German Banking Act allows the partial inclusion of certain goodwill components in Tier 1 capital. 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 March 31, 2010, the transitional item amounted to € 451 million. In the Group's reporting to the German regulatory authorities, the Tier 1 capital, total regulatory capital and the total risk-weighted assets shown above were increased by this amount. Correspondingly, the Group's reported Tier 1 and total capital ratios including this item were 11.4 % and 11.9 %, respectively, at the end of the quarter.

Commitments and Contingent Liabilities

The table below summarizes the contractual amounts of the Group's irrevocable lending-related commitments and contingent liabilities. Contingent liabilities mainly consist of financial and performance guarantees, standby letters of credit and indemnity agreements. The contractual amount of these commitments is the maximum amount at risk for the Group if the customer fails to meet its obligations. Probable losses under these contracts are recognized as provisions.

in € m.	Mar 31, 2010	Dec 31, 2009
Irrevocable lending commitments	104,595	104,125
Contingent liabilities	58,426	52,183
Total	**163,021**	**156,308**

Commitments and contingent liabilities stated above do not represent expected future cash flows as many of these contracts will expire without being drawn. The Group may require collateral to mitigate the credit risk of commitments and contingent liabilities.

Other Contingencies

Due to the nature of its business, the Group is involved in litigation, arbitration and regulatory proceedings in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of business. In accordance with applicable accounting requirements, the Group provides for potential losses that may arise out of contingencies, including contingencies in respect of such matters, when the potential losses are probable and estimable. Contingencies in respect of legal matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance. Significant judgment is required in assessing probability and making estimates in respect of contingencies, and the Group's final liabilities may ultimately be materially different. The Group's total liability recorded in respect of litigation, arbitration and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, the Group's experience and the experience of others in similar cases, and the opinions and views of legal counsel. Although the final resolution of any such matters could have a material effect on the Group's consolidated operating results for a particular reporting period, the Group believes that it will not materially affect its consolidated financial position. In respect of each of the matters specifically described below, some of which consist of a number of claims, it is the Group's belief that the reasonably possible losses relating to each claim in excess of any provisions are either not material or not estimable.

The Group's significant legal proceedings are described below.

Tax-Related Products. Deutsche Bank AG, along with certain affiliates, and current and/or former employees (collectively referred to as "Deutsche Bank"), have collectively been named as defendants in a number of legal proceedings brought by customers in various tax-oriented transactions. Deutsche Bank provided financial products and services to these customers, who were advised by various accounting, legal and financial advisory professionals. The customers claimed tax benefits as a result of these transactions, and the United States Internal Revenue Service has rejected those claims. In these legal proceedings, the customers allege that the professional advisors, together with Deutsche Bank, improperly misled the customers into believing that the claimed tax benefits would be upheld by the Internal Revenue Service. The legal proceedings are pending in numerous state and federal courts and in arbitration, and claims against Deutsche Bank are alleged under both U.S. state and federal law. Many of the claims against Deutsche Bank are asserted by individual customers, while others are asserted on behalf of a putative customer class. No litigation class has been certified as against Deutsche Bank. Approximately 91 legal proceedings have been resolved and dismissed with prejudice with respect to Deutsche Bank. Approximately nine other legal proceedings remain pending as against Deutsche Bank and are currently at various pre-trial stages, including discovery. Deutsche Bank has received a number of unfiled claims as well, and has resolved certain of those unfiled claims. Approximately five unfiled claims also remain pending against Deutsche Bank.

The United States Department of Justice ("DOJ") is also conducting a criminal investigation of tax-oriented transactions that were executed from approximately 1997 through early 2002. In connection with that investigation, DOJ has sought various documents and other information from Deutsche Bank and has been investigating the actions of various individuals and entities, including Deutsche Bank, in such transactions. In the latter half of 2005, DOJ brought criminal charges against numerous individuals based on their participation in certain tax-oriented transactions while employed by entities other than Deutsche Bank. In the latter half of 2005, DOJ also entered into a Deferred Prosecution Agreement with an accounting firm (the "Accounting Firm"), pursuant to which DOJ agreed to defer prosecution of a criminal charge against the Accounting Firm based on its participation in certain tax-oriented transactions provided that the Accounting Firm satisfied the terms of the Deferred Prosecution Agreement. On February 14, 2006, DOJ announced that it had entered into a Deferred Prosecution Agreement with a financial institution (the "Financial Institution"), pursuant to which DOJ agreed to defer prosecution of a criminal charge against the Financial Institution based on its role in providing financial products and services in connection with certain tax-oriented transactions provided that the Financial Institution satisfied the terms of the Deferred Prosecution Agreement. Deutsche Bank provided similar financial products and services in certain tax-oriented transactions that are the same or similar to the tax-oriented transactions that are the subject of the above-referenced criminal charges. Deutsche Bank also provided financial products and services in additional tax-oriented transactions as well. In December 2008, following a trial of four of the individuals against whom DOJ had brought criminal charges in 2005, three of those individuals were convicted. In May 2009, following a trial of four additional individuals against whom DOJ had brought criminal charges based on their participation in certain tax-oriented transactions while employed by an entity other than Deutsche Bank, those individuals were convicted. In June 2009, DOJ brought criminal charges against five additional individuals, based on their participation in certain tax-oriented transactions while employed by entities other than Deutsche Bank, and two former employees of Deutsche Bank based on their participation in certain tax-oriented transactions while employed by Deutsche Bank. DOJ's criminal investigation is ongoing. Deutsche Bank is engaged in discussions with DOJ concerning a resolution of the investigation.

Kirch Litigation. In May 2002, Dr. Leo Kirch personally and as an assignee of two entities of the former Kirch Group, i.e., PrintBeteiligungs GmbH and the group holding company TaurusHolding GmbH & Co. KG, initiated legal action against Dr. Rolf-E. Breuer and Deutsche Bank AG alleging that a statement made by Dr. Breuer (then the Spokesman of Deutsche Bank AG's Management Board) in an interview with Bloomberg television on February 4, 2002 regarding the Kirch Group was in breach of laws and resulted in financial damage.

On January 24, 2006, the German Federal Supreme Court sustained the action for the declaratory judgment only in respect of the claims assigned by PrintBeteiligungs GmbH. Such action and judgment did not require a proof of any loss caused by the statement made in the interview. PrintBeteiligungs GmbH is the only company of the Kirch Group which was a borrower of Deutsche Bank AG. Claims by Dr. Kirch personally and by TaurusHolding GmbH & Co. KG were dismissed. In May 2007, Dr. Kirch filed an action for payment as assignee of PrintBeteiligungs GmbH against Deutsche Bank AG and Dr. Breuer. After having changed the basis for the computation of his alleged damages in the meantime, Dr. Kirch currently claims payment of approximately € 1.3 billion plus interest. In these proceedings Dr. Kirch will have to prove that such statement caused financial damages to PrintBeteiligungs GmbH and the amount thereof. In the view of Deutsche Bank, the causality in respect of the basis and scope of the claimed damages has not been sufficiently substantiated.

On December 31, 2005, KGL Pool GmbH filed a lawsuit against Deutsche Bank AG and Dr. Breuer. The lawsuit is based on alleged claims assigned from various subsidiaries of the former Kirch Group. KGL Pool GmbH seeks a declaratory judgment to the effect that Deutsche Bank AG and Dr. Breuer are jointly and severally liable for damages as a result of the interview statement and the behavior of Deutsche Bank AG in respect of several subsidiaries of the Kirch Group. In December 2007, KGL Pool GmbH supplemented this lawsuit by a motion for

payment of approximately € 2.0 billion plus interest as compensation for the purported damages which two subsidiaries of the former Kirch Group allegedly suffered as a result of the statement by Dr. Breuer. On March 31, 2009 the District Court Munich I dismissed the lawsuit in its entirety. The plaintiff appealed the decision. In the view of Deutsche Bank, due to the lack of a relevant contractual relationship with any of these subsidiaries there is no basis for such claims and neither the causality in respect of the basis and scope of the claimed damages nor the effective assignment of the alleged claims to KGL Pool GmbH has been sufficiently substantiated.

Asset Backed Securities Matters. Deutsche Bank AG, along with certain affiliates (collectively referred to as "Deutsche Bank"), has received subpoenas and requests for information from certain regulators and government entities concerning its activities regarding the origination, purchase, securitization, sale and trading of asset backed securities, asset backed commercial paper and credit derivatives, including, among others, residential mortgage backed securities, collateralized debt obligations and credit default swaps. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information. Deutsche Bank has also been named as defendant in various civil litigations (including putative class actions), brought under federal and state securities laws and state common law, related to residential mortgage backed securities. Included in those litigations are (1) a putative class action pending in California Superior Court in Los Angeles County regarding the role of Deutsche Bank's subsidiary Deutsche Bank Securities Inc. ("DBSI"), along with other financial institutions, as an underwriter of offerings of certain securities issued by Countrywide Financial Corporation or an affiliate ("Countrywide"), and a putative class action pending in the United States District Court for the Central District of California regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by Countrywide; (2) a putative class action pending in the United States District Court for the Southern District of New York regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of Novastar Mortgage Funding Corporation; (3) a putative class action pending in the United States District Court for the Southern District of New York regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of IndyMac MBS, Inc.; (4) a putative class action pending in the United States District Court for the Northern District of California regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of Wells Fargo Asset Securities Corporation; (5) a putative class action in the United States District Court for the Southern District of New York regarding the role of a number of financial institutions, including DBSI, as underwriter, of certain mortgage pass-through certificates issued by affiliates of Residential Accredit Loans, Inc., from which DBSI was dismissed without prejudice on March 31, 2010; and (6) a lawsuit filed by the Federal Home Loan Bank of San Francisco ("FHLB SF") pending in the San Francisco Superior Court regarding the role of a number of financial institutions, including certain affiliates of Deutsche Bank, as issuer and underwriter of certain mortgage pass-through certificates purchased by FHLB SF. In addition, certain affiliates of Deutsche Bank, including DBSI, have been named in a putative class action pending in the United States District Court for the Eastern District of New York regarding their roles as issuer and underwriter of certain mortgage pass-through securities. On April 5, 2010, the Court granted in part and denied in part Deutsche Bank's motion to dismiss this complaint. Each of the civil litigations is otherwise in its early stages.

Auction Rate Securities. Deutsche Bank AG and DBSI are the subjects of a putative class action, filed in the United States District Court for the Southern District of New York, asserting various claims under the federal securities laws on behalf of all persons or entities who purchased and continue to hold auction rate preferred securities and auction rate securities (together "ARS") offered for sale by Deutsche Bank AG and DBSI between March 17, 2003 and February 13, 2008. On March 24, 2010, the court dismissed the putative class action but granted plaintiff permission to file an amended complaint. Deutsche Bank AG, DBSI and/or Deutsche Bank Alex. Brown, a division of DBSI, have also been named as defendants in 16 individual actions asserting various claims under the federal securities laws and state common law arising out of the sale of ARS. Twelve of the individual actions are pending, and four of the individual actions have been resolved and dismissed with prejudice. Deutsche Bank AG was also named as a defendant, along with ten other financial institutions, in two putative class actions, filed in the United States District Court for the Southern District of New York, asserting violations of the antitrust laws. The putative class actions allege that the defendants conspired to artificially support and then, in February 2008, restrain the ARS market. On or about January 26, 2010, the court dismissed the two putative class actions.

Deutsche Bank AG and DBSI have also been the subjects of proceedings by state and federal securities regulatory and enforcement agencies relating to the marketing and sale of ARS. In August 2008, Deutsche Bank AG and its subsidiaries, entered into agreements in principle with the New York Attorney General's Office ("NYAG") and the North American Securities Administration Association, representing a consortium of other states and U.S. territories, pursuant to which Deutsche Bank AG and its subsidiaries agreed to purchase from their retail, certain smaller and medium-sized institutional, and charitable clients, ARS that those clients purchased from Deutsche Bank AG and its subsidiaries prior to February 13, 2008; to work expeditiously to provide liquidity solutions for their larger institutional clients who purchased ARS from Deutsche Bank AG and its subsidiaries; to pay an aggregate penalty of U.S.$ 15 million to state regulators; and to be subject to state

orders requiring future compliance with applicable state laws. On June 3, 2009, DBSI finalized settlements with the NYAG and the New Jersey Bureau of Securities that were consistent with the August 2008 agreements in principle, and DBSI entered into a settlement with the Securities and Exchange Commission ("SEC") that incorporated the terms of the agreements in principle with the states and contained certain additional terms, including authority by the SEC to seek an additional monetary penalty from DBSI if the SEC believes that DBSI has not complied with its undertakings under the settlement. DBSI has since received proposed settled orders from a number of state and territorial agencies pursuant to which those agencies have claimed their respective shares of the U.S.$ 15 million penalty. DBSI expects to finalize those settled orders and pay the requisite shares of the penalty to the requesting states over the next several months.

ÖBB Litigation. In September 2005, Deutsche Bank AG entered into a Portfolio Credit Default Swap ("PCDS") transaction with ÖBB Infrastruktur Bau AG ("ÖBB"), a subsidiary of Österreichische Bundesbahnen-Holding Aktiengesellschaft. Under the PCDS, ÖBB assumed the credit risk of a € 612 million AAA rated tranche of a diversified portfolio of corporates and asset-backed securities ("ABS"). As a result of the developments in the ABS market since mid 2007, the market value of the PCDS declined.

In June 2008, ÖBB filed a claim against Deutsche Bank AG in the Vienna Trade Court, asking that the Court declare the PCDS null and void. ÖBB argued that the transaction violates Austrian law, and alleged to have been misled about certain features of the PCDS. ÖBB's claim was dismissed by the Trade Court in January 2009. On June 25, 2009, the Vienna Higher Court dismissed ÖBB's appeal against the decision of the Trade Court. On September 21, 2009, ÖBB filed an extraordinary further appeal in the matter to the Austrian Supreme Court. On January 15, 2010, ÖBB and Deutsche Bank AG agreed to settle the case. The settlement did not have a material adverse impact on Deutsche Bank AG.

Trust Preferred Securities. Deutsche Bank AG and certain of its affiliates and officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. Claims are asserted under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933. An amended and consolidated class action complaint was filed on January 25, 2010. The litigation is in its early stages.

Related Party Transactions

Transactions with related parties are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other parties.

Transactions with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Deutsche Bank, directly or indirectly. The Group considers the members of the Management Board as currently mandated and the Supervisory Board to constitute key management personnel for purposes of IAS 24. Among the Group's transactions with key management personnel as of March 31, 2010 were loans and commitments of € 21 million and deposits of € 42 million. As of December 31, 2009, there were loans and commitments of € 9 million and deposits of € 21 million among the Group's transactions with key management personnel. In addition, the Group provides banking services, such as payment and account services as well as investment advice, to key management personnel and their close family members.

Transactions with Subsidiaries, Joint Ventures and Associates

Transactions between Deutsche Bank AG and its subsidiaries also meet the definition of related party transactions.

Loans

In the three months ended March 31, 2010 and in the year 2009 loans issued and guarantees granted to related parties developed as follows.

in € m.	Associated companies and other related parties	
	Mar 31, 2010	Dec 31, 2009
Loans outstanding, beginning of period	**965**	**834**
Loans issued during the period	2	366
Loan repayment during the period	94	209
Changes in the group of consolidated companies[1]	(182)	(83)
Exchange rate changes/other	(1)	57
Loans outstanding, end of period[2]	**690**	**965**
Other credit risk related transactions:		
Allowance for loan losses	5	4
Provision for loan losses	–	31
Guarantees and commitments[3]	164	135

1 In 2010 some entities were fully consolidated. Therefore loans issued to these investments were eliminated on consolidation. In 2009 one entity that was accounted for using the equity method was sold.
2 Loans past due were nil as of March 31, 2010, and totaled € 15 million as of December 31, 2009. Loans included loans to joint ventures of € 2 million and € 4 million as of March 31, 2010 and December 31, 2009, respectively.
3 Includes financial and performance guarantees, standby letters of credit, indemnity agreements and irrevocable lending-related commitments.

Deposits

in € m.	Associated companies and other related parties	
	Mar 31, 2010	Dec 31, 2009
Deposits outstanding, beginning of period	**367**	**246**
Deposits received during the period	43	287
Deposits repaid during the period	45	161
Changes in the group of consolidated companies[1]	(115)	(6)
Exchange rate changes/other	1	1
Deposits outstanding, end of period[2]	**251**	**367**

1 In 2010 some entities were fully consolidated. Therefore deposits received from these investments were eliminated on consolidation. In 2009 one entity that was accounted for using the equity method was sold.
2 The above deposits were made in the ordinary course of business. Deposits included also € 0.5 million and € 0.4 million deposits from joint ventures as of March 31, 2010 and December 31, 2009, respectively.

As of March 31, 2010, positive and negative market values from derivative financial transactions with associated companies amounted to € 4.3 billion and € 3.6 billion, respectively. As of December 31, 2009, positive and negative market values of above mentioned transactions amounted to € 3.7 billion and € 3.0 billion, respectively.

Business Relationships with Deutsche Postbank AG

In 2009, the Group acquired an interest in Deutsche Postbank AG and entered into a cooperation agreement with Postbank. The cooperation agreement encompasses financing and investment products, business banking and commercial loans as well as customer-oriented services. The agreement also covers sourcing and IT-infrastructure.

Transactions with Pension Plans

The Group has business relationships with a number of its pension plans pursuant to which it provides financial services to these plans, including investment management. Pension funds may hold or trade Deutsche Bank shares or securities. As of March 31, 2010, transactions with these plans were not material for the Group.

Significant Transactions

Sal. Oppenheim. On March 15, 2010, Deutsche Bank AG ("Deutsche Bank") closed the acquisition of 100 % of the voting equity interests of the Sal. Oppenheim Group for a total purchase price of approximately € 1.3 billion paid in cash, of which approximately € 0.3 billion was for BHF Asset Servicing GmbH ("BAS"), which is being on-sold and treated as a separate transaction apart from the remaining Sal. Oppenheim Group. The acquisition is part of the framework agreement reached in the fourth quarter 2009 with the previous shareholders of Luxembourg-based holding company Sal. Oppenheim jr. & Cie. S.C.A. ("Sal. Oppenheim S.C.A."), who have the option of acquiring a long-term shareholding of up to 20 % in the German subsidiary Sal. Oppenheim jr. & Cie. KGaA. As of the reporting date, the fair value of the option is zero. The acquisition enables Deutsche Bank to strengthen its Asset and Wealth Management activities in Europe and especially in Germany.

As a result of the acquisition, the Group obtained control over Sal. Oppenheim S.C.A., which subsequently became a wholly-owned subsidiary of Deutsche Bank. All Sal. Oppenheim Group operations, including all of its asset management activities, the investment bank, BHF-Bank Group ("BHF-Bank"), BAS and the private equity fund of funds business managed in the separate holding Sal. Oppenheim Private Equity Partners S.A. were transferred to Deutsche Bank. All of the Sal. Oppenheim Group businesses acquired were integrated into the Group's Asset and Wealth Management Corporate Division, except that BAS and BHF-Bank became part of the Group's Corporate Investments Group Division. As all significant legal and regulatory approvals had been obtained by January 29, 2010, the date of acquisition was set for that date and, accordingly, the Group commenced consolidation of Sal. Oppenheim in the first quarter 2010.

Over the course of the year 2010, Sal. Oppenheim will discontinue its investment banking activities. The Equity Trading & Derivatives and Capital Markets Sales units were acquired by Australia's Macquarie Group in the second quarter 2010. BHF-Bank will be managed as a stand-alone unit while Deutsche Bank will examine various strategic options with BHF-Bank. The agreed sale of BAS to Bank of New York Mellon is expected to close in the third quarter 2010. As of March 31, 2010, BAS and the sold investment banking activities are accounted for as held for sale. Also, as a part of the Sal. Oppenheim Group transaction, the Group acquired Services Généraux de Gestion S.A. and its subsidiaries, which were on-sold in the first quarter 2010.

The acquisition-date fair value of the total consideration transferred for the Sal. Oppenheim Group and BAS is currently expected to be approximately € 1.3 billion. However, further agreements have been reached with the previous owners of Sal. Oppenheim S.C.A. that could lead to an increase of the purchase price by approximately up to € 0.5 billion contingent upon the future performance of specific risk positions (legal and credit risk) which could materialize through 2015. As of the reporting date, the fair value estimate of the contingent consideration is zero. With fair values determined provisionally for identifiable assets acquired and liabilities assumed, the acquisition resulted in the recognition of goodwill and other intangible assets of approximately € 0.9 billion and € 0.2 billion, respectively. The allocation of the purchase price and the determination of the net fair value of identifiable assets, liabilities and contingent liabilities for the Sal. Oppenheim Group as of the acquisition date is not yet finalized.

Goodwill arising from the acquisition largely consists of synergies expected by combining the relevant operations in the asset and wealth management areas as well as an increased market presence in these businesses in Germany, Luxembourg, Switzerland and Austria. The goodwill is not expected to be deductible for tax purposes. Other intangible assets recognized mainly represent software, customer relationships and trade names. As part of the purchase price allocation, Deutsche Bank recognized a contingent liability of € 0.4 billion for the risks inherent in certain businesses acquired from Sal. Oppenheim. It is expected that the liability will be settled over the next five years. Deutsche Bank continues to analyze the risks and the potential timing of outflows.

Following the acquisition but on the date of closing, Deutsche Bank made a capital injection of € 195 million to the new subsidiary Sal. Oppenheim S.C.A. This amount does not form part of the purchase consideration and accordingly is not included in the aforementioned goodwill calculation.

Acquisition-related costs recognized in the reporting period amounted to € 8 million and are included in general and administrative expenses in the Group's income statement.

Since the acquisition, Sal. Oppenheim contributed net revenues and a pre-tax loss of € 148 million and € 38 million, respectively, to the Group's income statement.

Sal. Oppenheim's independent wealth management activities will be expanded under the well-established brand name of the traditional private bank, while preserving its unique private bank character. The integrated asset management concept for private and institutional clients is to be retained. With this transaction, the Group strengthens its position among high-net-worth private clients, family offices and trusts, especially in Germany.

As the initial acquisition accounting for the business combination is not yet completed, certain disclosures have not yet been made. This includes information on acquired loan receivables and pro-forma revenue and profit or loss information as from the beginning of the reporting period.

Assets Held for Sale

As of March 31, 2010, the Group classified its subsidiary BHF Asset Servicing GmbH allocated to the Group Division Corporate Investments (CI) as held for sale. The purchase of this subsidiary was treated as a separate transaction apart from the acquisition of the Sal. Oppenheim Group in the first quarter 2010. The sale contract has been signed and the closing of this transaction is expected in the third quarter 2010.

The Group also decided to sell Sal. Oppenheim's Equity Trading & Derivatives and Capital Markets Sales units which were allocated to the Corporate Division Asset and Wealth Management (AWM). This transaction was closed in April 2010.

As of March 31, 2010, the Group also classified several disposal groups, three investments in associates, a loan and several real estate assets allocated to the Corporate Division Corporate Banking & Securities (CB&S) as held for sale. These items were already held for sale as of December 31, 2009 and are expected to be sold in 2010.

The Group reported the non-current assets and disposal groups classified as held for sale in other assets and other liabilities and valued them at the lower of their carrying amount and fair value less costs to sell which did not result in any impairment loss. Financial instruments included in disposal groups were measured following the general provisions of IAS 39.

Total assets held for sale amounted to € 4.3 billion and total liabilities held for sale amounted to € 4.2 billion as of March 31, 2010.

As a part of the Sal. Oppenheim Group acquisition, the Group acquired Services Généraux de Gestion S.A. and its subsidiaries, which were allocated to AWM. These disposal groups also met the criteria to be classified as held for sale on acquisition. This transaction was closed in March 2010.

Events after the Reporting Date

ABN AMRO. Following the signing of a definitive agreement with ABN AMRO Bank N.V. ("ABN AMRO") in December 2009 to fully acquire parts of ABN AMRO's corporate and commercial banking activities in the Netherlands, Deutsche Bank AG ("Deutsche Bank") announced on April 1, 2010 the completion of the acquisition for € 700 million in cash. The closing followed the approval by the European Commission and other regulatory bodies. As of the closing date, Deutsche Bank obtained control over the acquired businesses and accordingly will consolidate them.

The acquisition encompasses the following businesses:

– two corporate client units in Amsterdam and Eindhoven, serving large corporate clients,

– 13 commercial branches that serve small and medium-sized enterprises,

– Rotterdam-based bank Hollandsche Bank Unie N.V. (HBU),

– IFN Finance B.V., the Dutch part of ABN AMRO's factoring unit IFN Group.

The corporate client units, the 13 branches and HBU were renamed as Deutsche Bank Nederland N.V. immediately after the acquisition. Both, Deutsche Bank Nederland N.V. and IFN Finance B.V., have become direct subsidiaries of Deutsche Bank. The acquired businesses, which serve over 34,000 clients and employ 1,300 people, will use the Deutsche Bank brand name and become part of the Group's GTB corporate division.

Under the terms and conditions of the acquisition, ABN AMRO will provide initial credit risk coverage for the acquired portfolio (excluding IFN Finance B.V.). The coverage is also expected to provide regulatory capital relief. As the initial accounting for the business combination is not completed, disclosures on the fair values for identifiable assets acquired and liabilities assumed as of the acquisition date could not yet be made.

Review Report

To Deutsche Bank Aktiengesellschaft, Frankfurt am Main

We have reviewed the condensed interim consolidated financial statements of the Deutsche Bank Aktiengesellschaft, Frankfurt am Main – comprising the balance sheet, statement of income, statement of recognized income and expense, statement of changes in equity, statement of cash flows and selected explanatory notes – together with the interim group management report of the Deutsche Bank Aktiengesellschaft, for the period from January 1 to March 31, 2010 that are part of the quarterly financial report according to Section 37x Par. 3 WpHG (German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU and in accordance with the IFRS for interim financial reporting as issued by the International Accounting Standards Board (IASB), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of Deutsche Bank Aktiengesellschaft's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and in accordance with the IFRS for interim financial reporting as issued by the IASB, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and in accordance with the IFRS for interim financial reporting as issued by the IASB, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

KPMG AG
Wirtschaftsprüfungsgesellschaft

Frankfurt am Main (Germany), April 26, 2010

Becker	Bose
Wirtschaftsprüfer	Wirtschaftsprüfer

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Consolidated Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ended December 31, 2009 (audited)

Consolidated Statement of Income

in € m.	[Notes]	2009	2008	2007
Interest and similar income	[5]	26,953	54,549	64,675
Interest expense	[5]	14,494	42,096	55,826
Net interest income	**[5]**	**12,459**	**12,453**	**8,849**
Provision for credit losses	[18]	2,630	1,076	612
Net interest income after provision for credit losses		**9,829**	**11,377**	**8,237**
Commissions and fee income	[6]	8,911	9,741	12,282
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	[5]	7,109	(9,992)	7,175
Net gains (losses) on financial assets available for sale	[7]	(403)	666	793
Net income (loss) from equity method investments	[16]	59	46	353
Other income (loss)	[8]	(183)	699	1,377
Total noninterest income		**15,493**	**1,160**	**21,980**
Compensation and benefits	[31], [32]	11,310	9,606	13,122
General and administrative expenses	[9]	8,402	8,339	8,038
Policyholder benefits and claims	[39]	542	(252)	193
Impairment of intangible assets	[23]	(134)	585	128
Restructuring activities	[27]	–	–	(13)
Total noninterest expenses		**20,120**	**18,278**	**21,468**
Income (loss) before income taxes		**5,202**	**(5,741)**	**8,749**
Income tax expense (benefit)	[33]	244	(1,845)	2,239
Net income (loss)		**4,958**	**(3,896)**	**6,510**
Net income (loss) attributable to minority interest		(15)	(61)	36
Net income (loss) attributable to Deutsche Bank shareholders		4,973	(3,835)	6,474

Earnings per common share

in €	**[Notes]**	**2009**	**2008**	**2007**
Earnings per common share:	**[10]**			
Basic		€ 7.92	€ (7.61)	€13.65
Diluted[1]		€ 7.59	€ (7.61)	€13.05
Number of shares in million:				
Denominator for basic earnings per share –weighted-average shares outstanding		628.1	504.1	474.2
Denominator for diluted earnings per share –adjusted weighted-average shares after assumed conversions		655.4	504.2	496.1

1 Includes numerator effect of assumed conversions. For further detail please see Note [10].

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Recognized Income and Expense

in € m.	2009	2008	2007
Net income (loss) recognized in the income statement	**4,958**	**(3,896)**	**6,510**
Actuarial gains (losses) related to defined benefit plans, net of tax[1]	**(679)**	**(1)**	**486**
Net gains (losses) not recognized in the income statement, net of tax			
Unrealized net gains (losses) on financial assets available for sale:[2]			
Unrealized net gains (losses) arising during the period, before tax	523	(4,516)	1,031
Net (gains) losses reclassified to profit or loss, before tax	556	(666)	(793)
Unrealized net gains (losses) on derivatives hedging variability of cash flows:[2]			
Unrealized net gains (losses) arising during the period, before tax	118	(263)	(19)
Net (gains) losses reclassified to profit or loss, before tax	6	2	13
Foreign currency translation: [2]			
Unrealized net gains (losses) arising during the period, before tax	40	(1,144)	(1,772)
Net (gains) losses reclassified to profit or loss, before tax	11	(3)	(5)
Unrealized net gains (losses) from equity method investments[2]	85	(15)	(20)
Tax on net gains (losses) not recognized in the income statement	(254)	731	215
Total net gains (losses) not recognized in the income statement, net of tax	**1,085**[3]	**(5,874)**[4]	**(1,350)**[5]
Total recognized income and expense	**5,364**	**(9,771)**	**5,646**
Attributable to:			
Minority interest	(1)	(37)	4
Deutsche Bank shareholders	5,365	(9,734)	5,642

1 Due to a change in accounting policy, actuarial gains (losses) related to defined benefit plans were recognized directly in retained earnings with prior periods adjusted in accordance with Note [1]. Included in these amounts are deferred taxes of € 113 million, € 1 million and € (192) million for the years 2009, 2008 and 2007, respectively.

2 The unrealized net gains (losses) from equity method investments are disclosed separately starting December 31, 2009. These amounts were included in the other categories of unrealized net gains (losses) not recognized in the income statement in prior periods.

3 Represents the change in the balance sheet in net gains (losses) not recognized in the income statement (net of tax) between December 31, 2008 of € (4,851) million and December 31, 2009 of € (3,780) million, adjusted for changes in minority interest attributable to these components of € 14 million.

4 Represents the change in the balance sheet in net gains (losses) not recognized in the income statement (net of tax) between December 31, 2007 of € 1,047 million and December 31, 2008 of € (4,851) million, adjusted for changes in minority interest attributable to these components of € 24 million.

5 Represents the change in the balance sheet in net gains (losses) not recognized in the income statement (net of tax) between December 31, 2006 of € 2,365 million and December 31, 2007 of € 1,047 million, adjusted for changes in minority interest attributable to these components of € (32) million.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Balance Sheet

in € m.	[Notes]	Dec 31, 2009	Dec 31, 2008
Assets:			
Cash and due from banks		9,346	9,826
Interest-earning deposits with banks		47,233	64,739
Central bank funds sold and securities purchased under resale agreements	[19], [20]	6,820	9,267
Securities borrowed	[19], [20]	43,509	35,022
Financial assets at fair value through profit or loss			
Trading assets		234,910	247,462
Positive market values from derivative financial instruments		596,410	1,224,493
Financial assets designated at fair value through profit or loss		134,000	151,856
Total financial assets at fair value through profit or loss of which € 79 billion and € 69 billion were pledged to creditors and can be sold or repledged at December 31, 2009, and 2008, respectively	[11], [13], [20], [35]	965,320	1,623,811
Financial assets available for sale of which € 492 million and € 464 million were pledged to creditors and can be sold or repledged at December 31, 2009, and 2008, respectively	[15], [19], [20]	18,819	24,835
Equity method investments	[16]	7,788	2,242
Loans	[17], [18]	258,105	269,281
Property and equipment	[21]	2,777	3,712
Goodwill and other intangible assets	[23]	10,169	9,877
Other assets	[24], [25]	121,538	137,829
Assets for current tax	[33]	2,090	3,512
Deferred tax assets	[33]	7,150	8,470
Total assets		**1,500,664**	**2,202,423**
Liabilities and equity:			
Deposits	[26]	344,220	395,553
Central bank funds purchased and securities sold under repurchase agreements	[19], [20]	45,495	87,117
Securities loaned	[19], [20]	5,564	3,216
Financial liabilities at fair value through profit or loss	[11], [13], [35]		
Trading liabilities		64,501	68,168
Negative market values from derivative financial instruments		576,973	1,181,617
Financial liabilities designated at fair value through profit or loss		73,522	78,003
Investment contract liabilities		7,278	5,977
Total financial liabilities at fair value through profit or loss		722,274	1,333,765
Other short-term borrowings	[28]	42,897	39,115
Other liabilities	[24], [25]	154,281	160,598
Provisions	[18], [27]	1,307	1,418
Liabilities for current tax	[33]	2,141	2,354
Deferred tax liabilities	[33]	2,157	3,784
Long-term debt	[29]	131,782	133,856
Trust preferred securities	[29]	10,577	9,729
Obligation to purchase common shares		–	4
Total liabilities		**1,462,695**	**2,170,509**
Common shares, no par value, nominal value of € 2.56	[30]	1,589	1,461
Additional paid-in capital		14,830	14,961
Retained earnings		24,056	20,074
Common shares in treasury, at cost	[30]	(48)	(939)
Equity classified as obligation to purchase common shares		–	(3)
Net gains (losses) not recognized in the income statement, net of tax		(3,780)	(4,851)
Total shareholders' equity		**36,647**	**30,703**
Minority interest		1,322	1,211
Total equity		**37,969**	**31,914**
Total liabilities and equity		**1,500,664**	**2,202,423**

The accompanying notes are an integral part of the Consolidated Financial Statements.

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Consolidated Statement of Changes in Equity

in € m.	Common shares (no par value)	Additional paid-in capital	Retained earnings[1]	Common shares in treasury, at cost	Equity classified as obligation to purchase common shares
Balance as of December 31, 2006	**1,343**	**15,246**	**20,900**	**(2,378)**	**(4,307)**
Total recognized income and expense[2]	–	–	6,474	–	–
Common shares issued	–	–	–	–	–
Cash dividends paid	–	–	(2,005)	–	–
Dividend related to equity classified as obligation to purchase common shares	–	–	277	–	–
Actuarial gains (losses) related to defined benefit plans, net of tax	–	–	486	–	–
Net change in share awards	–	122	–	–	–
Treasury shares distributed under share-based compensation plans	–	–	–	1,010	–
Tax benefits related to share-based compensation plans	–	(44)	–	–	–
Amendment of derivative instruments indexed to Deutsche Bank common shares	–	–	–	–	–
Common shares issued under share-based compensation plans	15	377	–	–	–
Additions to Equity classified as obligation to purchase common shares	–	–	–	–	(1,292)
Deductions from Equity classified as obligation to purchase common shares	–	–	–	–	2,047
Option premiums and other effects from options on common shares	–	76	3	–	–
Purchases of treasury shares	–	–	–	(41,128)	–
Sale of treasury shares	–	–	–	39,677	–
Net gains (losses) on treasury shares sold	–	28	–	–	–
Other	–	3	(84)	–	–
Balance as of December 31, 2007	**1,358**	**15,808**	**26,051**	**(2,819)**	**(3,552)**
Total recognized income and expense[2]	–	–	(3,835)	–	–
Common shares issued	102	2,098	–	–	–
Cash dividends paid	–	–	(2,274)	–	–
Dividend related to equity classified as obligation to purchase common shares	–	–	226	–	–
Actuarial gains (losses) related to defined benefit plans, net of tax	–	–	(1)	–	–
Net change in share awards	–	225	–	–	–
Treasury shares distributed under share-based compensation plans	–	–	–	1,072	–
Tax benefits related to share-based compensation plans	–	(136)	–	–	–
Amendment of derivative instruments indexed to Deutsche Bank common shares	–	(1,815)	–	–	2,690
Common shares issued under share-based compensation plans	1	17	–	–	–
Additions to Equity classified as obligation to purchase common shares	–	–	–	–	(366)
Deductions from Equity classified as obligation to purchase common shares	–	–	–	–	1,225
Option premiums and other effects from options on common shares	–	3	(4)	–	–
Purchases of treasury shares	–	–	–	(21,736)	–
Sale of treasury shares	–	–	–	22,544	–
Net gains (losses) on treasury shares sold	–	(1,191)	–	–	–
Other	–	(48)	(89)	–	–
Balance as of December 31, 2008	**1,461**	**14,961**	**20,074**	**(939)**	**(3)**
Total recognized income and expense[2]	–	–	4,973	–	–
Common shares issued	128	830	–	–	–
Cash dividends paid	–	–	(309)	–	–
Dividend related to equity classified as obligation to purchase common shares	–	–	–	–	–
Actuarial gains (losses) related to defined benefit plans, net of tax	–	–	(679)	–	–
Net change in share awards	–	(688)	–	–	–
Treasury shares distributed under share-based compensation plans	–	–	–	1,313	–
Tax benefits related to share-based compensation plans	–	35	–	–	–
Amendment of derivative instruments indexed to Deutsche Bank common shares	–	–	–	–	–
Common shares issued under share-based compensation plans	–	–	–	–	–
Additions to Equity classified as obligation to purchase common shares	–	–	–	–	(5)
Deductions from Equity classified as obligation to purchase common shares	–	–	–	–	8
Option premiums and other effects from options on common shares	–	(149)	–	–	–
Purchases of treasury shares	–	–	–	(19,238)	–
Sale of treasury shares	–	–	–	18,816	–
Net gains (losses) on treasury shares sold	–	(177)	–	–	–
Other	–	18	(3)	–	–
Balance as of December 31, 2009	**1,589**	**14,830**	**24,056**	**(48)**	**–**

1 The balances as of December 31, 2006 and December 31, 2007 were increased by € 449 million and € 935 million, respectively, for a change in accounting policy and other adjustments in accordance with Note [1].
2 Excluding actuarial gains (losses) related to defined benefit plans, net of tax.
3 The unrealized net gains (losses) from equity method investments are disclosed separately starting December 31, 2009. These amounts were included in the other categories of unrealized net gains (losses) not recognized in the income statement in prior periods.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Unrealized net gains (losses) on financial assets available for sale, net of applicable tax and other[3]	Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax[3]	Foreign currency translation, net of tax[3, 4]	Unrealized net gains (losses) from equity method investments[3]	Total net gains (losses) not recognized in the income statement, net of tax[4]	Total shareholders' equity	Minority interest	Total equity
3,194	**(45)**	**(800)**	**16**	**2,365**	**33,169**	**717**	**33,886**
435	(7)	(1,724)	(22)	(1,318)	**5,156**	4	**5,160**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**(2,005)**	–	**(2,005)**
–	–	–	–	–	**277**	–	**277**
–	–	–	–	–	**486**	–	**486**
–	–	–	–	–	**122**	–	**122**
–	–	–	–	–	**1,010**	–	**1,010**
–	–	–	–	–	**(44)**	–	**(44)**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**392**	–	**392**
–	–	–	–	–	**(1,292)**	–	**(1,292)**
–	–	–	–	–	**2,047**	–	**2,047**
–	–	–	–	–	**79**	–	**79**
–	–	–	–	–	**(41,128)**	–	**(41,128)**
–	–	–	–	–	**39,677**	–	**39,677**
–	–	–	–	–	**28**	–	**28**
–	–	–	–	–	**(81)**	701	**620**
3,629	**(52)**	**(2,524)**	**(6)**	**1,047**	**37,893**	**1,422**	**39,315**
(4,484)	(294)	(1,104)	(16)	(5,898)	**(9,733)**	(37)	**(9,770)**
–	–	–	–	–	**2,200**	–	**2,200**
–	–	–	–	–	**(2,274)**	–	**(2,274)**
–	–	–	–	–	**226**	–	**226**
–	–	–	–	–	**(1)**	–	**(1)**
–	–	–	–	–	**225**	–	**225**
–	–	–	–	–	**1,072**	–	**1,072**
–	–	–	–	–	**(136)**	–	**(136)**
–	–	–	–	–	**875**	–	**875**
–	–	–	–	–	**18**	–	**18**
–	–	–	–	–	**(366)**	–	**(366)**
–	–	–	–	–	**1,225**	–	**1,225**
–	–	–	–	–	**(1)**	–	**(1)**
–	–	–	–	–	**(21,736)**	–	**(21,736)**
–	–	–	–	–	**22,544**	–	**22,544**
–	–	–	–	–	**(1,191)**	–	**(1,191)**
–	–	–	–	–	**(137)**	(174)	**(311)**
(855)	**(346)**	**(3,628)**	**(22)**	**(4,851)**	**30,703**	**1,211**	**31,914**
669	212	107	83	1,071	**6,044**	(1)	**6,043**
–	–	–	–	–	**958**	–	**958**
–	–	–	–	–	**(309)**	–	**(309)**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**(679)**	–	**(679)**
–	–	–	–	–	**(688)**	–	**(688)**
–	–	–	–	–	**1,313**	–	**1,313**
–	–	–	–	–	**35**	–	**35**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**–**	–	**–**
–	–	–	–	–	**(5)**	–	**(5)**
–	–	–	–	–	**8**	–	**8**
–	–	–	–	–	**(149)**	–	**(149)**
–	–	–	–	–	**(19,238)**	–	**(19,238)**
–	–	–	–	–	**18,816**	–	**18,816**
–	–	–	–	–	**(177)**	–	**(177)**
–	–	–	–	–	**15**	112	**127**
(186)	**(134)**	**(3,521)**	**61**	**(3,780)**	**36,647**	**1,322**	**37,969**

4 The balances as of December 31, 2006 and December 31, 2007 were reduced by € 38 million and € 86 million, respectively, for a change in accounting policy and other adjustments in accordance with Note [1].

Consolidated Statement of Cash Flows

in € m.	2009	2008	2007
Net income (loss)	**4,958**	**(3,896)**	**6,510**
Cash flows from operating activities:			
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Provision for credit losses	2,630	1,076	612
Restructuring activities	–	–	(13)
Gain on sale of financial assets available for sale, equity method investments, and other	(656)	(1,732)	(1,907)
Deferred income taxes, net	(296)	(1,525)	(918)
Impairment, depreciation and other amortization, and accretion	1,782	3,047	1,731
Share of net income from equity method investments	(189)	(53)	(358)
Income (loss) adjusted for noncash charges, credits and other items	**8,229**	**(3,083)**	**5,657**
Adjustments for net change in operating assets and liabilities:			
Interest-earning time deposits with banks	4,583	(3,964)	7,588
Central bank funds sold, securities purchased under resale agreements, securities borrowed	(4,203)	24,363	5,146
Trading assets and positive market values from derivative financial instruments	726,237	(472,203)	(270,948)
Financial assets designated at fair value through profit or loss	24,890	169,423	(75,775)
Loans	17,213	(37,981)	(22,185)
Other assets	21,960	38,573	(42,674)
Deposits	(57,330)	(56,918)	47,464
Trading liabilities and negative market values from derivative financial instruments	(686,214)	655,218	173,830
Financial liabilities designated at fair value through profit or loss and investment contract liabilities	(7,061)	(159,613)	70,232
Central bank funds purchased, securities sold under repurchase agreements, securities loaned	(40,644)	(97,009)	69,072
Other short-term borrowings	2,592	(14,216)	6,531
Other liabilities	(15,645)	(15,482)	21,133
Senior long-term debt	(7,150)	12,769	22,935
Other, net	(1,243)	(2,760)	(1,216)
Net cash provided by (used in) operating activities	**(13,786)**	**37,117**	**16,790**
Cash flows from investing activities:			
Proceeds from:			
Sale of financial assets available for sale	9,023	19,433	12,470
Maturities of financial assets available for sale	8,938	18,713	8,179
Sale of equity method investments	574	680	1,331
Sale of property and equipment	39	107	987
Purchase of:			
Financial assets available for sale	(12,082)	(37,819)	(25,230)
Equity method investments	(3,730)	(881)	(1,265)
Property and equipment	(592)	(939)	(675)
Net cash paid for business combinations/divestitures	(20)	(24)	(648)
Other, net	(1,749)	(39)	463
Net cash provided by (used in) investing activities	**401**	**(769)**	**(4,388)**
Cash flows from financing activities:			
Issuances of subordinated long-term debt	457	523	429
Repayments and extinguishments of subordinated long-term debt	(1,448)	(659)	(2,809)
Issuances of trust preferred securities	1,303	3,404	1,874
Repayments and extinguishments of trust preferred securities	–	–	(420)
Common shares issued under share-based compensation plans	–	19	389
Capital increase	–	2,200	–
Purchases of treasury shares	(19,238)	(21,736)	(41,128)
Sale of treasury shares	18,111	21,426	39,729
Dividends paid to minority interests	(5)	(14)	(13)
Net change in minority interests	109	331	585
Cash dividends paid	(309)	(2,274)	(2,005)
Net cash provided by (used in) financing activities	**(1,020)**	**3,220**	**(3,369)**
Net effect of exchange rate changes on cash and cash equivalents	**690**	**(402)**	**(289)**
Net increase (decrease) in cash and cash equivalents	(13,715)	39,166	8,744
Cash and cash equivalents at beginning of period	65,264	26,098	17,354
Cash and cash equivalents at end of period	51,549	65,264	26,098
Net cash provided by (used in) operating activities include			
Income taxes paid (received), net	(520)	(2,495)	2,806
Interest paid	15,878	43,724	55,066
Interest and dividends received	28,211	54,549	64,675
Cash and cash equivalents comprise			
Cash and due from banks	9,346	9,826	8,632
Interest-earning demand deposits with banks (not included: time deposits of € 5,030 m. as of December 31, 2009, and € 9,301 m. and € 4,149 m. as of December 31, 2008 and 2007)	42,203	55,438	17,466
Total	**51,549**	**65,264**	**26,098**

The acquisition of Deutsche Postbank AG shares in 2009, including the non-cash portion, is described in detail in Note [16].

The accompanying notes are an integral part of the Consolidated Financial Statements.

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[1] Significant Accounting Policies

Basis of Accounting

Deutsche Bank Aktiengesellschaft ("Deutsche Bank" or the "Parent") is a stock corporation organized under the laws of the Federal Republic of Germany. Deutsche Bank together with all entities in which Deutsche Bank has a controlling financial interest (the "Group") is a global provider of a full range of corporate and investment banking, private clients and asset management products and services. For a discussion of the Group's business segment information, see Note [4].

The accompanying consolidated financial statements are stated in euros, the presentation currency of the Group. All financial information presented in million euros has been rounded to the nearest million. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU"). The Group's application of IFRS results in no differences between IFRS as issued by the IASB and IFRS as endorsed by the EU. In accordance with IFRS 4, "Insurance Contracts", the Group has applied its previous accounting practices (U.S. GAAP) for the measurement of insurance contracts.

Risk disclosures under IFRS 7, "Financial Instruments: Disclosures" about the nature and extent of risks arising from financial instruments are incorporated herein by reference to the portions marked by a bracket in the margins of the Risk Report.

The preparation of financial statements under IFRS requires management to make estimates and assumptions for certain categories of assets and liabilities. Areas where this is required include the fair value of certain financial assets and liabilities, the allowance for loan losses, the impairment of assets other than loans, goodwill and other intangibles, the recognition and measurement of deferred tax assets, provisions for uncertain income tax positions, legal and regulatory contingencies, reserves for insurance and investment contracts, reserves for pensions and similar obligations. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates. Refer to Note [2] for a description of the critical accounting estimates and judgments used in the preparation of the financial statements.

The Group applies estimates in determining the allowance for loan losses in its homogeneous loan portfolio which use statistical models based on historical experience. On a regular basis the Group performs procedures to align input parameters and model assumptions with historically evidenced loss levels which led to a lower level of provisions for credit losses of € 145.8 million for the 2009 reporting period.

In preparation of the 2009 and 2008 financial statements, the Group made a number of minor adjustments, with immaterial effect, to prior year footnote disclosures. The Group has assessed the impact of errors on current and prior periods and concluded that the following described adjustments are required to comparative amounts or the earliest opening balance sheet. The Group also voluntarily elected to change its accounting policy for the recognition of actuarial gains and losses related to post-employment benefits.

in € m.	Balance (as reported)	Change in accounting policy: Defined benefit plan accounting	LCH Offsetting	Interest	Income tax liabilities	Financial guarantees	Adjustments: Clearing and settlement fees	Balance (adjusted)
Dec 31, 2007								
Income Statement								
Interest and similar income	67,706			(3,031)				64,675
Interest expense	58,857			(3,031)				55,826
Commissions and fee income	12,289					91	(7)	12,282
Other income	1,286							1,377
General and administrative expenses	7,954					91	(7)	8,037
Balance Sheet								
Assets:								
Financial assets at fair value through profit or loss	1,474,103		(96,092)					1,378,011
Deferred tax assets	4,772	5						4,777
Other assets	182,897	741						183,638
Liabilities:								
Financial liabilities at fair value through profit or loss	966,177		(96,092)					870,085
Other liabilities	171,509	(65)						171,444
Liabilities for current tax	4,515				(294)			4,221
Deferred tax liabilities	2,124	256						2,380
Equity:								
Retained earnings	25,116	570			365			26,051
Net gains (losses) not recognized in the income statement:								
Foreign currency translation, net of tax	(2,450)	(15)			(71)			(2,536)
2008								
Commissions and fee income	9,749						(8)	9,741
Other income	568					131		699
General and administrative expenses	8,216					131	(8)	8,339

Employee Benefits: Defined Benefit Accounting

In the fourth quarter 2008, the Group changed its accounting policy for the recognition of actuarial gains and losses related to post-employment benefits for defined benefit plans. The Group has elected to voluntarily change its accounting policy from the corridor approach to immediate recognition of actuarial gains and losses in shareholders' equity in the period in which they arise. In accordance with IFRS, the change was applied retrospectively. The change in accounting policy is considered to provide more relevant information about the Group's financial position, as it recognizes economic events in the period in which they occur. The retrospective adjustments had an impact on the consolidated balance sheet and the consolidated statement of recognized income and expense but not on the consolidated statement of income or consolidated cash flow statement.

Offsetting

In the second quarter 2008, the Group concluded that it meets the criteria required to offset the positive and negative market values of OTC interest rate swaps transacted with the London Clearing House ("LCH"). Under IFRS, positions are netted by currency and across maturities. The application of offsetting had no net impact on the consolidated income statement or shareholder's equity.

The presentation of interest and similar income and interest expense was adjusted with no impact on net interest income or on shareholders' equity.

Adjustment of Current Tax Liability

In the fourth quarter 2008, the Group determined that it had continued to report tax liabilities for periods prior to 2006 which were not required. Current tax liabilities were retrospectively adjusted by the amounts in the table above, with related adjustments to opening retained earnings and opening foreign currency translation reserves where appropriate.

Financial Guarantees

In the second quarter 2009 retrospective adjustments were made in the income statement to present premiums paid for financial guarantees as expenses instead of offsetting them against revenues because they are not directly related to a revenue generating activity. The adjustment did not have any impact on net income or shareholders' equity but resulted in an increase of both noninterest income and noninterest expenses.

Significant Accounting Policies

The following is a description of the significant accounting policies of the Group. Other than as previously and otherwise described, these policies have been consistently applied for 2007, 2008 and 2009.

Principles of Consolidation

The financial information in the consolidated financial statements includes that for the parent company, Deutsche Bank AG, together with its subsidiaries, including certain special purpose entities ("SPEs"), presented as a single economic unit.

Subsidiaries

The Group's subsidiaries are those entities which it controls. The Group controls entities when it has the power to govern the financial and operating policies of the entity, generally accompanying a shareholding, either directly or indirectly, of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group controls an entity.

The Group sponsors the formation of SPEs and interacts with non-sponsored SPEs for a variety of reasons, including allowing clients to hold investments in separate legal entities, allowing clients to invest jointly in alternative assets, for asset securitization transactions, and for buying or selling credit protection. When assessing whether to consolidate an SPE, the Group evaluates a range of factors, including whether (1) the activities of the SPE are being conducted on behalf of the Group according to its specific business needs so that the Group obtains the benefits from the SPE's operations, (2) the Group has decision-making powers to obtain the majority of the benefits, (3) the Group obtains the majority of the benefits of the activities of the SPE, or (4) the Group retains the majority of the residual ownership risks related to the assets in order to obtain the benefits from its activities. The Group consolidates an SPE if an assessment of the relevant factors indicates that it controls the SPE.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The Group reassesses consolidation status at least at every quarterly reporting date. Therefore, any changes in structure are considered when they occur. This includes changes to any contractual arrangements the Group has, including those newly executed with the entity, and is not only limited to changes in ownership.

The Group reassesses its treatment of SPEs for consolidation when there is an overall change in the SPE's arrangements or when there has been a substantive change in the relationship between the Group and an SPE. The circumstances that would indicate that a reassessment for consolidation is necessary include, but are not limited to, the following:

- substantive changes in ownership of the SPE, such as the purchase of more than an insignificant additional interest or disposal of more than an insignificant interest in the SPE;
- changes in contractual or governance arrangements of the SPE;
- additional activities undertaken in the structure, such as providing a liquidity facility beyond the terms established originally or entering into a transaction with an SPE that was not contemplated originally; and
- changes in the financing structure of the entity.

In addition, when the Group concludes that the SPE might require additional support to continue in business, and such support was not contemplated originally, and, if required, the Group would provide such support for reputational or other reasons, the Group reassesses the need to consolidate the SPE.

The reassessment of control over the existing SPEs does not automatically lead to consolidation or deconsolidation. In making such a reassessment, the Group may need to change its assumptions with respect to loss probabilities, the likelihood of additional liquidity facilities being drawn in the future and the likelihood of future actions being taken for reputational or other purposes. All currently available information, including current market parameters and expectations (such as loss expectations on assets), which would incorporate any market changes since inception of the SPE, is used in the reassessment of consolidation conclusions.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed, plus any costs directly related to the acquisition. The excess of the cost of an acquisition over the Group's share of the fair value of the identifiable net assets acquired is recorded as goodwill. If the acquisition cost is below the fair value of the identifiable net assets (negative goodwill), a gain may be reported in other income.

All intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation. Consistent accounting policies are applied throughout the Group for the purposes of consolidation. Issuances of a subsidiary's stock to third parties are treated as minority interests.

Assets held in an agency or fiduciary capacity are not assets of the Group and are not included in the Group's consolidated balance sheet.

Minority interests are shown in the consolidated balance sheet as a separate component of equity, which is distinct from Deutsche Bank's shareholders' equity. The net income attributable to minority interests is separately disclosed on the face of the consolidated income statement.

Associates and Jointly Controlled Entities

An associate is an entity in which the Group has significant influence, but not a controlling interest, over the operating and financial management policy decisions of the entity. Significant influence is generally presumed when the Group holds between 20 % and 50 % of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence. Among the other factors that are considered in determining whether the Group has significant influence are representation on the board of directors (supervisory board in the case of German stock corporations) and material intercompany transactions. The existence of these factors could require the application of the equity method of accounting for a particular investment even though the Group's investment is for less than 20 % of the voting stock.

A jointly controlled entity exists when the Group has a contractual arrangement with one or more parties to undertake activities through entities which are subject to joint control.

Investments in associates and jointly controlled entities are accounted for under the equity method of accounting. The Group's share of the results of associates and jointly controlled entities is adjusted to conform to the accounting policies of the Group and are reported in the income statement as net income (loss) from equity method investments. Unrealized gains on transactions are eliminated to the extent of the Group's interest in the investee.

Under the equity method of accounting, the Group's investments in associates and jointly controlled entities are initially recorded at cost, and subsequently increased (or decreased) to reflect both the Group's pro-rata share of the post-acquisition net income (or loss) of the associate or jointly controlled entity and other movements included directly in the equity of the associate or jointly controlled entity. Goodwill arising on the acquisition of an associate or a jointly controlled entity is included in the carrying value of the investment (net of any accumulated impairment loss). As goodwill is not reported separately it is not specifically tested for impairment. Rather, the entire equity method investment is tested for impairment.

At each balance sheet date, the Group assesses whether there is any objective evidence that the investment in an associate or jointly controlled entity is impaired. If there is objective evidence of an impairment, an impairment test is performed by comparing the investment's recoverable amount, which is the higher of its value in use and fair value less costs to sell, with its carrying amount. An impairment loss recognized in prior periods is reversed only if there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognized. If this is the case the carrying amount of the investment is increased to its higher recoverable amount. That increase is a reversal of an impairment loss.

Equity method losses in excess of the Group's carrying value of the investment in the entity are charged against other assets held by the Group related to the investee. If those assets are written down to zero, a determination is made whether to report additional losses based on the Group's obligation to fund such losses.

Foreign Currency Translation

The consolidated financial statements are prepared in euros, which is the presentation currency of the Group. Various entities in the Group use a different functional currency, being the currency of the primary economic environment in which the entity operates.

An entity records foreign currency revenues, expenses, gains and losses in its functional currency using the exchange rates prevailing at the dates of recognition.

Monetary assets and liabilities denominated in currencies other than the entity's functional currency are translated at the period end closing rate. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in the income statement as net gains (losses) on financial assets/ liabilities at fair value through profit or loss.

Translation differences on non-monetary items classified as available for sale (for example, equity securities) are not recognized in the income statement but are included in net gains (losses) not recognized in the income statement within shareholders' equity until the sale of the asset when they are transferred to the income statement as part of the overall gain or loss on sale of the item.

For purposes of translation into the presentation currency, assets, liabilities and equity of foreign operations are translated at the period end closing rate, and items of income and expense are translated into euro at the rates prevailing on the dates of the transactions, or average rates of exchange where these approximate actual rates. The exchange differences arising on the translation of a foreign operation are included in net gains (losses) not recognized in the income statement within shareholders' equity and subsequently included in the profit or loss on disposal or partial disposal of the operation.

Interest, Fees and Commissions

Revenue is recognized when the amount of revenue and associated costs can be reliably measured, it is probable that economic benefits associated with the transaction will be realized, and the stage of completion of the transaction can be reliably measured. This concept is applied to the key-revenue generating activities of the Group as follows.

Net Interest Income – Interest from all interest-bearing assets and liabilities is recognized as net interest income using the effective interest method. The effective interest rate is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period using the estimated future cash flows. The estimated future cash flows used in this calculation include those determined by the contractual terms of the asset or liability, all fees that are considered to be integral to the effective interest rate, direct and incremental transaction costs, and all other premiums or discounts.

Once an impairment loss has been recognized on a loan or available for sale debt security financial asset, although the accrual of interest in accordance with the contractual terms of the instrument is discontinued, interest income is recognized based on the rate of interest that was used to discount future cash flows for the purpose of measuring the impairment loss. For a loan this would be the original effective interest rate, but a new effective interest rate would be established each time an available for sale debt security is impaired as impairment is measured to fair value and would be based on a current market rate.

When financial assets are reclassified from trading or available for sale to loans a new effective interest rate is established based on a best estimate of future expected cash flows.

Commission and Fee Income – The recognition of fee revenue (including commissions) is determined by the purpose for the fees and the basis of accounting for any associated financial instruments. If there is an associated financial instrument, fees that are an integral part of the effective interest rate of that financial instrument are included within the effective yield calculation. However, if the financial instrument is carried at fair value through profit or loss, any associated fees are recognized in profit or loss when the instrument is initially recognized, provided there are no significant unobservable inputs used in determining its fair value. Fees earned from services that are provided over a specified service period are recognized over that service period. Fees earned for the completion of a specific service or significant event are recognized when the service has been completed or the event has occurred.

Loan commitment fees related to commitments that are not accounted for at fair value through profit or loss are recognized in commissions and fee income over the life of the commitment if it is unlikely that the Group will enter into a specific lending arrangement. If it is probable that the Group will enter into a specific lending arrangement, the loan commitment fee is deferred until the origination of a loan and recognized as an adjustment to the loan's effective interest rate.

Performance-linked fees or fee components are recognized when the performance criteria are fulfilled.

The following fee income is predominantly earned from services that are provided over a period of time: investment fund management fees, fiduciary fees, custodian fees, portfolio and other management and advisory fees, credit-related fees and commission income. Fees predominantly earned from providing transaction-type services include underwriting fees, corporate finance fees and brokerage fees.

Arrangements involving multiple services or products – If the Group contracts to provide multiple products, services or rights to a counterparty, an evaluation is made as to whether an overall fee should be allocated to the different components of the arrangement for revenue recognition purposes. Structured trades executed by the Group are the principal example of such arrangements and are assessed on a transaction by transaction basis. The assessment considers the value of items or services delivered to ensure that the Group's continuing involvement in other aspects of the arrangement are not essential to the items delivered. It also assesses the value of items not yet delivered and, if there is a right of return on delivered items, the probability of future delivery of remaining items or services. If it is determined that it is appropriate to look at the arrangements as separate components, the amounts received are allocated based on the relative value of each component. If there is no objective and reliable evidence of the value of the delivered item or an individual item is required to be recognized at fair value then the residual method is used. The residual method calculates the amount to be recognized for the delivered component as being the amount remaining after allocating an appropriate amount of revenue to all other components.

Financial Assets and Liabilities

The Group classifies its financial assets and liabilities into the following categories: financial assets and liabilities at fair value through profit or loss, loans, financial assets available for sale ("AFS") and other financial liabilities. The Group does not classify any financial instruments under the held-to-maturity category. Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified in the balance sheet.

Financial instruments classified at fair value through profit or loss and financial assets classified as AFS are recognized on trade date, which is the date on which the Group commits to purchase or sell the asset or issue or repurchase the financial liability. All other financial instruments are recognized on a settlement date basis.

Financial Assets and Liabilities at Fair Value through Profit or Loss
The Group classifies certain financial assets and financial liabilities as either held for trading or designated at fair value through profit or loss. They are carried at fair value and presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively. Related realized and unrealized gains and losses are included in net gains (losses) on financial assets/liabilities at fair value through profit or loss. Interest on interest earning assets such as trading loans and debt securities and dividends on equity instruments are presented in interest and similar income for financial instruments at fair value through profit or loss.

Trading Assets and Liabilities – Financial instruments are classified as held for trading if they have been originated, acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or they form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial Instruments Designated at Fair Value through Profit or Loss – Certain financial assets and liabilities that do not meet the definition of trading assets and liabilities are designated at fair value through profit or loss using the fair value option. To be designated at fair value through profit or loss, financial assets and liabilities must meet one of the following criteria: (1) the designation eliminates or significantly reduces a measurement or recognition inconsistency; (2) a group of financial assets or liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy; or (3) the instrument contains one or more embedded derivatives unless: (a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or (b) it is clear with little or no analysis that separation is prohibited. In addition, the Group allows the fair value option to be designated only for those financial instruments for which a reliable estimate of fair value can be obtained.

Loan Commitments
Certain loan commitments are designated at fair value through profit or loss under the fair value option. As indicated under the discussion of 'Derivatives and Hedge Accounting', some loan commitments are classified as financial liabilities at fair value through profit or loss. All other loan commitments remain off-balance sheet. Therefore, the Group does not recognize and measure changes in fair value of these off-balance sheet loan commitments that result from changes in market interest rates or credit spreads. However, as specified in the discussion "Impairment of loans and provision for off-balance sheet positions" below, these off-balance sheet loan commitments are assessed for impairment individually and, where appropriate, collectively.

Loans
Loans include originated and purchased non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available for sale. An active market exists when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Loans are initially recognized at fair value. When the loan is issued at a market rate, fair value is represented by the cash advanced to the borrower plus the net of direct and incremental transaction costs and fees. They are subsequently measured at amortized cost using the effective interest method less impairment.

Financial Assets Classified as Available for Sale
Financial assets that are not classified as at fair value through profit or loss or as loans are classified as AFS. A financial asset classified as AFS is initially recognized at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortization of premiums and accretion of discount are recorded in net interest income. Financial assets classified as AFS are carried at fair value with the changes in fair value reported in equity, in net gains (losses) not recognized in the income statement, unless the asset is subject to a fair value hedge, in which case changes in fair value resulting from the risk being hedged are recorded in other income. For monetary financial assets classified as AFS (for example, debt instruments), changes in carrying amounts relating to changes in foreign exchange rate are recognized in the income statement and other changes in carrying amount are recognized in equity as indicated above. For financial assets classified as AFS that are not monetary items (for example, equity instruments), the gain or loss that is recognized in equity includes any related foreign exchange component.

Financial assets classified as AFS are assessed for impairment as discussed in the section of this Note "Impairment of financial assets classified as Available for Sale". Realized gains and losses are reported in net gains (losses) on financial assets available for sale. Generally, the weighted-average cost method is used to determine the cost of financial assets. Gains and losses recorded in equity are transferred to the income

statement on disposal of an available for sale asset and reported in net gains (losses) on financial assets available for sale.

Financial Liabilities

Except for financial liabilities at fair value through profit or loss, financial liabilities are measured at amortized cost using the effective interest rate method.

Financial liabilities include long-term and short-term debt issued which are initially measured at fair value, which is the consideration received, net of transaction costs incurred. Repurchases of issued debt in the market are treated as extinguishments and any related gain or loss is recorded in the consolidated statement of income. A subsequent sale of own bonds in the market is treated as a reissuance of debt.

Reclassification of Financial Assets

The Group may reclassify certain financial assets out of the financial assets at fair value through profit or loss classification (trading assets) and the available for sale classification into the loans classification. For assets to be reclassified there must be a clear change in management intent with respect to the assets since initial recognition and the financial asset must meet the definition of a loan at the reclassification date. Additionally, there must be an intent and ability to hold the asset for the foreseeable future at the reclassification date. There is no single specific period that defines foreseeable future. Rather, it is a matter requiring management judgment. In exercising this judgment, the Group established the following minimum guideline for what constitutes foreseeable future. At the time of reclassification, there must be:

- no intent to dispose of the asset through sale or securitization within one year and no internal or external requirement that would restrict the Group's ability to hold or require sale; and
- the business plan going forward should not be to profit from short-term movements in price.

Financial assets proposed for reclassification which meet these criteria are considered based on the facts and circumstances of each financial asset under consideration. A positive management assertion is required after taking into account the ability and plausibility to execute the strategy to hold.

In addition to the above criteria the Group also requires that persuasive evidence exists to assert that the expected repayment of the asset exceeds the estimated fair value and the returns on the asset will be optimized by holding it for the foreseeable future.

Financial assets are reclassified at their fair value at the reclassification date. Any gain or loss already recognized in the income statement is not reversed. The fair value of the instrument at reclassification date becomes the new amortized cost of the instrument. The expected cash flows on the financial instruments are estimated at the reclassification date and these estimates are used to calculate a new effective interest rate for the instruments. If there is a subsequent increase in expected future cash flows on reclassified assets as a result of increased recoverability, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than as an adjustment to the carrying amount of the asset at the date of the change in estimate. If there is a subsequent decrease in expected future cash flows the asset would be assessed for impairment as discussed in the section of this Note "Impairment of Loans and Provision for Off-Balance Sheet Positions". Any change in the timing of the cash flows of reclassified assets which are not deemed impaired are recorded as an adjustment to the carrying amount of the asset.

For instruments reclassified from available for sale to loans and receivables any unrealized gain or loss recognized in shareholders' equity is subsequently amortized into interest income using the effective interest rate of the instrument. If the instrument is subsequently impaired any unrealized loss which is held in shareholders' equity for that instrument at that date is immediately recognized in the income statement as a loan loss provision.

To the extent that assets categorized as loans are repaid, restructured or eventually sold and the amount received is less than the carrying value at that time, then a loss would be recognized.

Determination of Fair Value

Fair value is defined as the price at which an asset or liability could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. The fair value of instruments that are quoted in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place. The Group uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Therefore, where possible, parameter inputs to the valuation techniques are based on observable data derived from prices of relevant instruments traded in an active market. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument's complexity. Refer to Note [2] Critical Accounting Estimates – Fair Value Estimates – Methods of Determining Fair Value for further discussion of the accounting estimates and judgments required in the determination of fair value.

Recognition of Trade Date Profit
If there are significant unobservable inputs used in the valuation technique, the financial instrument is recognized at the transaction price and any profit implied from the valuation technique at trade date is deferred. Using systematic methods, the deferred amount is recognized over the period between trade date and the date when the market is expected to become observable, or over the life of the trade (whichever is shorter). Such methodology is used because it reflects the changing economic and risk profile of the instrument as the market develops or as the instrument itself progresses to maturity. Any remaining trade date deferred profit is recognized in the income statement when the transaction becomes observable or the Group enters into offsetting transactions that substantially eliminate the instrument's risk. In the rare circumstances that a trade date loss arises, it would be recognized at inception of the transaction to the extent that it is probable that a loss has been incurred and a reliable estimate of the loss amount can be made. Refer to Note [2] Critical Accounting Estimates – Fair Value Estimates – Methods of Determining Fair Value for further discussion of the estimates and judgments required in assessing observability of inputs and risk mitigation.

Derivatives and Hedge Accounting

Derivatives are used to manage exposures to interest rate, foreign currency, credit and other market price risks, including exposures arising from forecast transactions. All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the balance sheet regardless of whether they are held for trading or nontrading purposes.

Gains and losses on derivatives held for trading are included in net gains (losses) on financial assets/ liabilities at fair value through profit or loss.

The Group makes commitments to originate loans it intends to sell. Such positions are classified as financial assets/liabilities at fair value through profit or loss, and related gains and losses are included in net gains (losses) on financial assets/liabilities at fair value through profit or loss. Loan commitments that can be settled net in cash or by delivering or issuing another financial instrument are classified as derivatives. Market value guarantees provided on specific mutual fund products offered by the Group are also accounted for as derivatives and carried at fair value, with changes in fair value recorded in net gains (losses) on financial assets/ liabilities at fair value through profit or loss.

Certain derivatives entered into for nontrading purposes, which do not qualify for hedge accounting but are otherwise effective in offsetting the effect of transactions on noninterest income and expenses, are recorded in other assets or other liabilities with both realized and unrealized changes in fair value recorded in the same noninterest income and expense captions as those affected by the transaction being offset. The changes in fair value of all other derivatives not qualifying for hedge accounting are recorded in net gains and losses on financial assets/liabilities at fair value through profit or loss.

Embedded Derivatives
Some hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative, with the non-derivative component representing the host contract. If 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 and reported at fair value, with gains and losses recognized in net gains (losses) on financial assets/liabilities at fair value through profit or loss. The host contract will continue to be accounted for in accordance with the appropriate accounting standard. The carrying amount of an embedded derivative is reported in the same consolidated balance sheet line item as the host contract. Certain hybrid instruments have been designated at fair value through profit or loss using the fair value option.

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

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

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

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

If a fair value hedge of a debt instrument is discontinued prior to the instrument's maturity because the derivative is terminated or the relationship is de-designated, any remaining interest rate-related fair value adjustments made to the carrying amount of the debt instrument (basis adjustments) are amortized to interest income or expense over the remaining term of the original hedging relationship. For other types of fair value adjustments and whenever a fair value hedged asset or liability is sold or otherwise derecognized any basis adjustments are included in the calculation of the gain or loss on derecognition.

For hedges of variability in future cash flows, there is no change to the accounting for the hedged item and the derivative is carried at fair value, with changes in value reported initially in net gains (losses) not recognized in the income statement to the extent the hedge is effective. These amounts initially recorded in net gains (losses) not recognized in the income statement are subsequently reclassified into the income statement in the same periods during which the forecast transaction affects the income statement. Thus, for hedges of interest rate risk, the amounts are amortized into interest income or expense at the same time as the interest is accrued on the hedged transaction.

Hedge ineffectiveness is recorded in other income and is measured as changes in the excess (if any) in the absolute cumulative change in fair value of the actual hedging derivative over the absolute cumulative change in the fair value of the hypothetically perfect hedge.

When hedges of variability in cash flows attributable to interest rate risk are discontinued, amounts remaining in net gains (losses) not recognized in the income statement are amortized to interest income or expense over the remaining life of the original hedge relationship, unless the hedged transaction is no longer expected to occur in which case the amount will be reclassified into other income immediately. When hedges of variability in cash flows attributable to other risks are discontinued, the related amounts in net gains (losses) not recognized in the income statement are reclassified into either the same income statement caption and period as profit or loss from the forecasted transaction, or into other income when the forecast transaction is no longer expected to occur.

For hedges of the translation adjustments resulting from translating the functional currency financial statements of foreign operations (hedges of net investments in foreign operations) into the presentation currency of the parent, the portion of the change in fair value of the derivative due to changes in the spot foreign exchange rates is recorded as a foreign currency translation adjustment in net gains (losses) not recognized in the income statement to the extent the hedge is effective; the remainder is recorded as other income in the income statement.

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in profit or loss on disposal of the foreign operations.

Impairment of Financial Assets

At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if:

– there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the balance sheet date ("a loss event");

– the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets and

– a reliable estimate of the loss amount can be made.

Impairment of Loans and Provision for Off-Balance Sheet Positions

The Group first assesses whether objective evidence of impairment exists individually for loans that are individually significant. It then assesses collectively for loans that are not individually significant and loans which are significant but for which there is no objective evidence of impairment under the individual assessment.

To allow management to determine whether a loss event has occurred on an individual basis, all significant counterparty relationships are reviewed periodically. This evaluation considers current information and events related to the counterparty, such as the counterparty experiencing significant financial difficulty or a breach of contract, for example, default or delinquency in interest or principal payments.

If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan(s), including accrued interest, and the present value of expected future cash flows discounted at the loan's original effective interest rate or the effective interest rate established upon reclassification to loans, including cash flows that may result from foreclosure less costs for obtaining and selling the collateral. The carrying amount of the loans is reduced by the use of an allowance account and the amount of the loss is recognized in the income statement as a component of the provision for credit losses.

The collective assessment of impairment is principally to establish an allowance amount relating to loans that are either individually significant but for which there is no objective evidence of impairment, or are not individually significant but for which there is, on a portfolio basis, a loss amount that is probable of having occurred and is reasonably estimable. The loss amount has three components. The first component is an amount for transfer and currency convertibility risks for loan exposures in countries where there are serious doubts about the ability of counterparties to comply with the repayment terms due to the economic or political situation prevailing in the respective country of domicile. This amount is calculated using ratings for country risk and transfer risk which are established and regularly reviewed for each country in which the Group does business. The second component is an allowance amount representing the incurred losses on the portfolio of smaller-balance homogeneous loans, which are loans to individuals and small business customers of the private and retail business. The loans are grouped according to similar credit risk characteristics and the allowance for each group is determined using statistical models based on historical experience. The third component represents an estimate of incurred losses inherent in the group of loans that have not yet been individually identified or measured as part of the smaller-balance homogeneous loans. Loans that were found not to be impaired when evaluated on an individual basis are included in the scope of this component of the allowance.

Once a loan is identified as impaired, although the accrual of interest in accordance with the contractual terms of the loan is discontinued, the accretion of the net present value of the written down amount of the loan due to the passage of time is recognized as interest income based on the original effective interest rate of the loan.

At each balance sheet date, all impaired loans are reviewed for changes to the present value of expected future cash flows discounted at the loan's original effective interest rate. Any change to the previously recognized impairment loss is recognized as a change to the allowance account and recorded in the income statement as a component of the provision for credit losses.

When it is considered that there is no realistic prospect of recovery and all collateral has been realized or transferred to the Group, the loan and any associated allowance is written off. Subsequent recoveries, if any, are credited to the allowance account and recorded in the income statement as a component of the provision for credit losses.

The process to determine the provision for off-balance sheet positions is similar to the methodology used for loans. Any loss amounts are recognized as an allowance in the balance sheet within other liabilities and charged to the income statement as a component of the provision for credit losses.

If in a subsequent period the amount of a previously recognized impairment loss decreases and the decrease is due to an event occurring after the impairment was recognized, the impairment loss is reversed by reducing the allowance account accordingly. Such reversal is recognized in profit or loss.

Impairment of Financial Assets Classified as Available for Sale

For financial assets classified as AFS, management assesses at each balance sheet date whether there is objective evidence that an individual asset is impaired.

In the case of equity investments classified as AFS, objective evidence includes a significant or prolonged decline in the fair value of the investment below cost. In the case of debt securities classified as AFS, impairment is assessed based on the same criteria as for loans.

If there is evidence of impairment, any amounts previously recognized in equity, in net gains (losses) not recognized in the income statement, is removed from equity and recognized in the income statement for the period, reported in net gains (losses) on financial assets available for sale. This amount is determined as the

difference between the acquisition cost (net of any principal repayments and amortization) and current fair value of the asset less any impairment loss on that investment previously recognized in the income statement.

When an AFS debt security is impaired, subsequent measurement is on a fair value basis with changes reported in the income statement. When the fair value of the AFS debt security recovers to at least amortized cost it is no longer considered impaired and subsequent changes in fair value are reported in equity.

Reversals of impairment losses on equity investments classified as AFS are not reversed through the income statement; increases in their fair value after impairment are recognized in equity.

Derecognition of Financial Assets and Liabilities

Financial Asset Derecognition

A financial asset is considered for derecognition when the contractual rights to the cash flows from the financial asset expire, or the Group has either transferred the contractual right to receive the cash flows from that asset, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

The Group derecognizes a transferred financial asset if it transfers substantially all the risks and rewards of ownership.

The Group enters into transactions in which it transfers previously recognized financial assets but retains substantially all the associated risks and rewards of those assets; for example, a sale to a third party in which the Group enters into a concurrent total return swap with the same counterparty. These types of transactions are accounted for as secured financing transactions.

In transactions in which substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the Group derecognizes the transferred asset if control over that asset, i.e. the practical ability to sell the transferred asset, is relinquished. The rights and obligations retained in the transfer are recognized separately as assets and liabilities, as appropriate. If control over the asset is retained, the Group continues to recognize the asset to the extent of its continuing involvement, which is determined by the extent to which it remains exposed to changes in the value of the transferred asset.

The derecognition criteria are also applied to the transfer of part of an asset, rather than the asset as a whole, or to a group of similar financial assets in their entirety, when applicable. If transferring a part of an asset, such part must be a specifically identified cash flow, a fully proportionate share of the asset, or a fully proportionate share of a specifically-identified cash flow.

Securitization

The Group securitizes various consumer and commercial financial assets, which is achieved via the sale of these assets to an SPE, which in turn issues securities to investors. The transferred assets may qualify for derecognition in full or in part, under the policy on derecognition of financial assets. Synthetic securitization structures typically involve derivative financial instruments for which the policies in the "Derivatives and Hedge Accounting" section would apply. Those transfers that do not qualify for derecognition may be reported as secured financing or result in the recognition of continuing involvement liabilities. The investors and the securitization vehicles generally have no recourse to the Group's other assets in cases where the issuers of the financial assets fail to perform under the original terms of those assets.

Interests in the securitized financial assets may be retained in the form of senior or subordinated tranches, interest only strips or other residual interests (collectively referred to as 'retained interests'). Provided the Group's retained interests do not result in consolidation of an SPE, nor in continued recognition of the transferred assets, these interests are typically recorded in financial assets at fair value through profit or loss and carried at fair value. Consistent with the valuation of similar financial instruments, fair value of retained tranches or the financial assets is initially and subsequently determined using market price quotations where available or internal pricing models that utilize variables such as yield curves, prepayment speeds, default rates, loss severity, interest rate volatilities and spreads. The assumptions used for pricing are based on observable transactions in similar securities and are verified by external pricing sources, where available.

Gains or losses on securitization depend in part on the carrying amount of the transferred financial assets, allocated between the financial assets derecognized and the retained interests based on their relative fair values at the date of the transfer.

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Repurchase and Reverse Repurchase Agreements

Securities purchased under resale agreements ("reverse repurchase agreements") and securities sold under agreements to repurchase ("repurchase agreements") are treated as collateralized financings and are recognized initially at fair value, being the amount of cash disbursed and received, respectively. The party disbursing the cash takes possession of the securities serving as collateral for the financing and having a market value equal to, or in excess of the principal amount loaned. The securities received under reverse repurchase agreements and securities delivered under repurchase agreements are not recognized on, or derecognized from, the balance sheet, unless the risks and rewards of ownership are obtained or relinquished.

The Group has chosen to apply the fair value option to certain repurchase and reverse repurchase portfolios that are managed on a fair value basis.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is reported as interest income and interest expense, respectively.

Securities Borrowed and Securities Loaned

Securities borrowed transactions generally require the Group to deposit cash with the securities lender. In a securities loaned transaction, the Group generally receives either cash collateral, in an amount equal to or in excess of the market value of securities loaned, or securities. The Group monitors the fair value of securities borrowed and securities loaned and additional collateral is disbursed or obtained, if necessary.

The amount of cash advanced or received is recorded as securities borrowed and securities loaned, respectively.

The securities borrowed are not themselves recognized in the financial statements. If they are sold to third parties, the obligation to return the securities is recorded as a financial liability at fair value through profit or loss and any subsequent gain or loss is included in the income statement in net gain (loss) on financial assets/liabilities at fair value through profit or loss. Securities lent to counterparties are also retained on the balance sheet.

Fees received or paid are reported in interest income and interest expense, respectively. Securities owned and pledged as collateral under securities lending agreements in which the counterparty has the right by contract or custom to sell or repledge the collateral are disclosed as such on the face of the consolidated balance sheet.

Offsetting Financial Instruments

Financial assets and liabilities are offset, with the net amount presented in the balance sheet, only if the Group holds a currently enforceable legal right to set off the recognized amounts, and there is an intention to settle on a net basis or to realize an asset and settle the liability simultaneously. In all other situations they are presented gross. When financial assets and financial liabilities are offset in the balance sheet, the associated income and expense items will also be offset in the income statement, unless specifically prohibited by an applicable accounting standard.

Property and Equipment

Property and equipment includes own-use properties, leasehold improvements, furniture and equipment and software (operating systems only). Own-use properties are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is generally recognized using the straight-line method over the estimated useful lives of the assets. The range of estimated useful lives is 25 to 50 years for property and 3 to 10 years for furniture and equipment. Leasehold improvements are capitalized and subsequently depreciated on a straight-line basis over the shorter of the term of the lease and the estimated useful life of the improvement, which generally ranges from 3 to 10 years. Depreciation of property and equipment is included in general and administrative expenses. Maintenance and repairs are also charged to general and administrative expenses. Gains and losses on disposals are included in other income.

Property and equipment are tested for impairment at least annually and an impairment charge is recorded to the extent the recoverable amount, which is the higher of fair value less costs to sell and value in use, is less than its carrying amount. Value in use is the present value of the future cash flows expected to be derived from the asset. After the recognition of impairment of an asset, the depreciation charge is adjusted in future periods to reflect the asset's revised carrying amount. If an impairment is later reversed, the depreciation charge is adjusted prospectively.

Properties leased under a finance lease are capitalized as assets in property and equipment and depreciated over the terms of the leases.

Investment Property

The Group generally uses the cost model for valuation of investment property, and the carrying value is included on the balance sheet in other assets. When the Group issues liabilities that are backed by investment property, which pay a return linked directly to the fair value of, or returns from, specified investment property assets, it has elected to apply the fair value model to those specific investment property assets. The Group engages, as appropriate, external real estate experts to determine the fair value of the investment property by using recognized valuation techniques. In cases in which prices of recent market transactions of comparable properties are available, fair value is determined by reference to these transactions.

Goodwill and Other Intangible Assets

Goodwill arises on the acquisition of subsidiaries, associates and jointly controlled entities, and represents the excess of the fair value of the purchase consideration and costs directly attributable to the acquisition over the net fair value of the Group's share of the identifiable assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

For the purpose of calculating goodwill, fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. This discounting is either performed using market rates or by using risk-free rates and risk-adjusted expected future cash flows.

Goodwill on the acquisition of subsidiaries is capitalized and reviewed for impairment annually, or more frequently if there are indications that impairment may have occurred. Goodwill is allocated to cash-generating units for the purpose of impairment testing considering the business level at which goodwill is monitored for internal management purposes. On this basis, the Group's primary cash-generating units are:

- Global Markets and Corporate Finance (within the Corporate Banking & Securities corporate division);
- Global Transaction Banking;
- Asset Management and Private Wealth Management (within the Asset and Wealth Management corporate division);
- Private & Business Clients; and
- Corporate Investments.

In addition, for certain nonintegrated investments which are not allocated to the respective segments' primary cash-generating units, goodwill is tested individually for impairment on the level of each of these nonintegrated investments.

Goodwill on the acquisitions of associates and jointly controlled entities is included in the cost of the investments and the entire carrying amount of the equity method investment is reviewed for impairment annually, or more frequently if there is an indication that impairment may have occurred.

If goodwill has been allocated to a cash-generating unit and an operation within that unit is disposed of, the attributable goodwill is included in the carrying amount of the operation when determining the gain or loss on its disposal.

Intangible assets are recognized separately from goodwill when they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. Intangible assets that have a finite useful life are stated at cost less any accumulated amortization and accumulated impairment losses. Customer-related intangible assets that have a finite useful life are amortized over periods of between 1 and 20 years on a straight-line basis based on their expected useful life. Mortgage servicing rights are carried at cost and amortized in proportion to, and over the estimated period of, net servicing revenue. The assets are tested for impairment and their useful lives reaffirmed at least annually.

Certain intangible assets have an indefinite useful life; these are primarily investment management agreements related to retail mutual funds. These indefinite life intangibles are not amortized but are tested for impairment at least annually or more frequently if events or changes in circumstances indicate that impairment may have occurred.

Costs related to software developed or obtained for internal use are capitalized if it is probable that future economic benefits will flow to the Group, and the cost can be measured reliably. Capitalized costs are depreciated using the straight-line method over a period of 1 to 3 years. Eligible costs include external direct costs for materials and services, as well as payroll and payroll-related costs for employees directly associated with an internal-use software project. Overhead costs, as well as costs incurred during the research phase or after software is ready for use, are expensed as incurred.

On acquisition of insurance businesses, the excess of the purchase price over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is accounted for as an intangible asset.

This intangible asset represents the present value of future cash flows over the reported liability at the date of acquisition. This is known as value of business acquired ("VOBA").

The VOBA is amortized at a rate determined by considering the profile of the business acquired and the expected depletion in its value. The VOBA acquired is reviewed regularly for any impairment in value and any reductions are charged as an expense to the income statement.

Financial Guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other parties on behalf of customers to secure loans, overdrafts and other banking facilities.

The Group has chosen to apply the fair value option to certain written financial guarantees that are managed on a fair value basis. Financial guarantees that the Group has not designated at fair value are recognized initially in the financial statements at fair value on the date the guarantee is given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amount initially recognized, less cumulative amortization, and the best estimate of the expenditure required to settle any financial obligation as of the balance sheet date. These estimates are determined based on experience with similar transactions and history of past losses, and management's determination of the best estimate.

Any increase in the liability relating to guarantees is recorded in the income statement in provision for credit losses.

Leasing Transactions

Lessor

Assets leased to customers under agreements which transfer substantially all the risks and rewards of ownership, with or without ultimate legal title, are classified as finance leases. When assets held are subject to a finance lease, the leased assets are derecognized and a receivable is recognized which is equal to the present value of the minimum lease payments, discounted at the interest rate implicit in the lease. Initial direct costs incurred in negotiating and arranging a finance lease are incorporated into the receivable through the discount rate applied to the lease. Finance lease income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

Assets leased to customers under agreements which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. The leased assets are included within premises and equipment on the Group's balance sheet and depreciation is provided on the depreciable amount of these assets on a systematic basis over their estimated useful economic lives. Rental income is recognized on a straight-line basis over the period of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense on a straight-line basis over the lease term.

Lessee

Assets held under finance leases are initially recognized on the balance sheet at an amount equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is either the interest rate implicit in the lease, if it is practicable to determine, or the incremental borrowing rate. Contingent rentals are recognized as expense in the periods in which they are incurred.

Operating lease rentals payable are recognized as an expense on a straight-line basis over the lease term, which commences when the lessee controls the physical use of the property. Lease incentives are treated as a reduction of rental expense and are also recognized over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Sale-Leaseback Arrangements

If a sale-leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is not immediately recognized as income by a seller-lessee but is deferred and amortized over the lease term.

If a sale-leaseback transaction results in an operating lease, the timing of the profit recognition is a function of the difference between the sales price and fair value. When it is clear that the sales price is at fair value, the profit (the difference between the sales price and carrying value) is recognized immediately. If the sales price is below fair value, any profit or loss is recognized immediately, except that if the loss is compensated for by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the

period the asset is expected to be used. If the sales price is above fair value, the excess over fair value is deferred and amortized over the period the asset is expected to be used.

Employee Benefits

Pension Benefits

The Group provides a number of pension plans. In addition to defined contribution plans, there are retirement benefit plans accounted for as defined benefit plans. The assets of all the Group's defined contribution plans are held in independently-administered funds. Contributions are generally determined as a percentage of salary and are expensed based on employee services rendered, generally in the year of contribution.

All retirement benefit plans are valued using the projected unit-credit method to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations which include assumptions about demographics, salary increases and interest and inflation rates. Actuarial gains and losses are recognized in shareholders' equity and presented in the Statement of Recognized Income and Expense in the period in which they occur. The Group's benefit plans are usually funded.

Other Post-Employment Benefits

In addition, the Group maintains unfunded contributory post-employment medical plans for a number of current and retired employees who are mainly located in the United States. These plans pay stated percentages of eligible medical and dental expenses of retirees after a stated deductible has been met. The Group funds these plans on a cash basis as benefits are due. Analogous to retirement benefit plans these plans are valued using the projected unit-credit method. Actuarial gains and losses are recognized in full in the period in which they occur in shareholders' equity and presented in the Statement of Recognized Income and Expense.

Share-Based Compensation

Compensation expense for awards classified as equity instruments is measured at the grant date based on the fair value of the share-based award. For share awards, the fair value is the quoted market price of the share reduced by the present value of the expected dividends that will not be received by the employee and adjusted for the effect, if any, of restrictions beyond the vesting date. In case an award is modified such that its fair value immediately after modification exceeds its fair value immediately prior to modification, a remeasurement takes place and the resulting increase in fair value is recognized as additional compensation expense.

The Group records the offsetting amount to the recognized compensation expense in additional paid-in capital (APIC). Compensation expense is recorded on a straight-line basis over the period in which employees perform services to which the awards relate or over the period of the tranches for those awards delivered in tranches. Estimates of expected forfeitures are periodically adjusted in the event of actual forfeitures or for changes in expectations. The timing of expense recognition relating to grants which, due to early retirement provisions, include a nominal but nonsubstantive service period are accelerated by shortening the amortization period of the expense from the grant date to the date when the employee meets the eligibility criteria for the award, and not the vesting date. For awards that are delivered in tranches, each tranche is considered a separate award and amortized separately.

Compensation expense for share-based awards payable in cash is remeasured to fair value at each balance sheet date, and the related obligations are included in other liabilities until paid.

Obligations to Purchase Common Shares

Forward purchases of Deutsche Bank shares, and written put options where Deutsche Bank shares are the underlying, are reported as obligations to purchase common shares if the number of shares is fixed and physical settlement for a fixed amount of cash is required. At inception the obligation is recorded at the present value of the settlement amount of the forward or option. For forward purchases and written put options of Deutsche Bank shares, a corresponding charge is made to shareholders' equity and reported as equity classified as an obligation to purchase common shares.

The liabilities are accounted for on an accrual basis, and interest costs, which consist of time value of money and dividends, on the liability are reported as interest expense. Upon settlement of such forward purchases and written put options, the liability is extinguished and the charge to equity is reclassified to common shares in treasury.

Deutsche Bank common shares subject to such forward contracts are not considered to be outstanding for purposes of basic earnings per share calculations, but are for dilutive earnings per share calculations to the extent that they are, in fact, dilutive.

Put and call option contracts with Deutsche Bank shares as the underlying where the number of shares is fixed and physical settlement is required are not classified as derivatives. They are transactions in the Group's equity.

All other derivative contracts in which Deutsche Bank shares are the underlying are recorded as financial assets/ liabilities at fair value through profit or loss.

Income Taxes

The Group recognizes the current and deferred tax consequences of transactions that have been included in the consolidated financial statements using the provisions of the respective jurisdictions' tax laws. Current and deferred taxes are charged or credited to equity if the tax relates to items that are charged or credited directly to equity.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and unused tax credits. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available against which those unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period that the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset when (1) they arise from the same tax reporting entity or tax group of reporting entities, (2) the legally enforceable right to offset exists and (3) they are intended to be settled net or realized simultaneously.

Deferred tax assets and liabilities are offset when the legally enforceable right to offset current tax assets and liabilities exists and the deferred tax assets and liabilities relate to income taxes levied by the same taxing authority on either the same tax reporting entity or tax group of reporting entities.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, branches and associates and interests in joint ventures except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future. Deferred income tax assets are provided on deductible temporary differences arising from such investments only to the extent that it is probable that the differences will reverse in the foreseeable future and sufficient taxable income will be available against which those temporary differences can be utilized.

Deferred tax related to fair value remeasurement of available for sale investments, cash flow hedges and other items, which are charged or credited directly to equity, is also credited or charged directly to equity and subsequently recognized in the income statement once the underlying gain or loss to which the deferred tax relates is realized.

For share-based payment transactions, the Group may receive a tax deduction related to the compensation paid in shares. The amount deductible for tax purposes may differ from the cumulative compensation expense recorded. At any reporting date, the Group must estimate the expected future tax deduction based on the current share price. If the amount deductible, or expected to be deductible, for tax purposes exceeds the cumulative compensation expense, the excess tax benefit is recognized in equity. If the amount deductible, or expected to be deductible, for tax purposes is less than the cumulative compensation expense, the shortfall is recognized in the Group's income statement for the period.

The Group's insurance business in the United Kingdom (Abbey Life Assurance Company Limited) is subject to income tax on the policyholder's investment returns (policyholder tax). This tax is included in the Group's income tax expense/benefit even though it is economically the income tax expense/benefit of the policyholder, which reduces/increases the Group's liability to the policyholder.

Provisions

Provisions are recognized if the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted and measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party (for example, because the obligation is covered by an insurance policy), an asset is recognized if it is virtually certain that reimbursement will be received.

Statement of Cash Flows

For purposes of the consolidated statement of cash flows, the Group's cash and cash equivalents include highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value. Such investments include cash and balances at central banks and demand deposits with banks.

The Group's assignment of cash flows to the operating, investing or financing category depends on the business model ("management approach"). For the Group the primary operating activity is to manage financial assets and financial liabilities. Therefore, the issuance and management of long-term borrowings is a core operating activity which is different than for a non-financial company, where borrowing is not a principal revenue producing activity and thus is part of the financing category.

The Group views the issuance of senior long-term debt as an operating activity. Senior long-term debt comprises structured notes and asset backed securities, which are designed and executed by CIB business lines and which are revenue generating activities and the other component is debt issued by Treasury, which is considered interchangeable with other funding sources; all of the funding costs are allocated to business activities to establish their profitability.

Cash flows related to subordinated long-term debt and trust preferred securities are viewed differently than those related to senior long-term debt because they are managed as an integral part of the Group's capital, primarily to meet regulatory capital requirements. As a result they are not interchangeable with other operating liabilities, but can only be interchanged with equity and thus are considered part of the financing category.

The amounts shown in the statement of cash flows do not precisely match the movements in the balance sheet from one period to the next as they exclude non-cash items such as movements due to foreign exchange translation and movements due to changes in the group of consolidated companies.

Movements in balances carried at fair value through profit or loss represent all changes affecting the carrying value. This includes the effects of market movements and cash inflows and outflows. The movements in balances carried at fair value are usually presented in operating cash flows.

Insurance

The Group's insurance business issues two types of contracts:

Insurance Contracts – These are annuity and universal life contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specific uncertain future event adversely affects the policyholder. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire. All insurance contract liabilities are measured under the provisions of U.S. GAAP for insurance contracts.

Non-Participating Investment Contracts ("Investment Contracts") – These contracts do not contain significant insurance risk or discretionary participation features. These are measured and reported consistently with other financial liabilities, which are classified as financial liabilities at fair value through profit or loss.

Financial assets held to back annuity contracts have been classified as financial instruments available for sale. Financial assets held for other insurance and investment contracts have been designated as fair value through profit or loss under the fair value option.

Insurance Contracts

Premiums for single premium business are recognized as income when received. This is the date from which the policy is effective. For regular premium contracts, receivables are recognized at the date when payments are due. Premiums are shown before deduction of commissions. When policies lapse due to non-receipt of premiums, all related premium income accrued but not received from the date they are deemed to have lapsed, net of related expense, is offset against premiums.

Claims are recorded as an expense when they are incurred, and reflect the cost of all claims arising during the year, including policyholder profit participations allocated in anticipation of a participation declaration.

The aggregate policy reserves for universal life insurance contracts are equal to the account balance, which represents premiums received and investment returns credited to the policy, less deductions for mortality costs and expense charges. For other unit-linked insurance contracts the policy reserve represents the fair value of the underlying assets.

For annuity contracts, the liability is calculated by estimating the future cash flows over the duration of the in-force contracts and discounting them back to the valuation date allowing for the probability of occurrence. The

assumptions are fixed at the date of acquisition with suitable provisions for adverse deviations (PADs). This calculated liability value is tested against a value calculated using best estimate assumptions and interest rates based on the yield on the amortized cost of the underlying assets. Should this test produce a higher value, the liability amount would be reset.

Aggregate policy reserves include liabilities for certain options attached to the Group's unit-linked pension products. These liabilities are calculated based on contractual obligations using actuarial assumptions.

Liability adequacy tests are performed for the insurance portfolios on the basis of estimated future claims, costs, premiums earned and proportionate investment income. For long duration contracts, if actual experience regarding investment yields, mortality, morbidity, terminations or expense indicate that existing contract liabilities, along with the present value of future gross premiums, will not be sufficient to cover the present value of future benefits and to recover deferred policy acquisition costs, then a premium deficiency is recognized.

The costs directly attributable to the acquisition of incremental insurance and investment business are deferred to the extent that they are expected to be recoverable out of future margins in revenues on these contracts. These costs will be amortized systematically over a period no longer than that in which they are expected to be recovered out of these future margins.

Investment Contracts
All of the Group's investment contracts are unit-linked. These contract liabilities are determined using current unit prices multiplied by the number of units attributed to the contract holders as of the balance sheet date. As this amount represents fair value, the liabilities have been classified as financial liabilities at fair value through profit or loss. Deposits collected under investment contracts are accounted for as an adjustment to the investment contract liabilities. Investment income attributable to investment contracts is included in the income statement. Investment contract claims reflect the excess of amounts paid over the account balance released. Investment contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services.

The financial assets for investment contracts are recorded at fair value with changes in fair value, and offsetting changes in the fair value of the corresponding financial liabilities, recorded in profit or loss.

Reinsurance
Premiums ceded for reinsurance and reinsurance recoveries on policyholder benefits and claims incurred are reported in income and expense as appropriate. Assets and liabilities related to reinsurance are reported on a gross basis when material. Amounts ceded to reinsurers from reserves for insurance contracts are estimated in a manner consistent with the reinsured risk. Accordingly, revenues and expenses related to reinsurance agreements are recognized in a manner consistent with the underlying risk of the business reinsured.

[2] Critical Accounting Estimates

Certain of the accounting policies described in Note [1] require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Group's financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. The Group has identified the following significant accounting policies that involve critical accounting estimates.

Fair Value Estimates

Certain of the Group's financial instruments are carried at fair value with changes in fair value recognized in the consolidated statement of income. This includes trading assets and liabilities and financial assets and liabilities designated at fair value through profit or loss. In addition, financial assets that are classified as available for sale are carried at fair value with the changes in fair value reported in a component of shareholders' equity. Derivatives held for non-trading purposes are carried at fair value with changes in value recognized through the consolidated income statement, except where they are in cash flow hedge accounting relationships when changes in fair value of the effective portion of the hedge are reflected directly in a component of shareholders' equity.

Trading assets include debt and equity securities, derivatives held for trading purposes, commodities and trading loans. Trading liabilities consist primarily of derivative liabilities and short positions. Financial assets and liabilities which are designated at fair value through profit or loss, under the fair value option, include repurchase and reverse repurchase agreements, certain loans and loan commitments, debt and equity securities and structured note liabilities. Private equity investments in which the Group does not have a controlling financial

interest or significant influence, are also carried at fair value either as trading instruments, designated as at fair value through profit or loss or as available for sale instruments.

Fair value is defined as the price at which an asset or liability could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

In reaching estimates of fair value management judgment needs to be exercised. The areas requiring significant management judgment are identified, documented and reported to senior management as part of the valuation control framework and the standard monthly reporting cycle. The Group's specialist model validation and valuation groups focus attention on the areas of subjectivity and judgment.

The level of management judgment required in establishing fair value of financial instruments for which there is a quoted price in an active market is minimal. Similarly there is little subjectivity or judgment required for instruments valued using valuation models that are standard across the industry and where all parameter inputs are quoted in active markets.

The level of subjectivity and degree of management judgment required is more significant for those instruments valued using specialized and sophisticated models and those where some or all of the parameter inputs are not observable. Management judgment is required in the selection and application of appropriate parameters, assumptions and modeling techniques. In particular, where data are obtained from infrequent market transactions extrapolation and interpolation techniques must be applied. In addition, where no market data are available parameter inputs are determined by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions with appropriate adjustments to reflect the terms of the actual instrument being valued and current market conditions. Where different valuation techniques indicate a range of possible fair values for an instrument, management has to establish what point within the range of estimates best represents fair value. Further, some valuation adjustments may require the exercise of management judgment to achieve fair value.

Methods of Determining Fair Value

A substantial percentage of the Group's financial assets and liabilities carried at fair value are based on, or derived from, observable prices or inputs. The availability of observable prices or inputs varies by product and market, and may change over time. For example, observable prices or inputs are usually available for: liquid securities; exchange traded derivatives; over the counter (OTC) derivatives transacted in liquid trading markets such as interest rate swaps, foreign exchange forward and option contracts in G7 currencies; and equity swap and option contracts on listed securities or indices. If observable prices or inputs are available, they are utilized in the determination of fair value and, as such, fair value can be determined without significant judgment. This includes instruments for which the fair value is derived from a valuation model that is standard across the industry and the inputs are directly observable. This is the case for many generic swap and option contracts.

In other markets or for certain instruments, observable prices or inputs are not available, and fair value is determined using valuation techniques appropriate for the particular instrument. For example, instruments subject to valuation techniques include: trading loans and other loans or loan commitments designated at fair value through profit or loss, under the fair value option; new, complex and long-dated OTC derivatives; transactions in immature or limited markets; distressed debt securities and loans; private equity securities and retained interests in securitizations of financial assets. The application of valuation techniques to determine fair value involves estimation and management judgment, the extent of which will vary with the degree of complexity and liquidity in the market. Valuation techniques include industry standard models based on discounted cash flow analysis, which are dependent upon estimated future cash flows and the discount rate used. For more complex products, the valuation models include more complex modeling techniques, parameters and assumptions, such as volatility, correlation, prepayment speeds, default rates and loss severity. Management judgment is required in the selection and application of the appropriate parameters, assumptions and modeling techniques. Because the objective of using a valuation technique is to establish the price at which market participants would currently transact, the valuation techniques incorporate all factors that the Group believes market participants would consider in setting a transaction price.

Valuation adjustments are an integral part of the fair value process that requires the exercise of judgment. In making appropriate valuation adjustments, the Group follows methodologies that consider factors such as bid-offer spread valuation adjustments, liquidity, and credit risk (both counterparty credit risk in relation to financial assets and the Group's own credit risk in relation to financial liabilities which are at fair value through profit or loss).

The fair value of the Group's financial liabilities which are at fair value through profit or loss (e.g., OTC derivative liabilities and structured note liabilities designated at fair value through profit or loss) incorporates the change in the Group's own credit risk of the financial liability. For derivative liabilities the Group considers its own creditworthiness by assessing all counterparties' potential future exposure to us, taking into account any collateral held, the effect of any master netting agreements, expected loss given default and the Group's own credit risk based on historic default levels. The change in the Group's own credit risk for structured note liabilities is calculated by discounting the contractual cash flows of the instrument using the rate at which similar

instruments would be issued at the measurement date. The resulting fair value is an estimate of the price at which the specific liability would be exchanged at the measurement date with another market participant.

Under IFRS, if there are significant unobservable inputs used in the valuation technique as of the trade date the financial instrument is recognized at the transaction price and any trade date profit is deferred. Management judgment is required in determining whether there exist significant unobservable inputs in the valuation technique. Once deferred the decision to subsequently recognize the trade date profit requires a careful assessment of the then current facts and circumstances supporting observability of parameters and/or risk mitigation.

The Group has established internal control procedures over the valuation process to provide assurance over the appropriateness of the fair values applied. If fair value is determined by valuation models, the assumptions and techniques within the models are independently validated by a specialist group. Price and parameter inputs, assumptions and valuation adjustments are subject to verification and review processes. If the price and parameter inputs are observable, they are verified against independent sources.

If prices and parameter inputs or assumptions are not observable, the appropriateness of fair value is subject to additional procedures to assess its reasonableness. Such procedures include performing revaluations using independently generated models, assessing the valuations against appropriate proxy instruments, performing sensitivity analysis and extrapolation techniques, and considering other benchmarks. Assessment is made as to whether the valuation techniques yield fair value estimates that are reflective of the way the market operates by calibrating the results of the valuation models against market transactions. These procedures require the application of management judgment.

Other valuation controls include review and analysis of daily profit and loss, validation of valuation through close out profit and loss and Value-at-Risk back-testing.

Fair Value Estimates Used in Disclosures

Under IFRS, the financial assets and liabilities carried at fair value are required to be disclosed according to the valuation method used to determine their fair value. Specifically, segmentation is required between those valued using quoted market prices in an active market (level 1), valuation techniques based on observable parameters (level 2) and valuation techniques using significant unobservable parameters (level 3). This disclosure is provided in Note [13]. The financial assets held at fair value categorized in level 3 were € 58.2 billion at December 31, 2009, compared to € 87.7 billion at December 31, 2008. The financial liabilities held at fair value categorized in level 3 were € 18.2 billion at December 31, 2009 and € 34.4 billion at December 31, 2008. Management judgment is required in determining the category to which certain instruments should be allocated. This specifically arises when the valuation is determined by a number of parameters, some of which are observable and others are not. Further, the classification of an instrument can change over time to reflect changes in market liquidity and therefore price transparency.

In addition to the fair value hierarchy disclosure in Note [13] the Group provides a sensitivity analysis of the impact upon the level 3 financial instruments of using a reasonably possible alternative for the unobservable parameter. The determination of reasonably possible alternatives requires significant management judgment.

For financial instruments measured at amortized cost (of which includes loans, deposits and short and long-term debt issued) the Group discloses the fair value. This disclosure is provided in Note [14]. Generally there is limited or no trading activity in these instruments and therefore the fair value determination requires significant management judgment.

Reclassification of Financial Assets

The Group classifies financial assets into the following categories: financial assets at fair value through profit or loss, financial assets available for sale ("AFS") or loans. The appropriate classification of financial assets is determined at the time of initial recognition. In addition, under the amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets" which were approved by the IASB and endorsed by the EU in October 2008, it is permissible to reclassify certain financial assets out of financial assets at fair value through profit or loss (trading assets) and the available for sale classifications into the loans classification. For assets to be reclassified there must be a clear change in management intent with respect to the assets since initial recognition and the financial asset must meet the definition of a loan at the reclassification date. Additionally, there must be an intent and ability to hold the asset for the foreseeable future at the reclassification date. There is no ability for subsequent reclassification back to the trading or available for sale classifications. Refer to Note [12] Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets" for further information on the assets reclassified by the Group.

Significant management judgment and assumptions are required to identify assets eligible under the amendments for which expected repayment exceeds estimated fair value. Significant management judgment and assumptions are also required to estimate the fair value of the assets identified (as described in "Fair Value Estimates") at the date of reclassification, which becomes the amortized cost base under the loan

classification. The task facing management in both these matters can be particularly challenging in the highly volatile and uncertain economic and financial market conditions such as those which existed in the third and fourth quarters of 2008. The change of intent to hold for the foreseeable future is another matter requiring significant management judgment. The change in intent is not simply determined because of an absence of attractive prices nor is foreseeable future defined as the period until the return of attractive prices. Refer to Note [1] Significant Accounting Policies – Reclassification of Financial Assets for the Group's minimum guidelines for what constitutes foreseeable future.

Impairment of Loans and Provision for Off-Balance Sheet Positions

The accounting estimates and judgments related to the impairment of loans and provision for off-balance sheet positions is a critical accounting estimate for the Corporate Banking & Securities and Private & Business Clients Corporate Divisions because the underlying assumptions used for both the individually and collectively assessed impairment can change from period to period and may significantly affect the Group's results of operations.

In assessing assets for impairment, management judgment is required, particularly in circumstances of economic and financial uncertainty, such as those of the current financial crisis, when developments and changes to expected cash flows can occur both with greater rapidity and less predictability.

The provision for credit losses totaled € 2,630 million, € 1,076 million and € 612 million for the years ended December 31, 2009, 2008 and 2007.

The determination of the impairment allowance required for loans which are deemed to be individually significant often requires the use of considerable management judgment concerning such matters as local economic conditions, the financial performance of the counterparty and the value of any collateral held, for which there may not be a readily accessible market. In certain situations, such as for certain leveraged loans, the Group may assess the enterprise value of the borrower to assess impairment. This requires use of considerable management judgment regarding timing of exit and the market value of the borrowing entity. The actual amount of the future cash flows and their timing may differ from the estimates used by management and consequently may cause actual losses to differ from the reported allowances.

The impairment allowance for portfolios of smaller-balance homogenous loans, such as those to individuals and small business customers of the private and retail business, and for those loans which are individually significant but for which no objective evidence of impairment exists, is determined on a collective basis. The collective impairment allowance is calculated on a portfolio basis using statistical models which incorporate numerous estimates and judgments. The Group performs a regular review of the models and underlying data and assumptions. The probability of defaults, loss recovery rates, and judgments concerning the ability of borrowers in foreign countries to transfer the foreign currency necessary to comply with debt repayments, amongst other things, are all taken into account during this review. For further discussion of the methodologies used to determine the Group's allowance for credit losses, see Note [1]. Refer also to Note [18].

Impairment of Other Financial Assets

Equity method investments, and financial assets classified as available for sale are evaluated for impairment on a quarterly basis, or more frequently if events or changes in circumstances indicate that these assets are impaired. If there is objective evidence of an impairment of an associate or jointly-controlled entity, an impairment test is performed by comparing the investments' recoverable amount, which is the higher of its value in use and fair value less costs to sell, with its carrying amount. In the case of equity investments classified as available for sale, objective evidence of impairment would include a significant or prolonged decline in fair value of the investment below cost. It could also include specific conditions in an industry or geographical area or specific information regarding the financial condition of the company, such as a downgrade in credit rating. In the case of debt securities classified as available for sale, impairment is assessed based on the same criteria as for loans. If information becomes available after the Group makes its evaluation, the Group may be required to recognize impairment in the future. Because the estimate for impairment could change from period to period based upon future events that may or may not occur, the Group considers this to be a critical accounting estimate. The impairment reviews for equity method investments and financial assets available for sale resulted in net impairment charges of € 1,125 million in 2009, € 970 million in 2008 and € 286 million in 2007. For additional information on financial assets classified as available for sale, see Note [15] and for equity method investments, see Note [16].

Impairment of Non-financial Assets

Certain non-financial assets, including goodwill and other intangible assets, are subject to impairment review. The Group records impairment losses on assets in this category when the Group believes that their carrying value may not be recoverable. A reversal of an impairment loss (excluding goodwill) is recognized immediately.

Goodwill and other intangible assets are tested for impairment on an annual basis, or more frequently if events or changes in circumstances, such as an adverse change in business climate, indicate that these assets may be impaired. The determination of the recoverable amount in the impairment assessment requires estimates based on quoted market prices, prices of comparable businesses, present value or other valuation techniques, or a combination thereof, necessitating management to make subjective judgments and assumptions. Because these estimates and assumptions could result in significant differences to the amounts reported if underlying circumstances were to change, the Group considers this estimate to be critical. As of December 31, 2009 and 2008, goodwill had carrying amounts of € 7.4 billion and € 7.5 billion, respectively, and other intangible assets had carrying amounts of € 2.7 billion and € 2.3 billion, respectively. Evaluation of impairment of these assets is a significant estimate for multiple businesses.

In 2009, goodwill and other intangible assets impairment losses of € 157 million were recorded, of which € 151 million related to investments in Corporate Investments. In addition, € 291 million were recorded as reversals of impairment losses of other intangible assets in Asset and Wealth Management, which had been taken in the fourth quarter of 2008. In 2008, goodwill and other intangible assets impairment losses of € 586 million were recorded, of which € 580 million related to investments in Asset and Wealth Management. In 2007, goodwill and other intangible assets impairment losses were € 133 million, of which € 77 million were recognized in Asset and Wealth Management and € 54 million in Corporate Investments. For further discussion on goodwill and other intangible assets, see Note [23].

Deferred Tax Assets

The Group recognizes deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and unused tax credits. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available against which those unused tax losses, unused tax credits or deductible temporary differences can be utilized. This assessment requires significant management judgments and assumptions. In determining unrecognized deferred tax assets, the Group uses historical tax capacity and profitability information and, if relevant, forecasted operating results, based upon approved business plans, including a review of the eligible carry-forward periods, available tax planning opportunities and other relevant considerations. Each quarter, the Group re-evaluates its estimate related to unrecognized deferred tax assets, including its assumptions about future profitability. As of December 31, 2009 and December 31, 2008 the amount of unrecognized deferred tax assets was € 1.3 billion and € 1.7 billion, respectively and the amount of recognized deferred tax assets was € 7.2 billion and € 8.5 billion, respectively.

The Group believes that the accounting estimate related to the deferred tax assets is a critical accounting estimate because the underlying assumptions can change from period to period. For example, tax law changes or variances in future projected operating performance could result in a change of the deferred tax asset. If the Group was not able to realize all or part of its net deferred tax assets in the future, an adjustment to its deferred tax assets would be charged to income tax expense or directly to equity in the period such determination was made. If the Group was to recognize previously unrecognized deferred tax assets in the future, an adjustment to its deferred tax asset would be credited to income tax expense or directly to equity in the period such determination was made.

For further information on the Group's deferred taxes see Note [33].

Legal and Regulatory Contingencies and Tax Risks

The Group conducts its business in many different legal, regulatory and tax environments, and, accordingly, legal claims, regulatory proceedings and income tax provisions for uncertain tax positions may arise.

The use of estimates is important in determining provisions for potential losses that may arise from litigation, regulatory proceedings and uncertain income tax positions. The Group estimates and provides for potential losses that may arise out of litigation, regulatory proceedings and uncertain income tax positions to the extent that such losses are probable and can be estimated, in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" and IAS 12, "Income Taxes". Significant judgment is required in making these estimates and the Group's final liabilities may ultimately be materially different.

Contingencies in respect of legal matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance. Significant judgment is required in assessing probability and making estimates in respect of contingencies, and the Group's final liability may ultimately be materially different. The Group's total liability in respect of litigation, arbitration and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, the Group's experience and the experience of others in similar cases, and the opinions and views of legal counsel. Predicting the outcome of the Group's litigation matters is inherently

difficult, particularly in cases in which claimants seek substantial or indeterminate damages. See Note [27] for information on the Group's judicial, regulatory and arbitration proceedings.

[3] Recently Adopted and New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The following are those accounting pronouncements which are relevant to the Group and which have been adopted during 2009 in the preparation of these consolidated financial statements.

IFRIC 9 and IAS 39

In March 2009, the IASB issued amendments to IFRIC 9, "Reassessment of Embedded Derivatives", and IAS 39, "Financial Instruments: Recognition and Measurement", entitled "Embedded Derivatives". The amendments require entities to assess whether they need to separate an embedded derivative from a hybrid financial instrument when financial assets are reclassified out of the fair value through profit or loss category. When the fair value of an embedded derivative that would be separated cannot be measured reliably, the reclassification of the hybrid financial asset out of the fair value through profit or loss category is not permitted. The amendments are effective for annual periods ending on or after June 30, 2009. The adoption of the amendments did not have a material impact on the Group's consolidated financial statements.

IFRS 7

In March 2009, the IASB issued amendments to IFRS 7, "Financial Instruments: Disclosures", entitled "Improving Disclosures about Financial Instruments". The amendments require disclosures of financial instruments measured at fair value to be based on a three-level fair value hierarchy that reflects the significance of the inputs in such fair value measurements. The amendments also require additional qualitative and quantitative disclosures of liquidity risk. They are effective for annual periods beginning on or after January 1, 2009, with earlier application permitted. The adoption of the amendments only has a disclosure impact on the Group's consolidated financial statements.

Improvements to IFRS 2008

In May 2008, the IASB issued amendments to IFRS, which resulted from the IASB's annual improvements project. They comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after January 1, 2009, with earlier application permitted. The adoption of the amendments did not have a material impact on the Group's consolidated financial statements.

IAS 1

In September 2007, the IASB issued a revised version of IAS 1, "Presentation of Financial Statements" ("IAS 1 R"). The revised standard sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. IAS 1 R is effective for annual periods beginning on or after January 1, 2009, with earlier application permitted. The adoption of the IAS 1 R did only have a presentation impact on the Group's consolidated financial statements.

New Accounting Pronouncements

The following accounting pronouncements will be relevant to the Group but were not effective as at December 31, 2009 and therefore have not been applied in preparing these financial statements.

IFRS 3 and IAS 27

In January 2008, the IASB issued a revised version of IFRS 3, "Business Combinations" ("IFRS 3 R"), and an amended version of IAS 27, "Consolidated and Separate Financial Statements" ("IAS 27 R"). IFRS 3 R reconsiders the application of acquisition accounting for business combinations and IAS 27 R mainly relates to changes in the accounting for noncontrolling interests and the loss of control of a subsidiary. Under IFRS 3 R, the acquirer can elect to measure any noncontrolling interest on a transaction-by-transaction basis, either at fair value as of the acquisition date or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquiree. When an acquisition is achieved in successive share purchases (step acquisition), the identifiable assets and liabilities of the acquiree are recognized at fair value when control is obtained. A gain or loss is recognized in profit or loss for the difference between the fair value of the previously held equity interest in the acquiree and its carrying amount. IAS 27 R also requires the effects of all transactions with noncontrolling interests to be recorded in equity if there is no change in control. Transactions resulting in a loss of control result in a gain or loss being recognized in profit or loss. The gain or loss includes a remeasurement to fair value of any retained equity interest in the investee. In addition, all items of consideration transferred by the acquirer are measured and recognized at fair value, including contingent consideration, as of the acquisition date. Transaction costs incurred by the acquirer in connection with the business combination do not form part of the cost of

the business combination transaction but are expensed as incurred unless they relate to the issuance of debt or equity securities, in which case they are accounted for under IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 3 R and IAS 27 R are effective for business combinations in annual periods beginning on or after July 1, 2009, with early application permitted provided that both Standards are applied together.

Improvements to IFRS 2009

In April 2009, the IASB issued amendments to IFRS, which resulted from the IASB's annual improvement project. They comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after January 1, 2010, with earlier application permitted. While approved by the IASB, the standard has yet to be endorsed by the EU. The adoption of the amendments is not expected to have a material impact on the Group's consolidated financial statements.

IAS 24

In November 2009, the IASB issued a revised version of IAS 24, "Related Party Disclosures" ("IAS 24 R"). IAS 24 R provides a partial exemption from the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after January 1, 2011, with earlier application permitted. While approved by the IASB, the standard has yet to be endorsed by the EU. The Group is currently evaluating the potential impact that the adoption of IAS 24 R will have on its consolidated financial statements.

IFRS 9

In November 2009, the IASB issued IFRS 9, "Financial Instruments", as a first step in its project to replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for how an entity should classify and measure financial assets that are in the scope of IAS 39. The standard requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if two criteria are met: (a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and (b) the contractual cash flows under the instrument solely represent payments of principal and interest. If a financial asset meets the criteria to be measured at amortized cost, it can be designated at fair value through profit or loss under the fair value option, if doing so would significantly reduce or eliminate an accounting mismatch. If a financial asset does not meet the business model and contractual terms criteria to be measured at amortized cost, then it is subsequently measured at fair value. IFRS 9 also removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract with a financial asset host to be classified in its entirety at either amortized cost or fair value. IFRS 9 requires reclassifications when the entity's business model changes, which is expected to be an infrequent occurrence; in this case, the entity is required to reclassify affected financial assets prospectively. There is specific guidance for contractually linked instruments that create concentrations of credit risk, which is often the case with investment tranches in a securitization. In addition to assessing the instrument itself against the IFRS 9 classification criteria, management should also 'look through' to the underlying pool of instruments that generate cash flows to assess their characteristics. To qualify for amortized cost, the investment must have equal or lower credit risk than the weighted-average credit risk in the underlying pool of instruments, and those instruments must meet certain criteria. If a 'look through' is impracticable, the tranche must be classified at fair value through profit or loss. Under IFRS 9, all equity investments should be measured at fair value. However, management has an option to present directly in equity unrealized and realized fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 9 should be applied retrospectively; however, if adopted before January 1, 2012, comparative periods do not need to be restated. In addition, entities adopting before January 1, 2011 are allowed to designate any date between the date of issuance of IFRS 9 and January 1, 2011, as the date of initial application that will be the date upon which the classification of financial assets will be determined. While approved by the IASB, the standard has yet to be endorsed by the EU. The Group is currently evaluating the potential impact that the adoption of the amendments will have on its consolidated financial statements.

[4] Business Segments and Related Information

The following segment information has been prepared in accordance with the "management approach", which requires presentation of the segments on the basis of the internal reports about components of the entity which are regularly reviewed by the chief operating decision-maker in order to allocate resources to a segment and to assess its performance.

Business Segments

The following business segments represent the Group's organizational structure as reflected in its internal management reporting systems.

The Group is organized into three group divisions, which are further subdivided into corporate divisions. As of December 31, 2009, the group divisions and corporate divisions were as follows:

The **Corporate and Investment Bank (CIB)**, which combines the Group's corporate banking and securities activities (including sales and trading and corporate finance activities) with the Group's transaction banking activities. CIB serves corporate and institutional clients, ranging from medium-sized enterprises to multinational corporations, banks and sovereign organizations. Within CIB, the Group manages these activities in two global corporate divisions: Corporate Banking & Securities (CB&S) and Global Transaction Banking (GTB).

- CB&S is made up of the Global Markets and Corporate Finance business divisions. These businesses offer financial products worldwide, ranging from the underwriting of stocks and bonds to the tailoring of structured solutions for complex financial requirements.
- GTB is primarily engaged in the gathering, transferring, safeguarding and controlling of assets for its clients throughout the world. It provides processing, fiduciary and trust services to corporations, financial institutions and governments and their agencies.

Private Clients and Asset Management (PCAM), which combines the Group's asset management, private wealth management and private and business client activities. Within PCAM, the Group manages these activities in two global corporate divisions: Asset and Wealth Management (AWM) and Private & Business Clients (PBC).

- AWM is composed of the business divisions Asset Management (AM), which focuses on managing assets on behalf of institutional clients and providing mutual funds and other retail investment vehicles, and Private Wealth Management (PWM), which focuses on the specific needs of high net worth clients, their families and selected institutions.
- PBC serves retail and affluent clients as well as small corporate customers with a full range of retail banking products.

Corporate Investments (CI), which manages certain alternative assets of the Group and other debt and equity positions.

Changes in the composition of segments can arise from either changes in management responsibility, or from acquisitions and divestitures.

The following describes changes in management responsibilities with a significant impact on segmental reporting during 2009:

- On April 1, 2009, management responsibility for The Cosmopolitan Resort and Casino property changed from the corporate division CB&S to the corporate division CI.
- During the first quarter 2009, management responsibility for certain assets changed from the corporate division AWM to the corporate division CI. These assets included Maher Terminals, a consolidated infrastructure investment, and RREEF Global Opportunity Fund III, a consolidated real estate investment fund.

The following describes acquisitions and divestitures which had a significant impact on the Group's segment operations:

- In November 2009, the Group completed the acquisition of Dresdner Bank's Global Agency Securities Lending business from Commerzbank AG. The business is included in the corporate division GTB.
- On February 25, 2009, the Group completed the acquisition of a minority stake in Deutsche Postbank AG, one of Germany's major financial services providers. As of that date, the Group also entered into a mandatorily-exchangeable bond as well as options to increase its stake in the future. All components of the transaction are included in the corporate division CI.
- In December 2008, RREEF Alternative Investments acquired a significant minority interest in Rosen Real Estate Securities LLC (RRES), a long/short real estate investment advisor. The investment is included in the corporate division AWM.
- In November 2008, the Group acquired a 40 % stake in UFG Invest, the Russian investment management company of UFG Asset Management, with an option to become a 100 % owner in the future. The business is branded Deutsche UFG Capital Management. The investment is included in the corporate division AWM.
- In October 2008, the Group completed the acquisition of the operating platform of Pago eTransaction GmbH into the Deutsche Card Services GmbH, based in Germany. The investment is included in the corporate division GTB.

- In June 2008, the Group consolidated Maher Terminals LLC and Maher Terminals of Canada Corp, collectively and hereafter referred to as Maher Terminals, a privately held operator of port terminal facilities in North America. RREEF Infrastructure acquired all third party investors' interests in the North America Infrastructure Fund, whose sole underlying investment was Maher Terminals. The investment is included in the corporate division CI.
- In June 2008, the Group sold DWS Investments Schweiz AG, comprising the Swiss fund administration business of the corporate division AWM, to State Street Bank.
- Effective June 2008, the Group sold its Italian life insurance company DWS Vita S.p.A. to Zurich Financial Services Group. The business was included in the corporate division AWM.
- Effective March 2008, the Group completed the acquisition of a 60 % interest in Far Eastern Alliance Asset Management Co. Limited, a Taiwanese investment management firm. The investment is included in the corporate division AWM.
- In February 2008, the 50 % interest in the management company of the Australia based DEXUS Property Group was sold by RREEF Alternative Investments to DEXUS' unitholders. The investment was included in the corporate division AWM.
- In January 2008, the Group acquired HedgeWorks LLC, a hedge fund administrator based in the United States. The investment is included in the corporate division GTB.
- In January 2008, the Group increased its stake in Harvest Fund Management Company Limited to 30 %. Harvest is a mutual fund manager in China. The investment is included in the corporate division AWM.
- In October 2007, the Group acquired Abbey Life Assurance Company Limited, a U.K. company that consists primarily of unit-linked life and pension policies and annuities. The business is included in the corporate division CB&S.
- In July 2007, AM completed the sale of its local Italian mutual fund business and established long-term distribution arrangements with the Group's strategic partner, Anima S.G.R.p.A. The business was included in the corporate division AWM.
- In July 2007, RREEF Private Equity acquired a significant stake in Aldus Equity, an alternative asset management and advisory boutique, which specializes in customized private equity investing for institutional and high net worth investors. The business is included in the corporate division AWM.
- In July 2007, the Group announced the completion of the acquisition of the institutional cross-border custody business of Türkiye Garanti Bankasi A. Ş. The business is included in the corporate division GTB.
- In July 2007, RREEF Infrastructure completed the acquisition of Maher Terminals. After a partial sale into the fund for which it was acquired, Maher Terminals was deconsolidated in October 2007.
- In June 2007, the Group completed the sale of the Australian Asset Management domestic manufacturing operations to Aberdeen Asset Management. The business was included in the corporate division AWM.
- In January 2007, the Group sold the second tranche (41%) of PBC's Italian BankAmericard processing activities to Istituto Centrale delle Banche Popolari Italiane ("ICBPI"), the central body of Italian cooperative banks. The business was included in the corporate division PBC.
- In January 2007, the Group completed the acquisition of MortgageIT Holdings, Inc., a residential mortgage real estate investment trust (REIT) in the United States. The business is included in the corporate division CB&S.
- In January 2007, the Group completed the acquisition of Berliner Bank, which is included in the corporate division PBC. The acquisition expands the Group's market share in the retail banking sector of the German capital.

Measurement of Segment Profit or Loss

Segment reporting requires a presentation of the segment results based on management reporting methods, including a reconciliation between the results of the business segments and the consolidated financial statements, which is presented in the "Reconciliation of Segmental Results of Operations to Consolidated Results of Operations" section of this note. The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information which are regularly reviewed by the chief operating decision-maker.

Management reporting for the Group is generally based on IFRS. Non-IFRS compliant accounting methods are rarely used and represent either valuation or classification differences. The largest valuation differences relate to mark-to-market accounting in management reporting versus accrual accounting under IFRS (for example, for certain financial instruments in the Group's treasury books in CB&S and PBC) and to the recognition of trading

results from own shares in revenues in management reporting (mainly in CB&S) and in equity under IFRS. The major classification difference relates to minority interest, which represents the net share of minority shareholders in revenues, provision for credit losses, noninterest expenses and income tax expenses. Minority interest is reported as a component of pre-tax income for the businesses in management reporting (with a reversal in Consolidation & Adjustments, or C&A) and a component of net income appropriation under IFRS.

Revenues from transactions between the business segments are allocated on a mutually-agreed basis. Internal service providers, which operate on a nonprofit basis, allocate their noninterest expenses to the recipient of the service. The allocation criteria are generally based on service level agreements and are either determined based upon "price per unit", "fixed price" or "agreed percentages". Since the Group's business activities are diverse in nature and its operations are integrated, certain estimates and judgments have been made to apportion revenue and expense items among the business segments.

The management reporting systems follow a "matched transfer pricing concept" in which the Group's external net interest income is allocated to the business segments based on the assumption that all positions are funded or invested via the wholesale money and capital markets. Therefore, to create comparability with those competitors who have legally independent units with their own equity funding, the Group allocates the net notional interest credit on its consolidated capital (after deduction of certain related charges such as hedging of net investments in certain foreign operations) to the business segments, in proportion to each business segment's allocated average active equity.

The Group reviewed its internal funding systems as a reaction to the significant changes of funding costs during the financial crisis, and adopted in 2009 a refinement of internal funding rates used to more adequately reflect risk of certain assets and the value of liquidity provided by unsecured funding sources.

The financial impact on the business segments for 2009 was as follows:

– GTB (€ 160 million), AWM (€ 32 million) and PBC (€ 4 million) received additional funding benefit.

– CB&S (€ 167 million) and CI (€ 30 million) received additional funding costs.

Management uses certain measures for equity and related ratios as part of its internal reporting system because it believes that these measures provide it with a more useful indication of the financial performance of the business segments. The Group discloses such measures to provide investors and analysts with further insight into how management operates the Group's businesses and to enable them to better understand the Group's results. These measures include:

– **Average Active Equity:** The Group calculates active equity to facilitate comparison to its peers. The Group uses average active equity to calculate several ratios. However, active equity is not a measure provided for in IFRS and therefore the Group's ratios based on average active equity should not be compared to other companies' ratios without considering the differences in the calculation. The items for which the average shareholders' equity is adjusted are average unrealized net gains (losses) on assets available for sale and average fair value adjustments on cash flow hedges (both components net of applicable taxes) as well as average dividends, for which a proposal is accrued on a quarterly basis and payments occur once a year following the approval by the Annual General Meeting. Tax rates applied in the calculation of average active equity are those used in the financial statements for the individual items and not an average overall tax rate. The Group's average active equity is allocated to the business segments and to C&A in proportion to their economic risk exposures, which consist of economic capital, goodwill and unamortized other intangible assets. The total amount allocated is the higher of the Group's overall economic risk exposure or regulatory capital demand. In 2007 and 2008, this demand for regulatory capital was derived by assuming a Tier 1 ratio of 8.5 %. In 2009, the Group derived its internal demand for regulatory capital assuming a Tier 1 ratio of 10.0 %. If the Group's average active equity exceeds the higher of the overall economic risk exposure or the regulatory capital demand, this surplus is assigned to C&A.

– **Return on Average Active Equity in %** is defined as income before income taxes less minority interest as a percentage of average active equity. These returns, which are based on average active equity, should not be compared to those of other companies without considering the differences in the calculation of such ratios.

Segmental Results of Operations

The following tables present the results of the business segments, including the reconciliation to the consolidated results under IFRS, for the years ended December 31, 2009, 2008 and 2007, respectively. The presentation of revenues and noninterest expenses in prior periods has been adjusted for changes in accounting policy relating to premiums paid for financial guarantees and certain clearing and settlement fees, in accordance with Note [1].

2009	Corporate and Investment Bank			Private Clients and Asset Management			Corporate Investments	Total Management Reporting[5]
in € m. (unless stated otherwise)	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total		
Net revenues[1]	**16,197**	**2,606**	**18,804**	**2,688**	**5,576**	**8,264**	**1,044**	**28,112**
Provision for credit losses	**1,789**	**27**	**1,816**	**17**	**790**	**806**	**8**	**2,630**
Total noninterest expenses	**10,874**	**1,804**	**12,678**	**2,476**	**4,328**	**6,804**	**581**	**20,063**
therein:								
Depreciation, depletion and amortization	71	5	76	18	69	87	8	171
Severance payments	138	7	145	106	192	297	0	442
Policyholder benefits and claims	541	–	541	0	–	0	–	541
Impairment of intangible assets	5	–	5	(291)	–	(291)	151	(134)
Restructuring activities	–	–	–	–	–	–	–	–
Minority interest	**(2)**	**–**	**(2)**	**(7)**	**0**	**(7)**	**(1)**	**(10)**
Income (loss) before income taxes	**3,537**	**776**	**4,312**	**202**	**458**	**660**	**456**	**5,428**
Cost/income ratio	67%	69%	67%	92%	78%	82%	56%	71%
Assets[2,3]	1,308,220	47,416	1,343,824	43,761	131,013	174,738	28,456	1,491,108
Expenditures for additions to long-lived assets	73	17	89	56	42	98	395	583
Risk-weighted assets	188,116	15,846	203,962	12,201	36,872	49,073	16,935	269,969
Average active equity[4]	17,881	1,160	19,041	4,791	3,617	8,408	4,323	31,772
Pre-tax return on average active equity	20%	67%	23%	4%	13%	8%	11%	17%
1 Includes:								
Net interest income	7,480	1,037	8,516	381	3,493	3,874	(108)	12,283
Net revenues from external customers	17,000	2,127	19,127	2,528	5,372	7,900	1,053	28,079
Net intersegment revenues	(802)	479	(323)	160	204	364	(9)	33
Net income (loss) from equity method investments	(77)	1	(76)	(14)	1	(12)	155	67
2 Includes:								
Equity method investments	1,543	40	1,584	202	42	244	5,911	7,739

3 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are eliminated at the group division level. The same approach holds true for the sum of group divisions compared to Total Management Reporting.

4 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. The Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their economic risk exposures, which comprise economic capital, goodwill and unamortized other intangible assets.

5 Includes gains from the sale of industrial holdings (Daimler AG) of € 236 million, a reversal of impairment of intangible assets (Asset Management) of € 291 million (the related impairment had been recorded in 2008), an impairment charge of € 278 million on industrial holdings and an impairment of intangible assets (Corporate Investments) of € 151 million which are excluded from the Group's target definition.

2008	Corporate and Investment Bank				Private Clients and Asset Management		Corporate Investments	Total Management Reporting[5]
in € m. (unless stated otherwise)	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total		
Net revenues[1]	**428**	**2,774**	**3,201**	**3,264**	**5,777**	**9,041**	**1,290**	**13,532**
Provision for credit losses	**402**	**5**	**408**	**15**	**653**	**668**	**(1)**	**1,075**
Total noninterest expenses	**8,550**	**1,663**	**10,213**	**3,794**	**4,178**	**7,972**	**95**	**18,279**
therein:								
Depreciation, depletion and amortization	53	6	57	17	77	93	8	158
Severance payments	334	3	337	29	84	113	0	450
Policyholder benefits and claims	(273)	–	(273)	18	–	18	–	(256)
Impairment of intangible assets	5	–	5	580	–	580	–	585
Restructuring activities	–	–	–	–	–	–	–	–
Minority interest	**(48)**	**–**	**(48)**	**(20)**	**0**	**(20)**	**2**	**(66)**
Income (loss) before income taxes	**(8,476)**	**1,106**	**(7,371)**	**(525)**	**945**	**420**	**1,194**	**(5,756)**
Cost/income ratio	N/M	60%	N/M	116%	72%	88%	7%	135%
Assets.[2,3]	2,011,983	49,487	2,047,181	50,473	138,350	188,785	18,297	2,189,313
Expenditures for additions to long-lived assets	1,167	38	1,205	13	56	70	0	1,275
Risk-weighted assets	234,344	15,400	249,744	16,051	37,482	53,533	2,677	305,953
Average active equity[4]	19,181	1,081	20,262	4,870	3,445	8,315	403	28,979
Pre-tax return on average active equity	(44)%	102%	(36)%	(11)%	27%	5%	N/M	(20)%
1 Includes:								
Net interest income	7,683	1,157	8,840	496	3,249	3,746	7	12,592
Net revenues from external customers	546	2,814	3,359	3,418	5,463	8,881	1,259	13,499
Net intersegment revenues	(118)	(40)	(158)	(154)	314	160	31	33
Net income (loss) from equity method investments	(110)	2	(108)	87	2	88	62	42
2 Includes:								
Equity method investments	1,687	40	1,727	321	44	365	71	2,163

N/M – Not meaningful

3 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are eliminated at the group division level. The same approach holds true for the sum of group divisions compared to Total Management Reporting.

4 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. The Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their economic risk exposures, which comprise economic capital, goodwill and unamortized other intangible assets.

5 Includes gains from the sale of industrial holdings (Daimler AG, Allianz SE and Linde AG) of € 1,228 million, a gain from the sale of the investment in Arcor AG & Co. KG of € 97 million and an impairment of intangible assets (Asset Management) of € 572 million, which are excluded from the Group's target definition.

2007 in € m. (unless stated otherwise)	Corporate and Investment Bank Corporate Banking & Securities	Global Transaction Banking	Total	Private Clients and Asset Management Asset and Wealth Management	Private & Business Clients	Total	Corporate Investments	Total Management Reporting[5]
Net revenues[1]	**16,591**	**2,585**	**19,176**	**4,374**	**5,755**	**10,129**	**1,517**	**30,822**
Provision for credit losses	**102**	**7**	**109**	**1**	**501**	**501**	**3**	**613**
Total noninterest expenses	**12,253**	**1,633**	**13,886**	**3,453**	**4,108**	**7,560**	**220**	**21,667**
therein:								
Depreciation, depletion and amortization	52	8	57	20	82	102	17	176
Severance payments	100	7	107	28	27	55	0	162
Policyholder benefits and claims	116	–	116	73	–	73	–	188
Impairment of intangible assets	–	–	–	74	–	74	54	128
Restructuring activities	(4)	(1)	(4)	(8)	(1)	(9)	(0)	(13)
Minority interest	**34**	**–**	**34**	**7**	**0**	**8**	**(5)**	**37**
Income (loss) before income taxes	**4,202**	**945**	**5,147**	**913**	**1,146**	**2,059**	**1,299**	**8,505**
Cost/income ratio	74%	63%	72%	79%	71%	75%	15%	70%
Assets[2], [3]	1,785,876	32,117	1,800,027	39,180	117,809	156,767	13,005	1,916,304
Expenditures for additions to long-lived assets	351	87	438	2	62	65	0	503
Risk-weighted assets	218,663	18,363	237,026	15,864	69,722	85,586	4,891	327,503
Average active equity[4]	19,619	1,095	20,714	5,109	3,430	8,539	473	29,725
Pre-tax return on average active equity	21%	86%	25%	18%	33%	24%	N/M	29%
1 Includes:								
Net interest income	4,362	1,106	5,467	165	3,083	3,248	(5)	8,710
Net revenues from external customers	16,775	2,498	19,273	4,615	5,408	10,023	1,492	30,788
Net intersegment revenues	(184)	87	(97)	(241)	347	106	25	34
Net income (loss) from equity method investments	72	1	74	142	3	145	197	416
2 Includes:								
Equity method investments	2,430	39	2,469	560	45	605	221	3,295

N/M– Not meaningful

3 The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are eliminated at the group division level. The same approach holds true for the sum of group divisions compared to Total Management Reporting.

4 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. The Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their economic risk exposures, which comprise economic capital, goodwill and unamortized other intangible assets.

5 Includes gains from the sale of industrial holdings (Fiat S.p.A., Linde AG and Allianz SE) of € 514 million, income from equity method investments (Deutsche Interhotel Holding GmbH & Co. KG) of € 178 million, net of goodwill impairment charge of € 54 million, a gain from the sale of premises (sale/leaseback transaction of 60 Wall Street) of € 317 million and an impairment of intangible assets (Asset Management) of € 74 million, which are excluded from the Group's target definition.

Reconciliation of Segmental Results of Operations to Consolidated Results of Operations

The following table presents a reconciliation of the total results of operations and total assets of the Group's business segments under management reporting systems to the consolidated financial statements for the years ended December 31, 2009, 2008 and 2007, respectively.

	2009			2008			2007		
in € m.	Total Management Reporting	Consolidation & Adjustments	Total Consolidated	Total Management Reporting	Consolidation & Adjustments	Total Consolidated	Total Management Reporting	Consolidation & Adjustments	Total Consolidated
Net revenues[1]	**28,112**	**(159)**	**27,952**	**13,532**	**82**	**13,613**	**30,822**	**7**	**30,829**
Provision for credit losses	2,630	(0)	2,630	1,075	1	1,076	613	(1)	612
Noninterest expenses	20,063	57	20,120	18,279	(0)	18,278	21,667	(199)	21,468
Minority interest	(10)	10	–	(66)	66	–	37	(37)	–
Income (loss) before income taxes	**5,428**	**(226)**	**5,202**	**(5,756)**	**15**	**(5,741)**	**8,505**	**243**	**8,749**
Assets	1,491,108	9,556	1,500,664	2,189,313	13,110	2,202,423	1,916,304	8,699	1,925,003
Risk-weighted assets	269,969	3,507	273,476	305,953	1,779	307,732	327,503	1,315	328,818
Average active equity	31,772	2,840	34,613	28,979	3,100	32,079	29,725	368	30,093

1 Net interest income and noninterest income.

In 2009, loss before income taxes in C&A was € 226 million. Noninterest expenses included charges related to litigation provisions and other items outside the management responsibility of the business segments. Partly offsetting were value-added tax benefits. The main adjustments to net revenues in C&A in 2009 were:

– Adjustments related to positions which were marked-to-market for management reporting purposes and accounted for on an accrual basis under IFRS. These adjustments, which decreased net revenues by approximately € 535 million, relate to economically hedged short-term positions as well as economically hedged debt issuance trades and were mainly driven by movements in short-term interest rates in both euro and U.S. dollar.

– Hedging of net investments in certain foreign operations decreased net revenues by approximately € 225 million.

– Derivative contracts used to hedge effects on shareholders' equity, resulting from obligations under share-based compensation plans, resulted in an increase of approximately € 460 million.

– The remainder of net revenues was due to net interest expenses which were not allocated to the business segments and items outside the management responsibility of the business segments. Such items include net funding expenses on nondivisionalized assets/liabilities, e.g. deferred tax assets/liabilities, and net interest expenses related to tax refunds and accruals.

In 2008, income before income taxes in C&A was € 15 million. Noninterest expenses included charges related to litigation provisions offset by value-added tax benefits. The main adjustments to net revenues in C&A in 2008 were:

– Adjustments related to positions which were marked-to-market for management reporting purposes and accounted for on an accrual basis under IFRS. These adjustments, which increased net revenues by approximately € 450 million, relate to economically hedged short-term positions and were driven by the significant volatility and overall decline of short-term interest rates.

– Hedging of net investments in certain foreign operations decreased net revenues by approximately € 160 million.

– Trading results from the Group's own shares and certain derivatives indexed to own shares are reflected in CB&S. The elimination of such results under IFRS resulted in an increase of approximately € 80 million.

– Decreases related to the elimination of intra-Group rental income were € 37 million.

– The remainder of net revenues was due to net interest expenses which were not allocated to the business segments and items outside the management responsibility of the business segments. Such items include net funding expenses on nondivisionalized assets/liabilities, e.g. deferred tax assets/liabilities, and net interest expenses related to tax refunds and accruals.

In 2007, income before income taxes in C&A was € 243 million. Noninterest expenses benefited primarily from a recovery of value-added tax paid in prior years, based on a refined methodology which was agreed with the tax authorities, and reimbursements associated with several litigation cases. The main adjustments to net revenues in C&A in 2007 were:

– Adjustments related to positions which were marked-to-market for management reporting purposes and accounted for on an accrual basis under IFRS decreased net revenues by approximately € 100 million.

– Trading results from the Group's own shares are reflected in CB&S. The elimination of such results under IFRS resulted in an increase of approximately € 30 million.

– Decreases related to the elimination of intra-Group rental income were € 39 million.

– Net interest income related to tax refunds and accruals increased net revenues by € 69 million.

– The remainder of net revenues was due to other corporate items outside the management responsibility of the business segments, such as net funding expenses for nondivisionalized assets/liabilities and results from hedging the net investments in certain foreign operations.

Assets and risk-weighted assets in C&A reflect corporate assets, such as deferred tax assets and central clearing accounts, outside of the management responsibility of the business segments.

Average active equity assigned to C&A reflects the residual amount of equity that is not allocated to the segments as described in the "Measurement of Segment Profit or Loss" section of this Note.

Entity-Wide Disclosures

The following tables present the net revenue components of the CIB and PCAM Group Divisions, for the years ended December 31, 2009, 2008 and 2007, respectively.

	Corporate and Investment Bank		
in € m.	2009	2008	2007
Sales & Trading (equity)	2,734	(631)	4,612
Sales & Trading (debt and other products)	9,795	116	8,401
Total Sales & Trading	**12,529**	**(514)**	**13,013**
Origination (equity)	663	334	860
Origination (debt)	1,132	(713)	714
Total origination	**1,795**	**(379)**	**1,573**
Advisory	402	589	1,089
Loan products	1,623	1,393	1,067
Transaction services	2,606	2,774	2,585
Other products	(151)	(661)	(151)
Total	**18,804**	**3,201**	**19,176**

	Private Clients and Asset Management		
in € m.	2009	2008	2007
Portfolio/fund management	2,033	2,457	3,017
Brokerage	1,456	1,891	2,172
Loan/deposit	3,531	3,251	3,154
Payments, account & remaining financial services	1,005	1,066	1,030
Other products	239	376	756
Total	**8,264**	**9,041**	**10,129**

The following table presents total net revenues (before provisions for credit losses) by geographic area for the years ended December 31, 2009, 2008 and 2007, respectively. The information presented for CIB and PCAM has been classified based primarily on the location of the Group's office in which the revenues are recorded. The information for CI and C&A is presented on a global level only, as management responsibility for these areas is held centrally.

in € m.	2009	2008	2007
Germany:			
CIB	2,353	2,997	3,012
PCAM	4,769	5,208	5,514
Total Germany	**7,122**	**8,205**	**8,525**
Europe, Middle East and Africa:			
CIB	8,483	(629)	7,713
PCAM	2,482	2,391	2,816
Total Europe, Middle East and Africa[1]	**10,964**	**1,762**	**10,530**
Americas (primarily United States):			
CIB	5,295	(838)	4,628
PCAM	724	971	1,331
Total Americas	**6,020**	**133**	**5,959**
Asia/Pacific:			
CIB	2,672	1,671	3,823
PCAM	289	471	468
Total Asia/Pacific	**2,961**	**2,142**	**4,291**
CI	1,044	1,290	1,517
Consolidation & Adjustments	(159)	82	7
Consolidated net revenues[2]	**27,952**	**13,613**	**30,829**

1 For the years ended December 31, 2009 and 2007, respectively, the United Kingdom accounted for roughly 60 % of these revenues. The United Kingdom reported negative revenues for the year ended December 31, 2008.

2 Consolidated net revenues comprise interest and similar income, interest expenses and total noninterest income (including net commission and fee income). Revenues are attributed to countries based on the location in which the Group's booking office is located. The location of a transaction on the Group's books is sometimes different from the location of the headquarters or other offices of a customer and different from the location of the Group's personnel who entered into or facilitated the transaction. Where the Group records a transaction involving its staff and customers and other third parties in different locations frequently depends on other considerations, such as the nature of the transaction, regulatory considerations and transaction processing considerations.

Notes to the Consolidated Income Statement

[5] Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss

Net Interest Income

The following are the components of interest and similar income and interest expense.

in € m.	2009	2008	2007
Interest and similar income:			
Interest-earning deposits with banks	633	1,313	1,384
Central bank funds sold and securities purchased under resale agreements	320	964	1,090
Securities borrowed	67	1,011	3,784
Financial assets at fair value through profit or loss	13,634	34,938	42,920
Interest income on financial assets available for sale	496	1,260	1,596
Dividend income on financial assets available for sale	91	312	200
Loans	10,555	12,269	10,901
Other	1,157	2,482	2,800
Total interest and similar income	**26,953**	**54,549**	**64,675**
Interest expense:			
Interest-bearing deposits	5,119	13,015	17,371
Central bank funds purchased and securities sold under repurchase agreements	280	4,425	6,869
Securities loaned	269	304	996
Financial liabilities at fair value through profit or loss	4,503	14,811	20,989
Other short-term borrowings	798	1,905	2,665
Long-term debt	2,612	5,273	4,912
Trust preferred securities	680	571	339
Other	233	1,792	1,685
Total interest expense	**14,494**	**42,096**	**55,826**
Net interest income	**12,459**	**12,453**	**8,849**

Interest income recorded on impaired financial assets was € 133 million, € 65 million and € 57 million for the years ended December 31, 2009, 2008 and 2007, respectively.

Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss

The following are the components of net gains (losses) on financial assets/liabilities at fair value through profit or loss.

in € m.	2009	2008	2007
Trading income:			
Sales & Trading (equity)	2,148	(9,615)	3,797
Sales & Trading (debt and other products)	5,668	(25,369)	(427)
Total Sales & Trading	7,816	(34,984)	3,370
Other trading income	(2,182)	1,155	548
Total trading income	**5,634**	**(33,829)**	**3,918**
Net gains (losses) on financial assets/liabilities designated at fair value through profit or loss:			
Breakdown by financial asset/liability category:			
Securities purchased/sold under resale/repurchase agreements	(73)	–	(41)
Securities borrowed/loaned	(2)	(4)	33
Loans and loan commitments	3,929	(4,016)	(570)
Deposits	(162)	139	10
Long-term debt[1]	(2,550)	28,630	3,782
Other financial assets/liabilities designated at fair value through profit or loss	333	(912)	43
Total net gains (losses) on financial assets/liabilities designated at fair value through profit or loss	**1,475**	**23,837**	**3,257**
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	**7,109**	**(9,992)**	**7,175**

1 Includes € 176 million, € 17.9 billion and € 3.5 billion from securitization structures for the years ended December 31, 2009, December 31, 2008 and December 31, 2007, respectively. Fair value movements on related instruments of € (49) million, € (20.1) billion and € (4.4) billion for December 31, 2009, December 31, 2008 and December 31, 2007, respectively, are reported within trading income. Both are reported under Sales & Trading (debt and other products). The total of these gains and losses represents the Group’s share of the losses in these consolidated securitization structures.

Combined Overview

The Group’s trading and risk management businesses include significant activities in interest rate instruments and related derivatives. Under IFRS, interest and similar income earned from trading instruments and financial instruments designated at fair value through profit or loss (e.g., coupon and dividend income), and the costs of funding net trading positions, are part of net interest income. The Group’s trading activities can periodically shift income between net interest income and net gains (losses) of financial assets/liabilities at fair value through profit or loss depending on a variety of factors, including risk management strategies. In order to provide a more business-focused presentation, the Group combines net interest income and net gains (losses) of financial assets/liabilities at fair value through profit or loss by group division and by product within the Corporate and Investment Bank.

The following table presents data relating to the Group's combined net interest and net gains (losses) on financial assets/liabilities at fair value through profit or loss by group division and, for the Corporate and Investment Bank, by product, for the years ended December 31, 2009, 2008 and 2007, respectively.

in € m.	2009	2008	2007
Net interest income	12,459	12,453	8,849
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	7,109	(9,992)	7,175
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**19,568**	**2,461**	**16,024**
Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss by Group Division/CIB product:			
Sales & Trading (equity)	2,047	(1,895)	3,117
Sales & Trading (debt and other products)	9,735	317	7,483
Total Sales & Trading	11,782	(1,578)	10,600
Loan products[1]	767	1,014	499
Transaction services	1,177	1,358	1,297
Remaining products[2]	239	(1,821)	(118)
Total Corporate and Investment Bank	13,966	(1,027)	12,278
Private Clients and Asset Management	4,160	3,871	3,529
Corporate Investments	793	(172)	157
Consolidation & Adjustments	649	(211)	61
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**19,568**	**2,461**	**16,024**

1 Includes the net interest spread on loans as well as the fair value changes of credit default swaps and loans designated at fair value through profit or loss.
2 Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss of origination, advisory and other products.

[6] Commissions and Fee Income

The following are the components of commission and fee income and expense.

in € m.	2009	2008	2007
Commission and fee income and expense:			
Commission and fee income	11,377	12,449	15,199
Commission and fee expense	2,466	2,708	2,917
Net commissions and fee income	**8,911**	**9,741**	**12,282**

in € m.	2009	2008	2007
Net commissions and fee income:			
Net commissions and fees from fiduciary activities	2,925	3,414	3,965
Net commissions, brokers' fees, mark-ups on securities underwriting and other securities activities	3,449	3,790	5,490
Net fees for other customer services	2,537	2,537	2,827
Net commissions and fee income	**8,911**	**9,741**	**12,282**

[7] Net Gains (Losses) on Financial Assets Available for Sale

The following are the components of net gains (losses) on financial assets available for sale.

in € m.	2009	2008	2007
Net gains (losses) on financial assets available for sale:			
Net gains (losses) on debt securities:	37	(534)	(192)
Net gains (losses) from disposal	119	17	8
Impairments	(82)	(551)	(200)
Net gains (losses) on equity securities:	(295)	1,156	944
Net gains (losses) from disposal	443	1,428	1,004
Impairments	(738)	(272)	(60)
Net gains (losses) on loans:	(56)	(63)	(12)
Net gains (losses) from disposal	9	(12)	(8)
Impairments	(81)	(52)	(4)
Reversal of impairments	16	1	–
Net gains (losses) on other equity interests:	(89)	107	53
Net gains (losses) from disposal	–	108	60
Impairments	(89)	(1)	(7)
Total net gains (losses) on financial assets available for sale	**(403)**	**666**	**793**

[8] Other Income

The following are the components of other income.

in € m.	2009	2008	2007
Other income:			
Net income (loss) from investment properties	(117)	8	29
Net gains (losses) on disposal of investment properties	(2)	–	8
Net gains (losses) on disposal of consolidated subsidiaries	61	85	321
Net gains (losses) on disposal of loans	2	50	44
Insurance premiums[1]	129	308	134
Remaining other income[2]	(256)	248	841
Total other income	**(183)**	**699**	**1,377**

1 Net of reinsurance premiums paid. The development is primarily driven by Abbey Life Assurance Company Limited.
2 The decrease from 2008 to 2009 in remaining other income was primarily driven by an impairment charge of € 575 million on The Cosmopolitan Resort and Casino property recorded in 2009. The decrease from 2007 to 2008 was primarily driven by the non-recurrence of gains of € 317 million from the sale/leaseback of the Group's 60 Wall Street premises in New York and € 148 million other income from consolidated investments recorded in 2007.

[9] General and Administrative Expenses

The following are the components of general and administrative expenses.

in € m.	2009	2008	2007
General and administrative expenses:			
IT costs	1,759	1,818	1,863
Occupancy, furniture and equipment expenses	1,457	1,434	1,347
Professional service fees	1,088	1,164	1,257
Communication and data services	672	698	678
Travel and representation expenses	408	504	554
Payment, clearing and custodian services	406	415	436
Marketing expenses	278	373	411
Other expenses	2,334	1,933	1,492
Total general and administrative expenses	**8,402**	**8,339**	**8,038**

Other expenses include, among other items, regulatory and insurance related costs, other taxes, operational losses and other non-compensation staff related expenses. The increase in other expenses was mainly driven by charges of € 316 million from a legal settlement with Huntsman Corp. and of € 200 million related to the Group's offer to repurchase certain products from private investors.

[10] Earnings per Common Share

Basic earnings per common share amounts are computed by dividing net income (loss) attributable to Deutsche Bank shareholders by the average number of common shares outstanding during the year. The average number of common shares outstanding is defined as the average number of common shares issued, reduced by the average number of shares in treasury and by the average number of shares that will be acquired under physically-settled forward purchase contracts, and increased by undistributed vested shares awarded under deferred share plans.

Diluted earnings per share assumes the conversion into common shares of outstanding securities or other contracts to issue common stock, such as share options, convertible debt, unvested deferred share awards and forward contracts. The aforementioned instruments are only included in the calculation of diluted earnings per share if they are dilutive in the respective reporting period.

In December 2008, the Group decided to amend existing forward purchase contracts covering 33.6 million Deutsche Bank common shares from physical to net-cash settlement and these instruments are no longer included in the computation of basic and diluted earnings per share.

The following table presents the computation of basic and diluted earnings per share for the years ended December 31, 2009, 2008 and 2007, respectively.

in € m.	2009	2008	2007
Net income (loss) attributable to Deutsche Bank shareholders – numerator for basic earnings per share	**4,973**	**(3,835)**	**6,474**
Effect of dilutive securities:			
Forwards and options	–	–	–
Convertible debt	2	(1)	–
Net income (loss) attributable to Deutsche Bank shareholders after assumed conversions – numerator for diluted earnings per share	**4,975**	**(3,836)**	**6,474**
Number of shares in m			
Weighted-average shares outstanding – denominator for basic earnings per share	**628.1**	**504.1**	**474.2**
Effect of dilutive securities: Forwards	0.0	0.0	0.3
Employee stock compensation options	0.1	0.0	1.8
Convertible debt	0.7	0.1	0.7
Deferred shares	26.4	0.0	18.6
Other (including trading options)	0.1	0.0	0.5
Dilutive potential common shares	27.3	0.1	21.9
Adjusted weighted-average shares after assumed conversions – denominator for diluted earnings per share	**655.4**	**504.2**	**496.1**

in €	2009	2008	2007
Basic earnings per share	7.92	(7.61)	13.65
Diluted earnings per share	7.59	(7.61)	13.05

Due to the net loss situation, potentially dilutive instruments were generally not considered for the calculation of diluted earnings per share for the year ended December 31, 2008, because to do so would have been anti-dilutive. Under a net income situation however, the number of adjusted weighted-average shares after assumed conversions for the year ended December 31, 2008 would have increased by 31.2 million shares.

As of December 31, 2009, 2008 and 2007, the following instruments were outstanding and were not included in the calculation of diluted earnings per share, because to do so would have been anti-dilutive.

Number of shares in m.	2009	2008	2007
Forward purchase contracts	0.0	0.0	39.4
Put options sold	0.0	0.1	0.2
Call options sold	0.0	0.3	0.7
Employee stock compensation options	0.3	1.8	0.1
Deferred shares	0.0	26.9	0.6

Notes to the Consolidated Balance Sheet

[11] Financial Assets/Liabilities at Fair Value through Profit or Loss

The following are the components of financial assets and liabilities at fair value through profit or loss.

in € m.	Dec 31, 2009	Dec 31, 2008
Trading assets:		
Trading securities	206,710	204,994
Other trading assets[1]	28,200	42,468
Total trading assets	**234,910**	**247,462**
Positive market values from derivative financial instruments	**596,410**	**1,224,493**
Financial assets designated at fair value through profit or loss:		
Securities purchased under resale agreements	89,977	94,726
Securities borrowed 19,987	29,079	
Loans	12,964	18,739
Other financial assets designated at fair value through profit or loss	11,072	9,312
Total financial assets designated at fair value through profit or loss	**134,000**	**151,856**
Total financial assets at fair value through profit or loss	**965,320**	**1,623,811**

1 Includes traded loans of € 21,847 million and € 31,421 million at December 31, 2009 and 2008 respectively.

in € m.	Dec 31, 2009	Dec 31, 2008
Trading liabilities:		
Trading securities	62,402	56,967
Other trading liabilities	2,099	11,201
Total trading liabilities	**64,501**	**68,168**
Negative market values from derivative financial instruments	**576,973**	**1,181,617**
Financial liabilities designated at fair value through profit or loss:		
Securities sold under repurchase agreements	52,795	52,633
Loan commitments	447	2,352
Long-term debt	15,395	18,439
Other financial liabilities designated at fair value through profit or loss	4,885	4,579
Total financial liabilities designated at fair value through profit or loss	**73,522**	**78,003**
Investment contract liabilities[1]	7,278	5,977
Total financial liabilities at fair value through profit or loss	**722,274**	**1,333,765**

1 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note [39] for more detail on these contracts.

Loans and Loan Commitments designated at Fair Value through Profit or Loss

The Group has designated various lending relationships at fair value through profit or loss. Lending facilities consist of drawn loan assets and undrawn irrevocable loan commitments. The maximum exposure to credit risk on a drawn loan is its fair value. The Group's maximum exposure to credit risk on drawn loans, including securities purchased under resale agreements and securities borrowed, was € 123 billion and € 143 billion as of December 31, 2009, and 2008, respectively. Exposure to credit risk also exists for undrawn irrevocable loan commitments.

The credit risk on the securities purchased under resale agreements and securities borrowed designated under the fair value option was € 110.0 billion and € 123.8 billion at December 31, 2009 and December 31, 2008 respectively, this credit risk is mitigated by the holding of collateral. The valuation of these instruments takes into account the credit enhancement in the form of the collateral received. As such there is no material movement during the year or cumulatively due to movements in counterparty credit risk on these instruments. The credit risk on the loans designated under the fair value option of € 13.0 billion and € 18.7 billion as of December 31, 2009 and 2008, respectively, is mitigated in a number of ways. The majority of the drawn loan balance is mitigated through the purchase of credit default swaps, the remainder is mitigated by the holding of collateral.

The valuation of collateralized loans takes into account the credit enhancement received. Where the instruments are over-collateralized there is no material movement in valuation during the year or cumulatively due to movements in counterparty credit risk, rather the fair value movement of the instruments is due to market risk movements in the value of the collateral and interest rates.

Of the total drawn and undrawn lending facilities designated at fair value, the Group managed counterparty credit risk by purchasing credit default swap protection on facilities with a notional value of € 48.9 billion and € 50.5 billion as of December 31, 2009, and 2008, respectively. The notional value of credit derivatives used to mitigate the exposure to credit risk on drawn loans and undrawn irrevocable loan commitments designated at fair value was € 32.7 billion and € 36.5 billion as of December 31, 2009, and 2008, respectively.

The changes in fair value attributable to movements in counterparty credit risk are detailed in the table below.

	Dec 31, 2009		Dec 31, 2008	
in € m.	Loans	Loan commitments	Loans	Loan commitments
Changes in fair value of loans and loan commitments due to credit risk				
Cumulative change in the fair value	28	(24)	(870)	(2,731)
Annual change in the fair value in 2009/2008	938	1,565	(815)	(2,558)
Changes in fair value of credit derivatives used to mitigate credit risk				
Cumulative change in the fair value	(47)	(51)	844	2,674
Annual change in the fair value in 2009/2008	(1,250)	(1,355)	784	2,482

The change in fair value of the loans and loan commitments attributable to movements in the counterparty's credit risk is determined as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk. For collateralized loans, including securities purchased under resale agreements and securities borrowed, the collateral received acts to mitigate the counterparty credit risk. The fair value movement due to counterparty credit risk on securities purchased under resale agreements was not material due to the credit enhancement received.

Financial Liabilities designated at Fair Value through Profit or Loss

The fair value of a financial liability incorporates the credit risk of that financial liability. The changes in fair value of financial liabilities designated at fair value through profit or loss in issue at the year-end attributable to movements in the Group's credit risk are detailed in the table below. The changes in the fair value of financial liabilities designated at fair value through profit or loss issued by consolidated SPEs have been excluded as this is not related to the Group's credit risk but to that of the legally isolated SPE, which is dependent on the collateral it holds.

in € m.	Dec 31, 2009	Dec 31, 2008
Cumulative change in the fair value	30	364
Annual change in the fair value in 2009/2008	(264)	349

The fair value of the debt issued takes into account the credit risk of the Group. Where the instrument is quoted in an active market, the movement in fair value due to credit risk is calculated as the amount of change in fair value that is not attributable to changes in market conditions that give rise to market risk. Where the instrument is not quoted in an active market, the fair value is calculated using a valuation technique that incorporates credit risk by discounting the contractual cash flows on the debt using a credit-adjusted yield curve which reflects the level at which the Group could issue similar instruments at the reporting date.

The credit risk on undrawn irrevocable loan commitments is predominantly counterparty credit risk. The change in fair value due to counterparty credit risk on undrawn irrevocable loan commitments has been disclosed with the counterparty credit risk on the drawn loans.

For all financial liabilities designated at fair value through profit or loss the amount that the Group would contractually be required to pay at maturity was € 36.8 billion and € 33.7 billion more than the carrying amount as of December 31, 2009 and 2008, respectively. The amount contractually required to pay at maturity assumes the liability is extinguished at the earliest contractual maturity that the Group can be required to repay. When the amount payable is not fixed, the amount the Group would contractually be required to pay is determined by reference to the conditions existing at the reporting date.

The majority of the difference between the fair value of financial liabilities designated at fair value through profit or loss and the contractual cash flows which will occur at maturity is attributable to undrawn loan commitments

where the contractual cash flow at maturity assumes full drawdown of the facility. The difference between the fair value and the contractual amount repayable at maturity excluding the amount of undrawn loan commitments designated at fair value through profit or loss was € 0.6 billion and € 1.4 billion as of December 31, 2009, and 2008, respectively.

[12] Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets"

Under the amendments to IAS 39 and IFRS 7 certain financial assets were reclassified in the second half of 2008 and the first quarter of 2009 from the financial assets at fair value through profit or loss and the available for sale classifications into the loans classification. The reclassifications were made in instances where management believed that the expected repayment of the assets exceeded their estimated fair values, which reflected the significantly reduced liquidity in the financial markets, and that returns on these assets would be optimized by holding them for the foreseeable future. Where this clear change of intent existed and was supported by an ability to hold and fund the underlying positions, the Group concluded that the reclassifications aligned the accounting more closely with the business intent. Assets that were reclassified in the third quarter 2008 were reclassified with effect from July 1, 2008 at the fair value as of that date. Where the business decision to reclassify was made by November 1, 2008 and these assets met the reclassification rules and the Group's internal reclassification criteria, the reclassifications were made with effect from October 1, 2008. Business decisions to reclassify assets after November 1, 2008 were made on a prospective basis at fair value on the date reclassification was approved. The disclosures below detail the impact of the reclassifications on the Group.

The following table shows carrying values and fair values of the assets reclassified in 2008 and 2009.

	Cumulative reclassifications through Dec 31, 2009			Cumulative reclassifications through Dec 31, 2008		
	Carrying value at reclassification date	Dec 31, 2009		Carrying value at reclassification date	Dec 31, 2008	
in € m.		Carrying value	Fair value		Carrying value	Fair Value
Assets reclassified in 2008:						
Trading assets reclassified to loans	23,633	21,397	18,837	23,633	23,637	20,717
Financial assets available for sale reclassified to loans	11,354	9,267	8,290	11,354	10,787	8,628
Total financial assets reclassified to loans	**34,987**	**30,664**[1]	**27,127**	**34,987**	**34,424**	**29,345**
Assets reclassified in 2009:						
Trading assets reclassified to loans	2,961	2,890	2,715			
Total financial assets reclassified to loans	**2,961**	**2,890**	**2,715**			

1 The decline of the carrying values since reclassification was mainly attributable to repayments, credit loss provisions and foreign exchange movements.

The following table shows the ranges of effective interest rates based on weighted average rates by business and the expected recoverable cash flows estimated at reclassification date.

in € bn. (unless stated otherwise)	Cumulative reclassifications through Dec 31, 2009: Trading assets reclassified to loans	Cumulative reclassifications through Dec 31, 2009: Financial assets available for sale reclassified to loans	Cumulative reclassifications through Dec 31, 2008: Trading assets reclassified to loans	Cumulative reclassifications through Dec 31, 2008: Financial assets available for sale reclassified to loans
Effective interest rates at reclassification date:				
upper range	13.1%	9.9%	13.1%	9.9%
lower range	2.8%	3.9%	2.8%	3.9%
Expected recoverable cash flows at reclassification date	**39.6**	**17.6**	**35.9**	**17.6**

The additional impact on the Group's income statement and shareholders' equity if the reclassifications had not been made is shown in the table below.

in € m.	2009	2008[1]
Unrealized fair value losses on the reclassified trading assets, gross of provisions for credit losses	(884)	(3,230)
Impairment losses on the reclassified financial assets available for sale which were impaired	(9)	(209)
Movement in shareholders' equity representing additional unrealized fair value gains (losses) on the reclassified financial assets available for sale	1,147	(1,826)

1 Reclassifications were made from 1 July 2008 and so the 2008 balances represent a six month period.

After reclassification, the pre-tax contribution of all reclassified assets to the income statement was as follows.

in € m.	2009	2008[1]
Interest income	1,368	659
Provision for credit losses	(1,047)	(166)
Income before income taxes on reclassified trading assets	**321**	**493**
Interest income	227	258
Provision for credit losses	(205)	(91)
Income before income taxes on reclassified financial assets available for sale	**22**	**167**

1 Reclassifications were made from 1 July 2008 and so the 2008 balances represent a six month period.

Prior to their reclassification, assets reclassified in 2009 contributed fair value losses of € 252 million to the income statement for the year ended December 31, 2008 and fair value losses of € 48 million to the income statement for the year ended December 31, 2009.

Prior to their reclassification, assets reclassified from trading in 2008 contributed fair value losses of € 1.8 billion to the income statement for the year ended December 31, 2008 and € 613 million of fair value losses for the year ended December 31, 2007. Assets reclassified from available for sale during 2008 contributed, prior to their reclassification, impairment charges of € 174 million to the income statement and additional unrealized losses of € 736 million to the consolidated statement of recognized income and expense for the year ended December 31, 2008 and no impairment losses and additional unrealized losses of € 275 million to the consolidated statement of recognized income and expense for the year ended December 31, 2007.

As of the reclassification dates, unrealized fair value losses recorded directly in shareholders' equity amounted to € 1.1 billion, which relate to reclassifications made during 2008. This amount is released from shareholders' equity to the income statement on an effective interest rate basis. Where the asset subsequently becomes impaired the amount recorded in shareholders' equity relating to the impaired asset is released to the income statement at the impairment date.

[13] Financial Instruments carried at Fair Value

Valuation Methods and Control

The Group has an established valuation control framework which governs internal control standards, methodologies, and procedures over the valuation process.

Prices Quoted in Active Markets: The fair value of instruments that are quoted in active markets are determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place.

Valuation Techniques: The Group uses valuation techniques to establish the fair value of instruments where prices, quoted in active markets, are not available. Valuation techniques used for financial instruments include modeling techniques, the use of indicative quotes for proxy instruments, quotes from less recent and less regular transactions and broker quotes.

For some financial instruments a rate or other parameter, rather than a price, is quoted. Where this is the case then the market rate or parameter is used as an input to a valuation model to determine fair value. For some instruments, modeling techniques follow industry standard models for example, discounted cash flow analysis and standard option pricing models such as Black-Scholes. These models are dependent upon estimated future cash flows, discount factors and volatility levels. For more complex or unique instruments, more sophisticated modeling techniques, assumptions and parameters are required, including correlation, prepayment speeds, default rates and loss severity.

Frequently, valuation models require multiple parameter inputs. Where possible, parameter inputs are based on observable data which are derived from the prices of relevant instruments traded in active markets. Where

observable data is not available for parameter inputs then other market information is considered. For example, indicative broker quotes and consensus pricing information is used to support parameter inputs where it is available. Where no observable information is available to support parameter inputs then they are based on other relevant sources of information such as prices for similar transactions, historic data, economic fundamentals with appropriate adjustment to reflect the terms of the actual instrument being valued and current market conditions.

Valuation Adjustments: Valuation adjustments are an integral part of the valuation process. In making appropriate valuation adjustments, the Group follows methodologies that consider factors such as bid/offer spreads, liquidity and counterparty credit risk. Bid/offer spread valuation adjustments are required to adjust mid market valuations to the appropriate bid or offer valuation. The bid or offer valuation is the best representation of the fair value for an instrument, and therefore its fair value. The carrying value of a long position is adjusted from mid to bid, and the carrying value of a short position is adjusted from mid to offer. Bid/offer valuation adjustments are determined from bid-offer prices observed in relevant trading activity and in quotes from other broker-dealers or other knowledgeable counterparties. Where the quoted price for the instrument is already a bid/offer price then no bid/offer valuation adjustment is necessary. Where the fair value of financial instruments is derived from a modeling technique then the parameter inputs into that model are normally at a mid-market level. Such instruments are generally managed on a portfolio basis and valuation adjustments are taken to reflect the cost of closing out the net exposure the Bank has to each of the input parameters. These adjustments are determined from bid-offer prices observed in relevant trading activity and quotes from other broker-dealers.

Large position liquidity adjustments are appropriate when the size of a position is large enough relative to the market size that it could not be liquidated at the market bid/offer spread within a reasonable time frame. These adjustments reflect the wider bid/offer spread appropriate for deriving fair value of the large positions; they are not the amounts that would be required to reach a forced sale valuation. Large position liquidity adjustments are not made for instruments that are traded in active markets.

Counterparty credit valuation adjustments are required to cover expected credit losses to the extent that the valuation technique does not already include an expected credit loss factor. For example, a valuation adjustment is required to cover expected credit losses on over-the-counter derivatives which are typically not reflected in mid-market or bid/offer quotes. The adjustment amount is determined at each reporting date by assessing the potential credit exposure to all counterparties taking into account any collateral held, the effect of any master netting agreements, expected loss given default and the credit risk for each counterparty based on market evidence, which may include historic default levels, fundamental analysis of financial information, and CDS spreads.

Similarly, in establishing the fair value of derivative liabilities the Group considers its own creditworthiness on derivatives by assessing all counterparties potential future exposure to the Group, taking into account any collateral held, the effect of any master netting agreements, expected loss given default and the credit risk of the Group based on historic default levels of entities of the same credit quality. The impact of this valuation adjustment was that an insignificant gain was recognized for the year ended December 31, 2009.

Where there is uncertainty in the assumptions used within a modeling technique, an additional adjustment is taken to calibrate the model price to the expected market price of the financial instrument. Where a financial instrument is part of a group of transactions risk managed on a portfolio basis, but where the trade itself is of sufficient complexity that the cost of closing it out would be higher than the cost of closing out its component risks, then an additional adjustment is taken to reflect this fact.

Validation and Control: The Group has an independent specialist valuation group within the Finance function which oversees and develops the valuation control framework and manages the valuation control processes. The mandate of this specialist function includes the performance of the valuation control process for the complex derivative businesses as well as the continued development of valuation control methodologies and the valuation policy framework. Results of the valuation control process are collected and analyzed as part of a standard monthly reporting cycle. Variances of differences outside of preset and approved tolerance levels are escalated both within the Finance function and with Senior Business Management for review, resolution and, if required, adjustment.

For instruments where fair value is determined from valuation models, the assumptions and techniques used within the models are independently validated by an independent specialist model validation group that is part of the Group's Risk Management function.

Quotes for transactions and parameter inputs are obtained from a number of third party sources including exchanges, pricing service providers, firm broker quotes and consensus pricing services. Price sources are examined and assessed to determine the quality of fair value information they represent. The results are compared against actual transactions in the market to ensure the model valuations are calibrated to market prices.

Price and parameter inputs to models, assumptions and valuation adjustments are verified against independent sources. Where they cannot be verified to independent sources due to lack of observable information, the

estimate of fair value is subject to procedures to assess its reasonableness. Such procedures include performing revaluation using independently generated models, assessing the valuations against appropriate proxy instruments and other benchmarks, and performing extrapolation techniques. Assessment is made as to whether the valuation techniques yield fair value estimates that are reflective of market levels by calibrating the results of the valuation models against market transactions where possible.

Management Judgment: In reaching estimates of fair value management judgment needs to be exercised. The areas requiring significant management judgment are identified, documented and reported to senior management as part of the valuation control framework and the standard monthly reporting cycle. The specialist model validation and valuation groups focus attention on the areas of subjectivity and judgment.

The level of management judgment required in establishing fair value of financial instruments for which there is a quoted price in an active market is minimal. Similarly there is little subjectivity or judgment required for instruments valued using valuation models which are standard across the industry and where all parameter inputs are quoted in active markets.

The level of subjectivity and degree of management judgment required is more significant for those instruments valued using specialized and sophisticated models and where some or all of the parameter inputs are not observable. Management judgment is required in the selection and application of appropriate parameters, assumptions and modeling techniques. In particular, where data is obtained from infrequent market transactions then extrapolation and interpolation techniques must be applied. In addition, where no market data is available then parameter inputs are determined by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions and making appropriate adjustment to reflect the actual instrument being valued and current market conditions. Where different valuation techniques indicate a range of possible fair values for an instrument then management has to establish what point within the range of estimates best represents fair value. Further, some valuation adjustments may require the exercise of management judgment to ensure they achieve fair value.

Fair Value Hierarchy

The financial instruments carried at fair value have been categorized under the three levels of the IFRS fair value hierarchy as follows:

Quoted Prices in an Active Market (Level 1): This level of the hierarchy includes listed equity securities on major exchanges, quoted corporate debt instruments, G7 Government debt and exchange traded derivatives. The fair value of instruments that are quoted in active markets are determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place.

Valuation Techniques with Observable Parameters (Level 2): This level of the hierarchy includes the majority of the Group's OTC derivative contracts, corporate debt held, securities purchased/sold under resale/repurchase agreements, securities borrowed/loaned, traded loans and issued structured debt designated under the fair value option.

Valuation Techniques with Significant Unobservable Parameters (Level 3): Instruments classified in this category have a parameter input or inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument. This level of the hierarchy includes more complex OTC derivatives, certain private equity investments, illiquid loans, certain highly structured bonds including illiquid asset backed securities and structured debt issuances with unobservable components.

The following table presents the carrying value of the financial instruments held at fair value across the three levels of the fair value hierarchy. Amounts in this table are generally presented on a gross basis, in line with the Group's accounting policy regarding offsetting of financial instruments, as described in Note [1].

			Dec 31, 2009			Dec 31, 2008
in € m.	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)
Financial assets held at fair value:						
Trading securities	84,833	106,268	15,609	72,240	115,486	17,268
Positive market values from derivative financial instruments	19,684	551,514	25,211	36,062	1,139,639	48,792
Other trading assets	456	16,963	10,782	348	28,560	13,560
Financial assets designated at fair value through profit or loss	5,698	124,892	3,410	8,630	137,421	5,805
Financial assets available for sale	10,789	4,863	3,167	11,911	11,474	1,450
Other financial assets at fair value[1]	–	7,014	41	–	9,691	788
Total financial assets held at fair value	**121,460**	**811,514**	**58,220**	**129,191**	**1,442,271**	**87,663**
Financial liabilities held at fair value:						
Trading securities	43,182	18,787	431	38,921	17,380	666
Negative market values from derivative financial instruments	18,699	542,683	15,591	38,380	1,114,499	28,738
Other trading liabilities	1	1,817	283	–	11,027	174
Financial liabilities designated at fair value through profit or loss	177	70,724	2,621	708	71,265	6,030
Investment contract liabilities[2]	–	7,278	–	–	5,977	–
Other financial liabilities at fair value[1]	–	2,698	(757)	–	5,513	(1,249)
Total financial liabilities held at fair value	**62,059**	**643,987**	**18,169**	**78,009**	**1,225,661**	**34,359**

1 Derivatives which are embedded in contracts where the host contract is not held at fair value through the profit or loss but for which the embedded derivative is separated are presented within other financial assets/liabilities at fair value for the purposes of this disclosure. The separated embedded derivatives may have a positive or a negative fair value but have been presented in this table to be consistent with the classification of the host contract. The separated embedded derivatives are held at fair value on a recurring basis and have been split between the fair value hierarchy classifications.
2 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note [39] for more detail on these contracts.

There have been no significant transfers of instruments between level 1 and level 2 of the fair value hierarchy.

Valuation Techniques

The following is an explanation of the valuation techniques used in establishing the fair value of the different types of financial instruments that the Group trades.

Sovereign, Quasi-sovereign and Corporate Debt and Equity Securities: Where there are no recent transactions then fair value may be determined from the last market price adjusted for all changes in risks and information since that date. Where a close proxy instrument is quoted in an active market then fair value is determined by adjusting the proxy value for differences in the risk profile of the instruments. Where close proxies are not available then fair value is estimated using more complex modeling techniques. These techniques include discounted cash flow models using current market rates for credit, interest, liquidity and other risks. For equity securities modeling techniques may also include those based on earnings multiples. For some illiquid securities several valuation techniques are used and an assessment is made to determine what point within the range of estimates best represents fair value.

Mortgage and Other Asset Backed Securities ("ABS"): These instruments include residential and commercial mortgage backed securities and other asset backed securities including collateralized debt obligations ("CDO"). Asset backed securities have specific characteristics as they have different underlying assets and the issuing entities have different capital structures. The complexity increases further where the underlying assets are themselves asset backed securities, as is the case with many of the CDO instruments.

Where no reliable external pricing is available, ABS are valued, where applicable, using either relative value analysis which is performed based on similar transactions observable in the market, or industry-standard valuation models incorporating available observable inputs. The industry standard external models calculate

principal and interest payments for a given deal based on assumptions that are independently price tested. The inputs include prepayment speeds, loss assumptions (timing and severity) and a discount rate (spread, yield or discount margin). These inputs/assumptions are derived from actual transactions, external market research and market indices where appropriate.

Loans: For certain loans fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information since that transaction date. Where there are no recent market transactions then broker quotes, consensus pricing, proxy instruments or discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for credit risk, interest rate risk, foreign exchange risk, loss given default estimates and amounts utilized given default, as appropriate. Credit risk, loss given default and utilization given default parameters are determined using information from the loan or CDS markets, where available and appropriate.

Leveraged loans have transaction-specific characteristics. Where similar transactions exist for which observable quotes are available from external pricing services then this information is used with appropriate adjustments to reflect the transaction differences. When no similar transactions exist, a discounted cash flow valuation technique is used with credit spreads derived from the appropriate leveraged loan index, incorporating the industry classification, subordination of the loan, and any other relevant information on the loan and loan counterparty.

Over-The-Counter (OTC) Derivative Financial Instruments: Market standard transactions in liquid trading markets, such as interest rate swaps, foreign exchange forward and option contracts in G7 currencies, and equity swap and option contracts on listed securities or indices are valued using market standard models and quoted parameter inputs. Parameter inputs are obtained from pricing services, consensus pricing services and recently occurring transactions in active markets wherever possible.

More complex instruments are modeled using more sophisticated modeling techniques specific for the instrument and calibrated to the market prices. Where the model value does not calibrate to the market price then adjustments are made to the model value to adjust to the market value. In less active markets, data is obtained from less frequent market transactions, broker quotes and through extrapolation and interpolation techniques. Where observable prices or inputs are not available, management judgment is required to determine fair values by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions.

Financial Liabilities Designated at Fair Value through Profit or Loss under the Fair Value Option: The fair value of financial liabilities designated at fair value through profit or loss under the fair value option incorporates all market risk factors including a measure of the Group's credit risk relevant for that financial liability. The financial liabilities include structured note issuances, structured deposits, and other structured securities issued by consolidated vehicles, which may not be quoted in an active market. The fair value of these financial liabilities is determined by discounting the contractual cash flows using the relevant credit-adjusted yield curve. The market risk parameters are valued consistently to similar instruments held as assets, for example, any derivatives embedded within the structured notes are valued using the same methodology discussed in the "OTC derivative financial instruments" section above.

Where the financial liabilities designated at fair value through profit or loss under the fair value option are collateralized, such as securities loaned and securities sold under repurchase agreements, the credit enhancement is factored into the fair valuation of the liability.

Investment Contract Liabilities: Assets which are linked to the investment contract liabilities are owned by the Group. The investment contract obliges the Group to use these assets to settle these liabilities. Therefore, the fair value of investment contract liabilities is determined by the fair value of the underlying assets (i.e., amount payable on surrender of the policies).

Analysis of Financial Instruments with Fair Value Derived from Valuation Techniques Containing Significant Unobservable Parameters (Level 3)

The table below presents the financial instruments categorized in the third level followed by an analysis and discussion of the financial instruments so categorized. Some of the instruments in the third level of the fair value hierarchy have identical or similar offsetting exposures to the unobservable input. However, according to IFRS they are required to be presented as gross assets and liabilities in the table below.

in € m.	Dec 31, 2009	Dec 31, 2008
Financial assets held at fair value:		
Trading securities:		
Sovereign and quasi-sovereign obligations	335	602
Mortgage and other asset-backed securities	7,068	5,870
Corporate debt securities and other debt obligations	7,444	10,669
Equity securities	762	127
Total trading securities	15,609	17,268
Positive market values from derivative financial instruments	25,211	48,792
Other trading assets	10,782	13,560
Financial assets designated at fair value through profit or loss:		
Loans	2,905	5,531
Other financial assets designated at fair value through profit or loss	505	274
Total financial assets designated at fair value through profit or loss	3,410	5,805
Financial assets available for sale	3,167	1,450
Other financial assets at fair value	41	788
Total financial assets held at fair value	**58,220**	**87,663**
Financial liabilities held at fair value:		
Trading securities	431	666
Negative market values from derivative financial instruments	15,591	28,738
Other trading liabilities	283	174
Financial liabilities designated at fair value through profit or loss:		
Loan commitments	447	2,195
Long-term debt	1,723	1,488
Other financial liabilities designated at fair value through profit or loss	451	2,347
Total financial liabilities designated at fair value through profit or loss	2,621	6,030
Other financial liabilities at fair value	(757)	(1,249)
Total financial liabilities held at fair value	**18,169**	**34,359**

Trading Securities: Certain illiquid emerging market corporate bonds and illiquid highly structured corporate bonds are included in this level of the hierarchy. In addition, some of the holdings of notes issued by securitization entities, commercial and residential mortgage-backed securities, collateralized debt obligation securities and other asset-backed securities are reported here.

Positive and Negative Market Values from Derivative Instruments: Derivatives categorized in this level of the fair value hierarchy are valued based on one or more significant unobservable parameters. The unobservable parameters may include certain correlations, certain longer-term volatilities, certain prepayment rates, credit spreads and other transaction-specific parameters.

The following derivatives are included within this level of the hierarchy: customized CDO derivatives in which the underlying reference pool of corporate assets is not closely comparable to regularly market-traded indices; certain tranched index credit derivatives; certain options where the volatility is unobservable; certain basket options in which the correlations between the referenced underlying assets are unobservable; longer-term interest rate option derivatives; multi-currency foreign exchange derivatives; and certain credit default swaps for which the credit spread is not observable.

During 2009, the market value of derivatives instruments in the third level of the hierarchy has significantly declined primarily as a result of changes to input parameters, in particular tightening credit spreads. In addition there has been an increase in liquidity for some products which has enabled some migration to the second level of the fair value hierarchy.

Other Trading Instruments: Other trading instruments classified in level 3 of the fair value hierarchy mainly consist of traded loans valued using valuation models based on one or more significant unobservable parameters. The loan balance reported in this level of the fair value hierarchy comprises illiquid leveraged loans and illiquid residential and commercial mortgage loans. The balance was significantly reduced in the year due to falls in the value of the loans as well as from positions which have matured during the year.

Financial Assets/Liabilities designated at Fair Value through Profit or Loss: Certain corporate loans and structured liabilities which were designated at fair value through profit or loss under the fair value option are categorized in this level of the fair value hierarchy. The corporate loans are valued using valuation techniques which incorporate observable credit spreads, recovery rates and unobservable utilization parameters. Revolving loan facilities are reported in the third level of the hierarchy because the utilization in the event of the default parameter is significant and unobservable. The balance has reduced during 2009 mainly as a result of reduced drawings on revolving loan facilities and loan facilities which have matured during the year.

In addition, certain hybrid debt issuances designated at fair value through profit or loss containing embedded derivatives are valued based on significant unobservable parameters. These unobservable parameters include single stock volatility correlations.

Financial Assets Available for Sale: Unlisted equity instruments are reported in this level of the fair value hierarchy where there is no close proxy and the market is very illiquid.

Reconciliation of financial instruments classified in Level 3

The table below presents a reconciliation of financial instruments categorized in level 3 of the fair value hierarchy followed by an analysis and discussion of the financial instruments so categorized. Some of the instruments in level 3 of the fair value hierarchy have identical or similar offsetting exposures to the unobservable input, however; they are required to be presented as gross assets and liabilities in the table below. Further, certain instruments are hedged with instruments in level 1 or level 2 but the table below does not include the gains and losses on these hedging instruments. Additionally, both observable and unobservable parameters may be used to determine the fair value of an instrument classified within level 3 of the fair value hierarchy; the gains and losses presented below are attributable to movements in both the observable and unobservable parameters.

Transfers in and transfers out of level 3 during the year are recorded at their fair value at the beginning of year in the table below. For instruments transferred into level 3 the table shows the gains and losses and cash flows on the instruments as if they had been transferred at the beginning of the year. Similarly for instruments transferred out of level 3 the table does not show any gains or losses or cash flows on the instruments during the year since the table is presented as if they have been transferred out at the beginning of the year.

in € m.	Balance, beginning of year	Total gains/ losses[1]	Purchases	Sales	Issuances[5]	Settlements[6]	Transfers into Level 3	Transfers out of Level 3	Balance, end of year
Financial assets held at fair value:									
Trading securities	17,268	(2,304)	2,883	(5,084)	–	(1,570)	8,410	(3,994)	15,609
Positive market values from derivative financial instruments	48,792	(15,563)[7]	–	–	–	(6,397)	7,510	(9,131)	25,211
Other trading assets	13,560	1,832	1,919	(3,057)	246	(3,184)	2,309	(2,843)	10,782
Financial assets designated at fair value through profit or loss	5,805	1,507	222	(60)	952	(5,267)	695	(444)	3,410
Financial assets available for sale	1,450	(221)[2]	136	(143)	–	(97)	2,135	(93)	3,167
Other financial assets at fair value	788	70	9	–	–	–	–	(826)	41
Total financial assets held at fair value	**87,663**	**(14,679)[3,4]**	**5,169**	**(8,344)**	**1,198**	**(16,515)**	**21,059**	**(17,331)**	**58,220**
Financial liabilities held at fair value:									
Trading securities	666	26	–	–	–	113	186	(560)	431
Negative market values from derivative financial instruments	28,738	(4,374)[7]	–	–	–	(5,546)	5,034	(8,261)	15,591
Other trading liabilities	174	68	–	–	–	205	–	(164)	283
Financial liabilities designated at fair value through profit or loss	6,030	(1,753)	–	–	208	(269)	1,443	(3,038)	2,621
Other financial liabilities at fair value	(1,249)	649	–	–	–	93	(253)	3	(757)
Total financial liabilities held at fair value	**34,359**	**(5,384)[3,4]**	**–**	**–**	**208**	**(5,404)**	**6,410**	**(12,020)**	**18,169**

1 Total gains and losses predominantly relate to net gains (losses) on financial assets/liabilities at fair value through profit or loss reported in the consolidated statement of income. The balance also includes net gains (losses) on financial assets available for

sale reported in the consolidated statement of income and unrealized net gains (losses) on financial assets available for sale and exchange rate changes reported in net gains (losses) not recognized in the income statement net of tax.

2 Total gains and losses on available for sale include a gain of € 177 million recognized in Total net gains (losses) not recognized in the income statement, net of tax, and a loss of € 398 million recognized in the income statement presented in Net gains (losses) on financial assets available for sale.

3 This amount includes the effect of exchange rate changes. For total financial assets held at fair value this effect is a positive € 6.6 billion and for total financial liabilities held at fair value this is a negative € 2.3 billion. This predominately relates to derivatives. The effect of exchange rate changes is reported in total gains (losses) not recognized in the income statement, net of tax.

4 For assets positive balances represent gains, negative balances represent losses. For liabilities positive balances represent losses, negative balances represent gains.

5 Issuances relates to the cash amount received on the issuance of a liability and the cash amount paid on the primary issuance of a loan to a borrower.

6 Settlements represent cash flows to settle the asset or liability. For debt and loan instruments this includes principal on maturity, principal amortizations and principal repayments. For derivatives all cash flows are presented in settlements.

7 The gains and losses on derivatives arise as a result of changes to input parameters, in particular tightening of credit spreads.

Sensitivity Analysis of Unobservable Parameters

Where the value of financial instruments is dependent on unobservable parameter inputs, the precise level for these parameters at the balance sheet date might be drawn from a range of reasonably possible alternatives. In preparing the financial statements, appropriate levels for these unobservable input parameters are chosen so that they are consistent with prevailing market evidence and in line with the Group's approach to valuation control detailed above. Were the Group to have marked the financial instruments concerned using parameter values drawn from the extremes of the ranges of reasonably possible alternatives then as of December 31, 2009, it could have increased fair value by as much as € 4.3 billion or decreased fair value by as much as € 3.9 billion. As of December 31, 2008, it could have increased fair value by as much as € 4.9 billion or decreased fair value by as much as € 4.7 billion. In estimating these impacts, the Group either re-valued certain financial instruments using reasonably possible alternative parameter values, or used an approach based on its valuation adjustment methodology for bid/offer spread valuation adjustments. Bid/offer spread valuation adjustments reflect the amount that must be paid in order to close out a holding in an instrument or component risk and as such they reflect factors such as market illiquidity and uncertainty.

This disclosure is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable input parameters. However, it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. Hence, the estimates disclosed above are likely to be greater than the true uncertainty in fair value at the balance sheet date. Furthermore, the disclosure is not predictive or indicative of future movements in fair value.

For many of the financial instruments considered here, in particular derivatives, unobservable input parameters represent only a subset of the parameters required to price the financial instrument, the remainder being observable. Hence for these instruments the overall impact of moving the unobservable input parameters to the extremes of their ranges might be relatively small compared with the total fair value of the financial instrument. For other instruments, fair value is determined based on the price of the entire instrument, for example, by adjusting the fair value of a reasonable proxy instrument. In addition, all financial instruments are already carried at fair values which are inclusive of valuation adjustments for the cost to close out that instrument and hence already factor in uncertainty as it reflects itself in market pricing. Any negative impact of uncertainty calculated within this disclosure, then, will be over and above that already included in the fair value contained in the financial statements.

The table below provides a breakdown of the sensitivity analysis by type of instrument. Where the exposure to an unobservable parameter is offset across different instruments then only the net impact is disclosed in the table.

		Dec 31, 2009		Dec 31, 2008
in € m.	Positive fair value movement from using reasonable possible alternatives	Negative fair value movement from using reasonable possible alternatives	Positive fair value movement from using reasonable possible alternatives	Negative fair value movement from using reasonable possible alternatives
Derivatives:				
Credit	2,585	2,689	3,606	3,731
Equity	213	106	226	105
Interest Related	103	117	40	31
Hybrid	342	168	140	76
Other	264	314	178	124
Securities:				
Debt securities	311	277	162	152
Equity securities	36	28	8	2
Mortgage and asset backed	206	50	243	243
Loans:				
Leveraged loans	5	5	32	17
Commercial loans	88	88	70	70
Traded loans	136	83	197	126
Total	**4,289**	**3,925**	**4,902**	**4,677**

Total gains or losses on level 3 instruments held or in issue at the reporting date

The total gains or losses are not due solely to unobservable parameters. Many of the parameter inputs to the valuation of instruments in this level of the hierarchy are observable and the gain or loss is partly due to movements in these observable parameters over the period. Many of the positions in this level of the hierarchy are economically hedged by instruments which are categorized in other levels of the fair value hierarchy. The offsetting gains and losses that have been recorded on all such hedges are not included in the table below, which only shows the gains and losses related to the level 3 classified instruments themselves, in accordance with IFRS 7.

An analysis of the total gains and losses recorded in profit or loss.

Total gains or losses recorded in net gains (losses) on financial instruments at fair value through profit or loss in € m.	**Dec 31, 2009**
Financial assets held at fair value:	
Trading securities	(433)
Positive market values from derivative financial instruments	(10,325)
Other trading assets	(404)
Financial assets designated at fair value through profit or loss	554
Financial assets available for sale[1]	(200)
Other financial assets at fair value	(8)
Total financial assets held at fair value	**(10,816)**
Financial liabilities held at fair value:	
Trading securities	(15)
Negative market values from derivative financial instruments	2,226
Other trading liabilities	(35)
Financial liabilities designated at fair value through profit or loss	1,121
Other financial liabilities at fair value	(197)
Total financial liabilities held at fair value	**3,100**
Total	**(7,716)**

1 This amount relates to impairment losses on level 3 financial assets available for sale.

Recognition of Trade Date Profit

In accordance with the Group's accounting policy as described in Note [1], if there are significant unobservable inputs used in a valuation technique, the financial instrument is recognized at the transaction price and any trade date profit is deferred. The table below presents the year-to-year movement of the trade date profits deferred due to significant unobservable parameters for financial instruments classified at fair value through profit or loss. The balance is predominantly related to derivative instruments.

in € m.	2009	2008
Balance, beginning of year	**697**	**521**
New trades during the period	467	587
Amortization	(182)	(152)
Matured trades	(138)	(141)
Subsequent move to observability	(41)	(94)
Exchange rate changes	19	(24)
Balance, end of year	**822**	**697**

[14] Fair Value of Financial Instruments not carried at Fair Value

The valuation techniques used to establish fair value for the Group's financial instruments which are not carried at fair value in the balance sheet are consistent with those outlined in Note [13], Financial Instruments carried at fair value.

As described in Note [12], Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets", the Group reclassified certain eligible assets from the trading and available for sale classifications to loans. The Group continues to apply the relevant valuation techniques set out in Note [13], Financial Instruments carried at Fair Value, to the reclassified assets.

Other financial instruments not carried at fair value are not part of a trading portfolio and are not managed on a fair value basis, for example, retail loans and deposits and credit facilities extended to corporate clients. For these instruments fair values are calculated for disclosure purposes only and do not impact the balance sheet or income statement. Additionally since the instruments generally do not trade there is significant management judgment required to determine these fair values.

The valuation techniques the Group applies are as follows:

Short-term financial instruments: The carrying amount represents a reasonable estimate of fair value for short-term financial instruments. The following instruments are predominantly short-term and fair value is estimated from the carrying value.

Assets	Liabilities
Cash and due from banks	Deposits
Interest-earning deposits with banks	Central bank funds purchased and securities sold under repurchase agreements
Central bank funds sold and securities purchased under resale agreements	Securities loaned
Securities borrowed	Other short-term borrowings
Other assets	Other liabilities

For longer-term financial instruments within these categories, fair value is determined by discounting contractual cash flows using rates which could be earned for assets with similar remaining maturities and credit risks and, in the case of liabilities, rates at which the liabilities with similar remaining maturities could be issued, at the balance sheet date.

Loans: Fair value is determined using discounted cash flow models that incorporate parameter inputs for credit risk, interest rate risk, foreign exchange risk, loss given default estimates and amounts utilized given default, as appropriate. Credit risk, loss given default and utilization given default parameters are determined using information from the loan or credit default swap ("CDS") markets, where available and appropriate.

For retail lending portfolios with a large number of homogenous loans (e.g., German residential mortgages), the fair value is calculated on a portfolio basis by discounting the portfolio's contractual cash flows using risk-free interest rates. This present value calculation is then adjusted for credit risk by discounting at the margins which could be earned on similar loans if issued at the balance sheet date. For other portfolios the present value

calculation is adjusted for credit risk by calculating the expected loss over the estimated life of the loan based on various parameters including probability of default and loss given default and level of collateralization. The fair value of corporate lending portfolios is estimated by discounting a projected margin over expected maturities using parameters derived from the current market values of collateralized lending obligation (CLO) transactions collateralized with loan portfolios that are similar to the Group's corporate lending portfolio.

Securities purchased under resale agreements, securities borrowed, securities sold under repurchase agreements and securities loaned: Fair value is derived from valuation techniques by discounting future cash flows using the appropriate credit risk-adjusted discount rate. The credit risk-adjusted discount rate includes consideration of the collateral received or pledged in the transaction. These products are typically short-term and highly collateralized, therefore the fair value is not significantly different to the carrying value.

Long-term debt and trust preferred securities: Fair value is determined from quoted market prices, where available. Where quoted market prices are not available, fair value is estimated using a valuation technique that discounts the remaining contractual cash at a rate at which an instrument with similar characteristics could be issued at the balance sheet date.

The following table presents the estimated fair value of the Group's financial instruments which are not carried at fair value in the balance sheet.

	Dec 31, 2009		Dec 31, 2008[1]	
in € m.	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and due from banks	9,346	9,346	9,826	9,826
Interest-earning deposits with banks	47,233	47,236	64,739	64,727
Central bank funds sold and securities purchased under resale agreements	6,820	6,820	9,267	9,218
Securities borrowed	43,509	43,509	35,022	34,764
Loans	258,105	249,661	269,281	254,536
Other assets[1]	105,004	104,995	115,871	115,698
Financial liabilities:				
Deposits	344,220	344,700	395,553	396,148
Central bank funds purchased and securities sold under repurchase agreements	45,495	45,511	87,117	87,128
Securities loaned	5,564	5,564	3,216	3,216
Other short-term borrowings	42,897	42,833	39,115	38,954
Other liabilities[2]	127,777	127,789	131,156	130,989
Long-term debt	131,782	132,577	133,856	126,432
Trust preferred securities	10,577	9,518	9,729	6,148

1 Only includes financial assets or financial liabilities.
2 Prior year amounts have been adjusted by € 84.7 billion to include certain short-term liabilities which meet the definition of a financial instrument.

Amounts in this table are generally presented on a gross basis, in line with the Group's accounting policy regarding offsetting of financial instruments as described in Note [1].

Loans: The difference between fair value and carrying value at December 31, 2009 does not reflect the economic benefits and costs that the Group expects to receive from these instruments. The difference arose predominantly due to an increase in expected default rates and reduction in liquidity as implied from market pricing since initial recognition. These reductions in fair value are partially offset by an increase in fair value due to interest rate movements on fixed rate instruments. The difference between fair value and carrying value has declined during 2009 primarily due to a reduction in the size of the loan portfolio as well as a decrease in expected default rates as implied from the market pricing during 2009.

Long-term debt and trust preferred securities: The difference between fair value and carrying value is due to the effect of changes in the rates at which the Group could issue debt with similar maturity and subordination at the balance sheet date compared to when the instrument was issued. The decrease in the difference between the fair value and carrying value during the year is primarily due to the tightening of the Group's credit spread since the prior year.

[15] Financial Assets Available for Sale

The following are the components of financial assets available for sale.

in € m.	Dec 31, 2009	Dec 31, 2008
Debt securities:		
German government	2,585	2,672
U.S. Treasury and U.S. government agencies	901	302
U.S. local (municipal) governments	1	1
Other foreign governments	3,832	3,700
Corporates	4,280	6,035
Other asset-backed securities	999	372
Mortgage-backed securities, including obligations of U.S. federal agencies	815	87
Other debt securities	438	4,797
Total debt securities	**13,851**	**17,966**
Equity securities:		
Equity shares	3,192	4,539
Investment certificates and mutual funds	76	208
Total equity securities	**3,268**	**4,747**
Other equity interests	**699**	**893**
Loans	**1,001**	**1,229**
Total financial assets available for sale	**18,819**	**24,835**

[16] Equity Method Investments

Investments in associates and jointly controlled entities are accounted for using the equity method of accounting unless they are held for sale. As of December 31, 2009, there were three associates which were accounted for as held for sale. For information on assets held for sale please refer to Note [24].

As of December 31, 2009, the most significant equity method investment was the investment in Deutsche Postbank AG, Bonn, representing approximately 75 % of the carrying value of equity method investments.

On February 25, 2009, the Group acquired a 22.9 % stake in Deutsche Postbank AG as a contribution-in-kind against 50 million Deutsche Bank shares, which became effective with the registration of the shares in the commercial register on March 6, 2009. Together with a stake of approximately 2.1 % held at that point in time as well as additional shares purchased after that transaction, the Group held an investment of 29.88 % in Deutsche Postbank AG as of December 31, 2009. In addition to the acquisition of the shares, the transaction comprised two further tranches: a mandatorily-exchangeable bond of € 3.0 billion covering an additional 27.4 % stake and put and call options covering an additional 12.1 % stake in Deutsche Postbank AG. Due to its specific terms and conditions, the mandatorily-exchangeable bond primarily contains equity risk and is reported as part of the equity method investment. In addition, the net fair value of the derivative liability resulting from the put/call structure upon completion of the transaction was added to the acquisition cost of the equity method investment.

The following table provides summarized financial information of Deutsche Postbank AG for the years ended December 31, 2009, 2008 and 2007. The information for the year ended December 31, 2009 is based on preliminary data, which was published by Deutsche Postbank AG on February 25, 2010. Complete financial statements for the year ended December 31, 2009 are not yet publicly available.

in € m.	Preliminary Dec 31, 2009	Dec 31, 2008[1]	Dec 31, 2007
Total assets	226,609	231,219	202,913
Total liabilities	221,358	226,267	197,688
Revenues	3,088	2,288	4,244
Net income (loss)	76	(886)	856

1 On February 25, 2010, Deutsche Postbank AG disclosed preliminary results for the year ended December 31, 2009. According to this information, the net loss for the year ended December 31, 2008 was retrospectively adjusted to € 886 million instead of € 821 million as reported before. The impact of this change on other financial information in the table above has been adjusted as well.

The following are the components of the net income (loss) from all equity method investments.

in € m.	2009	2008
Net income (loss) from equity method investments:		
Pro-rata share of investees' net income (loss)	189	53
Net gains (losses) on disposal of equity method investments	21	87
Impairments	(151)	(94)
Total net income (loss) from equity method investments	**59**	**46**

There was no unrecognized share of losses of an investee, neither for the period, nor cumulatively.

Equity method investments for which there were published price quotations had a carrying value of € 6.1 billion and a fair value of € 3.8 billion as of December 31, 2009, and a carrying value of € 154 million and a fair value of € 147 million as of December 31, 2008.

The difference between fair value and carrying value of equity method investments is mainly related to the investment in Deutsche Postbank AG. For this investment, an impairment test was performed based on the recoverable amount defined as the higher of the fair value less costs to sell and the value in use which is derived from future cash flows expected to be generated by Deutsche Postbank AG discounted to their present value. The future cash flows are derived from the estimate as to the development of the future capital requirements and the expected corresponding annual return on that future capital base. The assessment of the capital development and the corresponding profitability is based on publicly available information issued by Deutsche Postbank AG, such as annual and quarterly reports, management and investor relations announcements as well as broker reports on Deutsche Postbank AG. This information is further substantiated by internal analysis. In addition, the expected benefits of the signed cooperation agreement between Deutsche Bank AG and Deutsche Postbank AG are taken into account further contributing to the value in use. The impairment test based on the discounted cash flow model did not indicate an impairment of the investment as the derived value in use exceeded the fair value less costs to sell as well as the book value as of December 31, 2009.

The investees have no significant contingent liabilities to which the Group is exposed.

In 2009 and 2008, none of the Group's investees experienced any significant restrictions to transfer funds in the form of cash dividends, or repayment of loans or advances.

[17] Loans

The following are the principal components of loans by industry classification.

in € m.	Dec 31, 2009	Dec 31, 2008
Banks and insurance	22,002	26,998
Manufacturing	17,314	19,043
Households (excluding mortgages)	27,002	30,923
Households – mortgages	58,673	52,453
Public sector	9,572	9,972
Wholesale and retail trade	10,938	11,761
Commercial real estate activities	28,959	27,083
Lease financing	2,078	2,700
Fund management activities	26,462	31,158
Other	59,698	60,276
Gross loans	**262,698**	**272,367**
(Deferred expense)/unearned income	1,250	1,148
Loans less (deferred expense)/unearned income	**261,448**	**271,219**
Less: Allowance for loan losses	3,343	1,938
Total loans	**258,105**	**269,281**

Government Assistance

In the course of its business, the Group regularly applies for and receives government support by means of Export Credit Agency ("ECA") guarantees covering transfer and default risks for the financing of exports and investments into Emerging Markets and, to a lesser extent, developed markets for Structured Trade & Export

Finance business. Almost all export-oriented states have established such ECAs to support their domestic exporters. The ECAs act in the name and on behalf of the government of their respective country and are either constituted directly as governmental departments or organized as private companies vested with the official mandate of the government to act on its behalf. Terms and conditions of such ECA guarantees granted for short-term, mid-term and long-term financings are quite comparable due to the fact that most of the ECAs act within the scope of the Organisation for Economic Cooperation and Development ("OECD") consensus rules. The OECD consensus rules, an intergovernmental agreement of the OECD member states, define benchmarks to ensure that a fair competition between different exporting nations will take place. Almost 50 % of such ECA guarantees received by the Group were issued by the Euler-Hermes Kreditversicherungs AG acting on behalf of the Federal Republic of Germany.

In certain financings, the Group also receives government guarantees from national and international governmental institutions as collateral to support financings in the interest of the respective governments.

[18] Allowance for Credit Losses

The allowance for credit losses consists of an allowance for loan losses and an allowance for off-balance sheet positions.

The following table presents a breakdown of the movements in the Group's allowance for loan losses for the periods specified.

			2009			2008			2007
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Allowance, beginning of year	**977**	**961**	**1,938**	**930**	**775**	**1,705**	**985**	**684**	**1,670**
Provision for loan losses	1,789	808	2,597	382	702	1,084	146	505	651
Net charge-offs:	(637)	(419)	(1,056)	(301)	(477)	(778)	(149)	(378)	(527)
Charge-offs	(670)	(552)	(1,222)	(364)	(626)	(990)	(244)	(508)	(752)
Recoveries	33	133	166	63	149	212	95	130	225
Changes in the group of consolidated companies	–	–	–	–	–	–	–	–	–
Exchange rate changes/other	(101)	(36)	(137)	(34)	(39)	(74)	(52)	(36)	(88)
Allowance, end of year	**2,029**	**1,314**	**3,343**	**977**	**961**	**1,938**	**930**	**775**	**1,705**

The following table presents the activity in the Group's allowance for off-balance sheet positions, which consists of contingent liabilities and lending-related commitments.

			2009			2008			2007
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Allowance, beginning of year	**98**	**112**	**210**	**101**	**118**	**219**	**127**	**129**	**256**
Provision for off-balance sheet positions	21	12	33	(2)	(6)	(8)	(32)	(6)	(38)
Usage	(45)	–	(45)	–	–	–	–	–	–
Changes in the group of consolidated companies	–	–	–	–	–	–	7	3	10
Exchange rate changes/other	10	–	10	(1)	–	(1)	(1)	(8)	(8)
Allowance, end of year	**83**	**124**	**207**	**98**	**112**	**210**	**101**	**118**	**219**

[19] Derecognition of Financial Assets

The Group enters into transactions in which it transfers previously recognized financial assets, such as debt securities, equity securities and traded loans, but retains substantially all of the risks and rewards of those assets. Due to this retention, the transferred financial assets are not derecognized and the transfers are accounted for as secured financing transactions. The most common transactions of this nature entered into by the Group are repurchase agreements, securities lending agreements and total return swaps, in which the Group retains substantially all of the associated credit, equity price, interest rate and foreign exchange risks and rewards associated with the assets as well as the associated income streams.

The following table provides further information on the asset types and the associated transactions that did not qualify for derecognition, and their associated liabilities.

Carrying amount of transferred assets in € m.	**Dec 31, 2009**	**Dec 31, 2008**[1]
Trading securities not derecognized due to the following transactions:		
Repurchase agreements	58,584	47,882
Securities lending agreements	18,943	10,518
Total return swaps	10,028	10,971
Total trading securities	**87,555**	**69,371**
Other trading assets	2,915	2,560
Financial assets available for sale	492	472
Loans	2,049	2,250
Total	**93,011**	**74,653**
Carrying amount of associated liability	**84,381**	**66,597**

1 Prior year amounts have been adjusted.

Continuing involvement accounting is typically applied when the Group retains the rights to future cash flows of an asset, continues to be exposed to a degree of default risk in the transferred assets or holds a residual interest in, or enters into derivative contracts with, securitization or special purpose entities.

The following table provides further detail on the carrying value of the assets transferred in which the Group still has continuing involvement.

in € m.	**Dec 31, 2009**	**Dec 31, 2008**
Carrying amount of the original assets transferred:		
Trading securities	4,688	7,250
Other trading assets	4,594	4,190
Carrying amount of the assets continued to be recognized:		
Trading securities	2,899	4,490
Other trading assets	1,429	1,262
Carrying amount of associated liability	**4,253**	**6,383**

[20] Assets Pledged and Received as Collateral

The Group pledges assets primarily for repurchase agreements and securities borrowing agreements which are generally conducted under terms that are usual and customary to standard securitized borrowing contracts. In addition the Group pledges collateral against other borrowing arrangements and for margining purposes on OTC derivative liabilities. The carrying value of the Group's assets pledged as collateral for liabilities or contingent liabilities is as follows.

in € m.	**Dec 31, 2009**	**Dec 31, 2008**[1]
Interest-earning deposits with banks	59	69
Financial assets at fair value through profit or loss	88,663	81,555
Financial assets available for sale	558	517
Loans	19,537	22,534
Other[2]	56	24
Total	**108,873**	**104,699**

1 Prior year amounts have been adjusted.
2 Includes Property and equipment pledged as collateral.

Assets transferred where the transferee has the right to sell or repledge are disclosed on the face of the balance sheet. As of December 31, 2009, and December 31, 2008, these amounts were € 80 billion and € 69 billion, respectively.

As of December 31, 2009, and December 31, 2008, the Group had received collateral with a fair value of € 225 billion and € 255 billion, respectively, arising from securities purchased under reverse repurchase

agreements, securities borrowed, derivatives transactions, customer margin loans and other transactions. These transactions were generally conducted under terms that are usual and customary for standard secured lending activities and the other transactions described. The Group, as the secured party, has the right to sell or repledge such collateral, subject to the Group returning equivalent securities upon completion of the transaction. As of December 31, 2009, and 2008, the Group had resold or repledged € 200 billion and € 232 billion, respectively. This was primarily to cover short sales, securities loaned and securities sold under repurchase agreements.

[21] Property and Equipment

in € m.	Owner occupied properties	Furniture and equipment	Leasehold improvements	Construction-in-progress	Total
Cost of acquisition:					
Balance as of January 1, 2008	**1,528**	**2,297**	**1,444**	**124**	**5,394**
Changes in the group of consolidated companies	(29)	–	(3)	–	(32)
Additions	20	253	182	484	939
Transfers	11	217	36	717	981
Reclassifications (to)/from 'held for sale'	–	–	(40)	–	(40)
Disposals	48	153	44	–	245
Exchange rate changes	(15)	(114)	(62)	(8)	(199)
Balance as of December 31, 2008	**1,467**	**2,500**	**1,513**	**1,317**	**6,797**
Changes in the group of consolidated companies	5	(2)	(2)	–	1
Additions	4	242	70	277	592
Transfers	2	23	19	(1,121)	(1,076)
Reclassifications (to)/from 'held for sale'	(2)	–	–	–	(2)
Disposals	11	75	34	–	120
Exchange rate changes	4	53	25	(6)	76
Balance as of December 31, 2009	**1,469**	**2,741**	**1,592**	**466**	**6,268**
Accumulated depreciation and impairment:					
Balance as of January 1, 2008	**547**	**1,658**	**779**	**–**	**2,985**
Changes in the group of consolidated companies	(6)	–	(1)	–	(7)
Depreciation	36	227	144	–	407
Impairment losses	–	1	15	–	16
Reversals of impairment losses	–	–	–	–	–
Transfers	(5)	18	6	–	19
Reclassifications (to)/from 'held for sale'	–	–	(40)	–	(40)
Disposals	9	108	39	–	156
Exchange rate changes	(7)	(91)	(40)	–	(138)
Balance as of December 31, 2008	**556**	**1,705**	**824**	**–**	**3,085**
Changes in the group of consolidated companies	(1)	(3)	(2)	–	(7)
Depreciation	36	232	150	–	417
Impairment losses	5	–	11	5	21
Reversals of impairment losses	–	–	–	–	–
Transfers	(1)	10	3	–	12
Reclassifications (to)/from 'held for sale'	–	–	–	–	–
Disposals	5	55	24	–	85
Exchange rate changes	–	37	9	–	47
Balance as of December 31, 2009	**589**	**1,926**	**970**	**5**	**3,491**
Carrying amount:					
Balance as of December 31, 2008	**911**	**795**	**689**	**1,317**	**3,712**
Balance as of December 31, 2009	**880**	**815**	**621**	**461**	**2,777**

In 2008 Deutsche Bank completed a foreclosure on a property under construction (with a carrying value of € 1.1 billion), previously held as collateral of a loan under trading assets. The asset was then reclassified as construction-in-progress in Property and Equipment, in the 2008 financial statements. In 2009, following a change in the relevant accounting standards, the Group changed the accounting treatment for this asset and reclassified it to investment property under Other Assets in the 2009 financial statements.

Impairment losses on property and equipment are recorded within General and administrative expenses in the income statement.

The carrying value of items of property and equipment on which there is a restriction on sale was € 72 million as of December 31, 2009.

Commitments for the acquisition of property and equipment were € 145 million at year-end 2009.

[22] Leases

The Group is lessee under lease arrangements covering real property and equipment.

Finance Lease Commitments

The following table presents the net carrying value for each class of leasing assets held under finance leases.

in € m.	Dec 31, 2009	Dec 31, 2008
Land and buildings	91	95
Furniture and equipment	2	2
Other	–	–
Net carrying value	**93**	**97**

Additionally, the Group has sublet leased assets classified as finance leases with a net carrying value of € 67 million as of December 31, 2009, and € 60 million as of December 31, 2008.

The future minimum lease payments required under the Group's finance leases were as follows.

in € m.	Dec 31, 2009	Dec 31, 2008
Future minimum lease payments:		
not later than one year	25	32
later than one year and not later than five years	106	118
later than five years	144	202
Total future minimum lease payments	**275**	**352**
less: Future interest charges	108	160
Present value of finance lease commitments	**167**	**192**

Future minimum sublease payments of € 111 million are expected to be received under non-cancelable subleases as of December 31, 2009. As of December 31, 2008 future minimum sublease payments of € 193 million were expected. As of December 31, 2009 the amount of contingent rent recognized in the income statement was (0.7) million. As of December 31, 2008 contingent rent was € 1 million. The contingent rent is based on market interest rates; below a certain rate the Group receives a rebate.

Operating Lease Commitments

The future minimum lease payments required under the Group's operating leases were as follows.

in € m.	Dec 31, 2009	Dec 31, 2008
Future minimum rental payments:		
not later than one year	728	765
later than one year and not later than five years	2,046	2,187
later than five years	2,352	2,797
Total future minimum rental payments	**5,126**	**5,749**
less: Future minimum rentals to be received	255	245
Net future minimum rental payments	**4,871**	**5,504**

In 2009, € 804 million were charges relating to lease and sublease agreements, of which € 819 million was for minimum lease payments, € 22 million for contingent rents and € 37 million for sublease rentals received.

[23] Goodwill and Other Intangible Assets

Goodwill

Changes in Goodwill

The changes in the carrying amount of goodwill, as well as gross amounts and accumulated impairment losses of goodwill, for the years ended December 31, 2009, and 2008, are shown below by business segment.

in € m.	Corporate Banking & Securities	Global Transaction Banking	Asset and Wealth Management	Private & Business Clients	Corporate Investments	Total
Balance as of January 1, 2008	**3,076**	**416**	**2,769**	**971**	**–**	**7,232**
Purchase accounting adjustments	–	–	–	–	–	–
Goodwill acquired during the year	1	28	33	2	–	64
Reclassifications from (to) held for sale	–	–	564	–	–	564
Goodwill related to dispositions without being classified as held for sale	–	–	(21)	–	–	(21)
Impairment losses[1]	(5)	–	(270)	–	–	(275)
Exchange rate changes/other	56	12	(100)[2]	1	–	(31)
Balance as of December 31, 2008	**3,128**	**456**	**2,975**	**974**	**–**	**7,533**
Gross amount of goodwill	**3,133**	**456**	**3,245**	**974**	**261**	**8,069**
Accumulated impairment losses	**(5)**	**–**	**(270)**	**–**	**(261)**	**(536)**
Balance as of January 1, 2009	**3,128**	**456**	**2,975**	**974**	**–**	**7,533**
Purchase accounting adjustments	–	–	–	–	–	–
Goodwill acquired during the year	2	1	–	–	–	3
Transfers	–	–	(306)	–	306	–
Reclassifications from (to) held for sale	(14)	–	–	–	–	(14)
Goodwill related to dispositions without being classified as held for sale	–	–	–	–	–	–
Impairment losses[1]	–	–	–	–	(151)	(151)
Exchange rate changes/other	(11)	(4)	46	–	18	49
Balance as of December 31, 2009	**3,105**	**453**	**2,715**	**974**	**173**	**7,420**
Gross amount of goodwill	**3,109**	**453**	**2,715**	**974**	**849**	**8,100**
Accumulated impairment losses	**(4)**	**–**	**–**	**–**	**(676)**	**(680)**

1 Impairment losses of goodwill are recorded as impairment of intangible assets in the income statement.
2 Includes € 10 million of reduction in goodwill related to a prior year's disposition.

In 2009, additions to goodwill totaled € 3 million and included € 2 million in Corporate Banking & Securities (CB&S) resulting from the acquisition of outstanding minority interest in an Algerian financial advisory company and € 1 million in Global Transaction Banking (GTB) related to the acquisition of Dresdner Bank's Global Agency Securities Lending business. Effective January 1, 2009 and following a change in management responsibility, goodwill of € 306 million related to Maher Terminals LLC and Maher Terminals of Canada Corp., collectively and hereafter referred to as Maher Terminals, was transferred from Asset and Wealth Management (AWM) to Corporate Investments (CI). Due to their reclassification to the held for sale category in the third quarter 2009, goodwill of € 14 million (CB&S) related to a nonintegrated investment in a renewable energy development project was transferred as part of a disposal group to other assets (see Note [24]).

In 2008, the main addition to goodwill in AWM was € 597 million related to Maher Terminals. The total of € 597 million consisted of an addition to goodwill amounting to € 33 million which resulted from the reacquisition of a minority interest stake in Maher Terminals. Further, discontinuing the held for sale accounting of Maher Terminals resulted in a transfer of € 564 million to goodwill from assets held for sale. The main addition to goodwill in GTB was € 28 million related to the acquisition of HedgeWorks LLC.

In the second quarter of 2009, a goodwill impairment loss of € 151 million was recorded in CI related to its nonintegrated investment in Maher Terminals, following the continued negative outlook for container and business volumes. The fair value less costs to sell of the investment was determined based on a discounted cash flow model.

In 2008, a total goodwill impairment loss of € 275 million was recorded. Of this total, € 270 million related to an investment in AWM and € 5 million related to a listed investment in CB&S. Both impairment losses related to investments which were not integrated into the primary cash-generating units within AWM and CB&S. The impairment review of the investment Maher Terminals in AWM was triggered by a significant decline in business volume as a result of the economic climate at that time. The fair value less costs to sell of the

investment was determined based on a discounted cash flow model. The impairment review of the investment in CB&S was triggered by write-downs of certain other assets and the negative business outlook of the investment. The fair value less costs to sell of the investment was determined based on the market price of the listed investment.

In the first quarter of 2007, an impairment review of goodwill was triggered in CI after the division realized a gain of € 178 million related to its equity method investment in Deutsche Interhotel Holding GmbH & Co. KG. As a result of this review, a goodwill impairment loss totaling € 54 million was recognized.

Goodwill Impairment Test

Goodwill is allocated to cash-generating units for the purpose of impairment testing, considering the business level at which goodwill is monitored for internal management purposes. On this basis, the Group's cash-generating units primarily are Global Markets and Corporate Finance within the Corporate Banking & Securities segment, Global Transaction Banking, Asset Management and Private Wealth Management within the Asset and Wealth Management segment, Private & Business Clients and Corporate Investments. In addition, the segments CB&S and CI carry goodwill resulting from the acquisition of nonintegrated investments which are not allocated to the respective segments' primary cash-generating units. Such goodwill is tested individually for impairment on the level of each of the nonintegrated investments and summarized as Others in the table below. The nonintegrated investment in CI constitutes Maher Terminals, which was transferred from AWM to CI effective January 1, 2009.

The carrying amounts of goodwill by cash-generating unit for the years ended December 31, 2009, and 2008, are as follows.

in € m.	Global Markets	Corporate Finance	Global Transaction Banking	Asset Management	Private Wealth Management	Private & Business Clients	Corporate Investments	Others	Total Goodwill
As of December 31, 2008	**2,113**	**1,000**	**456**	**1,765**	**904**	**974**	**–**	**321**	**7,533**
As of December 31, 2009	**2,106**	**998**	**453**	**1,788**	**927**	**974**	**–**	**174**	**7,420**

Goodwill is tested for impairment annually in the fourth quarter by comparing the recoverable amount of each goodwill carrying cash-generating unit with its carrying amount. The carrying amount of a cash-generating unit is derived based on the amount of equity allocated to a cash-generating unit. The carrying amount also considers the amount of goodwill and unamortized intangible assets of a cash-generating unit. The recoverable amount is the higher of a cash-generating unit's fair value less costs to sell and its value in use. The annual goodwill impairment tests in 2009, 2008 and 2007 did not result in an impairment loss of goodwill of the Group's primary cash-generating units as the recoverable amount for these cash-generating units was higher than their respective carrying amount.

The following sections describe how the Group determines the recoverable amount of its primary goodwill carrying cash-generating units and provides information on certain key assumptions on which management based its determination of the recoverable amount.

Recoverable Amount

The Group determines the recoverable amount of its primary cash-generating units on the basis of value in use and employs a valuation model based on discounted cash flows ("DCF"). The DCF model employed by the Group reflects the specifics of the banking business and its regulatory environment. The model calculates the present value of the estimated future earnings that are distributable to shareholders after fulfilling the respective regulatory capital requirements.

The DCF model uses earnings projections based on financial plans agreed by management which, for purposes of the goodwill impairment test, are extrapolated to a five-year period and are discounted to their present value. Estimating future earnings requires judgment, considering past and actual performance as well as expected developments in the respective markets and in the overall macro-economic environment. Earnings projections beyond the initial five-year period are, where applicable, adjusted to derive a sustainable level and assumed to increase by or converging towards a constant long-term growth rate, which is based on expectations for the development of gross domestic product and inflation, and are captured in the terminal value.

Key Assumptions and Sensitivities

The value in use of a cash-generating unit is sensitive to the earnings projections, to the discount rate applied and, to a much lesser extent, to the long-term growth rate. The discount rates applied have been determined based on the capital asset pricing model which is comprised of a risk-free interest rate, a market risk premium and a factor covering the systematic market risk (beta factor). The values for the risk-free interest rate, the market risk premium and the beta factors are determined using external sources of information. Business-specific beta factors are determined based on a respective group of peer companies. Variations in all of these components might impact the calculation of the discount rates. Pre-tax discount rates applied to determine the value in use of the cash-generating units in 2009 and 2008 are as follows.

Primary cash-generating units	**Discount rate (pre-tax)**	
	2009	**2008**
Corporate and Investment Bank		
Global Markets	14.7%	13.1%
Corporate Finance	14.5%	13.4%
Global Transaction Banking	12.5%	12.9%
Private Clients and Asset Management		
Asset Management	13.5%	14.1%
Private Wealth Management	13.2%	14.1%
Private & Business Clients	13.1%	13.2%

Sensitivities: In validating the value in use determined for the cash-generating units, the major value drivers of each cash-generating unit are reviewed annually. In addition, key assumptions used in the DCF model (for example, the discount rate and the earnings projections) are sensitized to test the resilience of value in use. Management believes that the only circumstance where reasonably possible changes in key assumptions might have caused an impairment loss to be recognized was in respect of Corporate Finance where the recoverable amount was 126 % of its respective carrying amount. An increase of approximately 20 % in the discount rate or a decrease of approximately 20 % in projected earnings in every year of the initial five-year period, assuming unchanged values for the other assumptions, would have caused the recoverable amount to equal the respective carrying amount.

The recoverable amount of Corporate Finance is based on, among other things, a financial plan which reflects management's assumptions, such as expected development of global fee pools and market shares, which are key revenue drivers. While these estimates reflect management's assessment and expectations of future economic conditions, it is inherently uncertain whether the reported amounts will actually be in line with plan. For example, if projected global fee pools do not develop as expected or assumed market shares are not achieved, revenues might significantly differ from plan assumptions, negatively impacting the recoverable amount of Corporate Finance.

The backdrop of a fragile recovery of the global economy and likely significant changes in the regulation of the banking industry as a result of the financial crisis, and its implications for the Group's operating environment, may negatively impact the performance forecasts of certain of the Group's cash-generating units and thus could result in an impairment of goodwill in the future.

Other Intangible Assets

Other intangible assets are separated into those that are internally generated, which consist only of internally-generated software, and purchased intangible assets. Purchased intangible assets are further split into amortized and unamortized other intangible assets.

The changes of other intangible assets by asset class for the years ended December 31, 2009, and 2008, are as follows.

in € m.	Internally generated intangible assets	Purchased intangible assets								Total other intangible assets
		Amortized					Unamortized			
	Software	Customer-related intangible assets	Value of business acquired	Contract-based intangible assets	Other	Total amortized purchased intangible assets	Retail investment management agreements	Other	Total unamortized purchased intangible assets	
Cost of acquisition/ manufacture:										
Balance as of January 1, 2008	**374**	**534**	**863**	**109**	**323**	**1,829**	**786**	**11**	**797**	**3,000**
Additions	46	19	–	38	19	76	–	4	4	126
Changes in the group of consolidated companies	–	5	5	–	–	10	–	4	4	14
Disposals	–	–	–	1	6	7	–	–	–	7
Reclassifications from (to) held for sale	–	42	–	562	166	770	–	–	–	770
Exchange rate changes	(9)	(37)	(214)	–	(7)	(258)	31	(2)	29	(238)
Balance as of December 31, 2008	**411**	**563**	**654**	**708**	**495**	**2,420**	**817**	**17**	**834**	**3,665**
Additions	128	37	12	15	35	99	–	–	–	227
Changes in the group of consolidated companies	–	–	–	–	(1)	(1)	–	–	–	(1)
Disposals	14	–	–	28	3	31	–	–	–	45
Reclassifications from (to) held for sale	–	–	–	–	–	–	–	(11)	(11)	(11)
Transfers	(22)	–	14	–	21	35	–	–	–	13
Exchange rate changes	4	9	63	(5)	4	71	(9)	3	(6)	69
Balance as of December 31, 2009	**507**	**609**	**743**	**690**	**551**	**2,593**	**808**	**9**	**817**	**3,917**
Accumulated amortization and impairment:										
Balance as of January 1, 2008	**328**	**149**	**8**	**52**	**238**	**447**	**74**	**–**	**74**	**849**
Amortization for the year	13	68	42	47	22	179	–	–	–	192[1]
Disposals	–	–	–	–	4	4	–	–	–	4
Reclassifications from (to) held for sale	–	–	–	–	–	–	–	–	–	–
Impairment losses	–	6	–	1	–	7	304	–	304	311[2]
Exchange rate changes	(12)	(2)	(10)	–	(5)	(17)	2	–	2	(27)
Balance as of December 31, 2008	**329**	**221**	**40**	**100**	**251**	**612**	**380**	**–**	**380**	**1,321**
Amortization for the year	13	61	29	40	31	161	–	–	–	174[3]
Changes in the group of consolidated companies	–	–	–	–	(1)	(1)	–	–	–	(1)
Disposals	14	–	–	27	2	29	–	–	–	43
Reclassifications from (to) held for sale	–	–	–	–	–	–	–	(2)	(2)	(2)
Impairment losses	–	–	–	4	–	4	–	1	1	5[4]
Reversals of impairment losses	–	4	–	–	–	4	287	–	287	291[5]
Transfers	–	–	–	–	(1)	(1)	–	–	–	(1)
Exchange rate changes	3	1	4	(3)	4	6	(4)	–	(3)	6
Balance as of December 31, 2009	**331**	**279**	**73**	**114**	**282**	**748**	**89**	**–**	**89**	**1,168**
Carrying amount:										
As of December 31, 2008	**82**	**342**	**614**	**608**	**244**	**1,808**	**437**	**17**	**454**	**2,344**
As of December 31, 2009	**176**	**330**	**670**	**576**	**269**	**1,845**	**719**	**9**	**728**	**2,749**

1 Of which € 181 million were included in general and administrative expenses and € 11 million were recorded in commissions and fee income. The latter related to the amortization of mortgage servicing rights.
2 Of which € 310 million were recorded as impairment of intangible assets and € 1 million was recorded in commissions and fee income. The latter related to an impairment of mortgage servicing rights.
3 Of which € 162 million were included in general and administrative expenses and € 12 million were recorded in commissions and fee income. The latter related to the amortization of mortgage servicing rights.
4 Of which € 5 million were recorded as impairment of intangible assets.
5 € 291 million were recorded as reversal of a prior year's impairment and are included under impairment of intangible assets.

Amortized Intangible Assets

In 2009, additions and transfers to amortized intangible assets amounted to € 134 million and mainly included purchased software of € 35 million, the capitalization of deferred policy acquisition costs (DAC) of € 26 million related to incremental costs of acquiring investment management contracts, which are commissions payable to intermediaries and business counterparties of the Group's insurance business (see Note [39]), and the recognition of customer relationships resulting from the acquisition of Dresdner Bank's Global Agency Securities Lending business of € 21 million (see Note [34]).

In 2008, the main addition to other intangible assets related to Maher Terminals, a privately held operator of port terminal facilities in North America. When held for sale accounting for Maher Terminals ceased as of September 30, 2008, € 770 million of intangible assets were reclassified from assets held for sale to amortized intangible assets. The total comprised contract-based (lease rights to operate the ports), other (trade names) and customer-related intangible assets. As of December 31, 2009 and December 31, 2008, respectively, the

carrying values were € 520 million and € 551 million for the lease rights, € 153 million and € 161 million for the trade names, and € 35 million and € 35 million for the customer-related intangible assets. The amortization of these intangible assets is expected to end in 2030 for the lease rights, in 2027 for the trade names and between 2012 and 2022 for the customer-related intangible assets.

In 2009, impairment of intangible assets in the income statement included an impairment loss of € 4 million relating to contract-based intangible assets as well as a reversal of an impairment loss of € 4 million relating to customer-related intangible assets, which had been taken in the fourth quarter of 2008. The impairment loss was included in CB&S, the impairment reversal was recorded in AWM.

In 2008, impairment losses relating to customer-related intangible assets and contract-based intangible assets (mortgage servicing rights) amounting to € 6 million and € 1 million were recognized as impairment of intangible assets and in commissions and fee income, respectively, in the income statement. The impairment of customer-related intangible assets was recorded in AWM and the impairment of contract-based intangible assets was recorded in CB&S.

In 2007, impairment losses relating to purchased software and customer-related intangible assets amounting to € 3 million and € 2 million, respectively, were recognized as general and administrative expenses in the income statement. The impairment of the purchased software was recorded in AWM and the impairment of the customer-related intangible assets was recorded in GTB.

Other intangible assets with finite useful lives are generally amortized over their useful lives based on the straight-line method (except for the VOBA, as explained in Notes [1] and [39], and for mortgage servicing rights).

Mortgage servicing rights are amortized in proportion to and over the estimated period of net servicing revenues. The useful lives of other amortized intangible assets by asset class are as follows.

	Useful lives in years
Internally generated intangible assets:	
Software	up to 3
Purchased intangible assets:	
Customer-related intangible assets	up to 20
Contract-based intangible assets	up to 35
Value of business acquired	up to 30
Other	up to 20

Unamortized Intangible Assets

Almost 99 % of unamortized intangible assets, amounting to € 719 million, relate to the Group's U.S. retail mutual fund business and are allocated to the Asset Management cash-generating unit. This asset comprises retail investment management agreements, which are contracts that give DWS Investments the exclusive right to manage a variety of mutual funds for a specified period. Since the contracts are easily renewable, the cost of renewal is minimal, and they have a long history of renewal, these agreements are not expected to have a foreseeable limit on the contract period. Therefore, the rights to manage the associated assets under management are expected to generate cash flows for an indefinite period of time. The intangible asset was valued at fair value based upon a third party valuation at the date of the Group's acquisition of Zurich Scudder Investments, Inc. in 2002.

In 2009, a reversal of an impairment loss of € 287 million was recognized and recorded as impairment of intangible assets in the income statement. A related impairment loss had been taken in the fourth quarter of 2008. The impairment reversal was related to retail investment management agreements for certain open end funds and was recorded in AWM. The impairment reversal was due to an increase in fair value as a result of increases in market values of invested assets as well as current and projected operating results and cash flows of investment management agreements, which had been acquired from Zurich Scudder Investments, Inc. The recoverable amount of the asset was calculated as fair value less costs to sell. As market prices are ordinarily not observable for such assets, the fair value was determined based on the income approach, using a post-tax discounted cash flow calculation (multi-period excess earnings method).

In 2008 and 2007, impairment losses of € 304 million and € 74 million, respectively, were recognized in the income statement as impairment of intangible assets. The losses were related to retail investment management agreements and were recorded in AWM. The impairment losses were due to a decrease in fair values as a result of declines in market values of invested assets as well as current and projected operating results and cash flows of investment management agreements, which had been acquired from Zurich Scudder Investments, Inc. The impairment recorded in 2008 related to certain open end and closed end funds whereas the impairment recorded in 2007 related to certain closed end funds and variable annuity funds. The recoverable amounts of the assets were calculated as fair value less costs to sell.

[24] Assets Held for Sale

As of December 31, 2009, the Group classified several disposal groups (comprising nineteen subsidiaries), three investments in associates, a loan and several real estate assets allocated to the Corporate Division Corporate Banking & Securities (CB&S) as held for sale. The Group reported these items in other assets and other liabilities and valued them at the lower of their carrying amount or fair value less costs to sell resulting in an impairment loss of € 10 million relating to the disposal groups which was recorded in other income in CB&S. The disposal groups, the three investments in associates and the loan related to a series of renewable energy development projects. The real estate assets included commercial and residential property in North America owned through foreclosure. These items are expected to be sold in 2010.

As of December 31, 2008, the Group classified several real estate assets as held for sale. The Group reported these items in other assets and valued them at the lower of their carrying amount or fair value less costs to sell, which did not lead to an impairment loss in 2008. The real estate assets included commercial and residential property in Germany and North America owned by CB&S through foreclosure. The real estate assets in Germany and most of the items in North America were sold in 2009.

As of December 31, 2007, the Group classified three disposal groups (two subsidiaries and a consolidated fund) and several non-current assets as held for sale. The Group reported these items in other assets and other liabilities, and valued them at the lower of their carrying amount or fair value less costs to sell, resulting in an impairment loss of € 2 million in 2007, which was recorded in income before income taxes of the Group Division Corporate Investments (CI).

The three disposal groups included two in the Corporate Division Asset and Wealth Management (AWM). One was an Italian life insurance company for which a disposal contract was signed in December 2007 and which was sold in the first half of 2008, and a second related to a real estate fund in North America, which ceased to be classified as held for sale as of December 31, 2008. The expenses which were not to be recognized during the held for sale period, were recognized at the date of reclassification. This resulted in an increase of other expenses of € 13 million in AWM in 2008. This amount included expenses of € 3 million which related to 2007. Due to the market conditions the timing of the ultimate disposal of this investment was uncertain. The last disposal group, a subsidiary in CI, was classified as held for sale at year-end 2006 but, due to circumstances arising in 2007 that were previously considered unlikely, was not sold in 2007. In 2008, the Group changed its plans to sell the subsidiary because the envisaged sales transaction did not materialize due to the lack of interest of the designated buyer. In the light of the weak market environment there were no sales activities regarding this subsidiary. The reclassification did not lead to any impact on revenues and expenses.

Non-current assets classified as held for sale as of December 31, 2007 included two alternative investments of AWM in North America, several office buildings in CI and in the Corporate Division Private & Business Clients (PBC), and other real estate assets in North America, obtained by CB&S through foreclosure. While the office buildings in CI and PBC and most of the real estate in CB&S were sold during 2008, the ownership structure of the two alternative investments Maher Terminals LLC and Maher Terminals of Canada Corp. was restructured and the Group consolidated these investments commencing June 30, 2008. Due to the market conditions the timing of the ultimate disposal of these investments was uncertain. As a result, the assets and liabilities were no longer classified as held for sale at the end of the third quarter 2008. The revenues and expenses which were not to be recognized during the held for sale period were recognized at the date of reclassification. This resulted in a negative impact on other income of € 62 million and an increase of other expenses of € 38 million in AWM in 2008. These amounts included a charge to revenues of € 20 million and expenses of € 21 million which related to 2007.

The following are the principal components of assets and liabilities which the Group classified as held for sale for the years ended December 31, 2009, and 2008, respectively.

in € m.	**Dec 31, 2009**	**Dec 31, 2008**
Investments in associates	18	–
Property and equipment	21	1
Other assets	53	131
Total assets classified as held for sale	**92**	**132**
Long-term debt	21	–
Other liabilities	2	–
Total liabilities classified as held for sale	**23**	**–**

[25] Other Assets and Other Liabilities

The following are the components of other assets and other liabilities.

in € m.	Dec 31, 2009	Dec 31, 2008
Other assets:		
Brokerage and securities related receivables		
Cash/margin receivables	43,890	56,492
Receivables from prime brokerage	6,837	17,844
Pending securities transactions past settlement date	9,229	8,383
Receivables from unsettled regular way trades	33,496	21,339
Total brokerage and securities related receivables	93,452	104,058
Accrued interest receivable	3,426	4,657
Other	24,660	29,114
Total other assets	**121,538**	**137,829**

in € m	**Dec 31, 2009**	**Dec 31, 2008**
Other liabilities:		
Brokerage and securities related payables		
Cash/margin payables	40,448	40,955
Payables from prime brokerage	31,427	46,602
Pending securities transactions past settlement date	5,708	4,530
Payables from unsettled regular way trades	33,214	19,380
Total brokerage and securities related payables	110,797	111,467
Accrued interest payable	3,713	5,112
Other	39,771	44,019
Total other liabilities	**154,281**	**160,598**

[26] Deposits

The following are the components of deposits.

in € m.	Dec 31, 2009	Dec 31, 2008
Noninterest-bearing demand deposits	51,731	34,211
Interest-bearing deposits		
Demand deposits	117,955	143,702
Time deposits	108,730	152,481
Savings deposits	65,804	65,159
Total interest-bearing deposits	292,489	361,342
Total deposits	**344,220**	**395,553**

[27] Provisions

The following table presents movements by class of provisions.

in € m.	Operational/ Litigation	Other	Total[1]
Balance as of January 1, 2008	**617**	**459**	**1,076**
Changes in the group of consolidated companies	1	21	22
New provisions	275	217	492
Amounts used	(75)	(135)	(210)
Unused amounts reversed	(61)	(111)	(172)
Effects from exchange rate fluctuations/Unwind of discount	5	(5)	–
Balance as of December 31, 2008	**762**	**446**	**1,208**
Changes in the group of consolidated companies	2	4	6
New provisions	338	152	490
Amounts used	(164)	(155)	(319)
Unused amounts reversed	(183)	(115)	(298)
Effects from exchange rate fluctuations/Unwind of discount	3	9	12
Balance as of December 31, 2009	**758**	**341**	**1,099**

1 For the remaining portion of provisions as disclosed on the consolidated balance sheet, please see Note [18] to the Group's consolidated financial statements, in which allowances for credit related off-balance sheet positions are disclosed.

Operational and Litigation

The Group defines operational risk as the potential for incurring losses in relation to staff, technology, projects, assets, customer relationships, other third parties or regulators, such as through unmanageable events, business disruption, inadequately-defined or failed processes or control and system failure.

Due to the nature of its business, the Group is involved in litigation, arbitration and regulatory proceedings in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of business. In accordance with applicable accounting requirements, the Group provides for potential losses that may arise out of contingencies, including contingencies in respect of such matters, when the potential losses are probable and estimable. Contingencies in respect of legal matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance. Significant judgment is required in assessing probability and making estimates in respect of contingencies, and the Group's final liabilities may ultimately be materially different. The Group's total liability recorded in respect of litigation, arbitration and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, the Group's experience and the experience of others in similar cases, and the opinions and views of legal counsel. Although the final resolution of any such matters could have a material effect on the Group's consolidated operating results for a particular reporting period, the Group believes that it will not materially affect its consolidated financial position. In respect of each of the matters specifically described below, some of which consist of a number of claims, it is the Group's belief that the reasonably possible losses relating to each claim in excess of any provisions are either not material or not estimable.

The Group's significant legal proceedings, which are required to be disclosed in accordance with IAS 37 are described below.

Tax-Related Products. Deutsche Bank AG, along with certain affiliates, and current and/or former employees (collectively referred to as "Deutsche Bank"), have collectively been named as defendants in a number of legal proceedings brought by customers in various tax-oriented transactions. Deutsche Bank provided financial products and services to these customers, who were advised by various accounting, legal and financial advisory professionals. The customers claimed tax benefits as a result of these transactions, and the United States Internal Revenue Service has rejected those claims. In these legal proceedings, the customers allege that the professional advisors, together with Deutsche Bank, improperly misled the customers into believing that the claimed tax benefits would be upheld by the Internal Revenue Service. The legal proceedings are pending in numerous state and federal courts and in arbitration, and claims against Deutsche Bank are alleged under both U.S. state and federal law. Many of the claims against Deutsche Bank are asserted by individual customers, while others are asserted on behalf of a putative customer class. No litigation class has been certified as against Deutsche Bank. Approximately 90 legal proceedings have been resolved and dismissed with prejudice with respect to Deutsche Bank. Approximately ten other legal proceedings remain pending as against Deutsche Bank and are currently at various pre-trial stages, including discovery. Deutsche Bank has received a number of unfiled claims as well, and has resolved certain of those unfiled claims. Approximately seven unfiled claims also remain pending against Deutsche Bank.

The United States Department of Justice ("DOJ") is also conducting a criminal investigation of tax-oriented transactions that were executed from approximately 1997 through early 2002. In connection with that investigation, DOJ has sought various documents and other information from Deutsche Bank and has been investigating the actions of various individuals and entities, including Deutsche Bank, in such transactions. In the latter half of 2005, DOJ brought criminal charges against numerous individuals based on their participation in certain tax-oriented transactions while employed by entities other than Deutsche Bank. In the latter half of 2005, DOJ also entered into a Deferred Prosecution Agreement with an accounting firm (the "Accounting Firm"), pursuant to which DOJ agreed to defer prosecution of a criminal charge against the Accounting Firm based on its participation in certain tax-oriented transactions provided that the Accounting Firm satisfied the terms of the Deferred Prosecution Agreement. On February 14, 2006, DOJ announced that it had entered into a Deferred Prosecution Agreement with a financial institution (the "Financial Institution"), pursuant to which DOJ agreed to defer prosecution of a criminal charge against the Financial Institution based on its role in providing financial products and services in connection with certain tax-oriented transactions provided that the Financial Institution satisfied the terms of the Deferred Prosecution Agreement. Deutsche Bank provided similar financial products and services in certain tax-oriented transactions that are the same or similar to the tax-oriented transactions that are the subject of the above-referenced criminal charges. Deutsche Bank also provided financial products and services in additional tax-oriented transactions as well. In December 2008, following a trial of four of the individuals against whom DOJ had brought criminal charges in 2005, three of those individuals were convicted. In May 2009, following a trial of four additional individuals against whom DOJ had brought criminal charges based on their participation in certain tax-oriented transactions while employed by an entity other than Deutsche Bank, those individuals were convicted. In June 2009, DOJ brought criminal charges against five additional individuals, based on their participation in certain tax-oriented transactions while employed by entities other than Deutsche Bank, and two former employees of Deutsche Bank based on their participation in certain tax-oriented transactions while employed by Deutsche Bank. DOJ's criminal investigation is ongoing. Deutsche Bank is engaged in discussions with DOJ concerning a resolution of the investigation.

Kirch Litigation. In May 2002, Dr. Leo Kirch personally and as an assignee of two entities of the former Kirch Group, i.e., PrintBeteiligungs GmbH and the group holding company TaurusHolding GmbH & Co. KG, initiated legal action against Dr. Rolf-E. Breuer and Deutsche Bank AG alleging that a statement made by Dr. Breuer (then the Spokesman of Deutsche Bank AG's Management Board) in an interview with Bloomberg television on February 4, 2002 regarding the Kirch Group was in breach of laws and resulted in financial damage.

On January 24, 2006, the German Federal Supreme Court sustained the action for the declaratory judgment only in respect of the claims assigned by PrintBeteiligungs GmbH. Such action and judgment did not require a proof of any loss caused by the statement made in the interview. PrintBeteiligungs GmbH is the only company of the Kirch Group which was a borrower of Deutsche Bank AG. Claims by Dr. Kirch personally and by TaurusHolding GmbH & Co. KG were dismissed. In May 2007, Dr. Kirch filed an action for payment as assignee of PrintBeteiligungs GmbH against Deutsche Bank AG and Dr. Breuer. After having changed the basis for the computation of his alleged damages in the meantime, Dr. Kirch currently claims payment of approximately € 1.3 billion plus interest. In these proceedings Dr. Kirch will have to prove that such statement caused financial damages to PrintBeteiligungs GmbH and the amount thereof. In the view of Deutsche Bank AG, the causality in respect of the basis and scope of the claimed damages has not been sufficiently substantiated.

On December 31, 2005, KGL Pool GmbH filed a lawsuit against Deutsche Bank AG and Dr. Breuer. The lawsuit is based on alleged claims assigned from various subsidiaries of the former Kirch Group. KGL Pool GmbH seeks a declaratory judgment to the effect that Deutsche Bank AG and Dr. Breuer are jointly and severally liable for damages as a result of the interview statement and the behavior of Deutsche Bank AG in respect of several subsidiaries of the Kirch Group. In December 2007, KGL Pool GmbH supplemented this lawsuit by a motion for payment of approximately € 2.0 billion plus interest as compensation for the purported damages which two subsidiaries of the former Kirch Group allegedly suffered as a result of the statement by Dr. Breuer. On March 31, 2009 the District Court Munich I dismissed the lawsuit in its entirety. The plaintiff appealed the decision. In the view of Deutsche Bank, due to the lack of a relevant contractual relationship with any of these subsidiaries there is no basis for such claims and neither the causality in respect of the basis and scope of the claimed damages nor the effective assignment of the alleged claims to KGL Pool GmbH has been sufficiently substantiated.

Asset Backed Securities Matters. Deutsche Bank AG, along with certain affiliates (collectively referred to as "Deutsche Bank"), has received subpoenas and requests for information from certain regulators and government entities concerning its activities regarding the origination, purchase, securitization, sale and trading of asset backed securities, asset backed commercial paper and credit derivatives, including, among others, residential mortgage backed securities, collateralized debt obligations and credit default swaps. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information. Deutsche Bank has also been named as defendant in various civil litigations (including putative class actions), brought under federal and state securities laws and state common law, related to residential mortgage backed securities. Included in those litigations are (1) a putative class action pending in California Superior Court in Los Angeles County regarding the role of Deutsche Bank's subsidiary Deutsche Bank Securities Inc. ("DBSI"),

along with other financial institutions, as an underwriter of offerings of certain securities issued by Countrywide Financial Corporation or an affiliate ("Countrywide"), and a putative class action pending in the United States District Court for the Central District of California regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by Countrywide; (2) a putative class action pending in the United States District Court for the Southern District of New York regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of Novastar Mortgage Funding Corporation; (3) a putative class action pending in the United States District Court for the Southern District of New York regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of IndyMac MBS, Inc.; (4) a putative class action pending in the United States District Court for the Northern District of California regarding the role of DBSI, along with other financial institutions, as an underwriter of offerings of certain mortgage pass-through certificates issued by affiliates of Wells Fargo Asset Securities Corporation; and (5) a putative class action pending in New York Supreme Court in New York County regarding the role of a number of financial institutions, including DBSI, as underwriter, of certain mortgage pass-through certificates issued by affiliates of Residential Accredit Loans, Inc. In addition, certain affiliates of Deutsche Bank, including DBSI, have been named in a putative class action pending in the United States District Court for the Eastern District of New York regarding their roles as issuer and underwriter of certain mortgage pass-through securities. Each of the civil litigations is in its early stages.

Auction Rate Securities. Deutsche Bank AG and DBSI are the subjects of a putative class action, filed in the United States District Court for the Southern District of New York, asserting various claims under the federal securities laws on behalf of all persons or entities who purchased and continue to hold auction rate preferred securities and auction rate securities (together "ARS") offered for sale by Deutsche Bank AG and DBSI between March 17, 2003 and February 13, 2008. Deutsche Bank AG, DBSI and/or Deutsche Bank Alex. Brown, a division of DBSI, have also been named as defendants in 16 individual actions asserting various claims under the federal securities laws and state common law arising out of the sale of ARS. The purported class action and 12 of the individual actions are pending, and four of the individual actions have been resolved and dismissed with prejudice. Deutsche Bank AG was also named as a defendant, along with ten other financial institutions, in two putative class actions, filed in the United States District Court for the Southern District of New York, asserting violations of the antitrust laws. The putative class actions allege that the defendants conspired to artificially support and then, in February 2008, restrain the ARS market. On or about January 26, 2010, the court dismissed the two putative class actions.

Deutsche Bank AG and DBSI have also been the subjects of proceedings by state and federal securities regulatory and enforcement agencies relating to the marketing and sale of ARS. In August 2008, Deutsche Bank AG and its subsidiaries, entered into agreements in principle with the New York Attorney General's Office ("NYAG") and the North American Securities Administration Association, representing a consortium of other states and U.S. territories, pursuant to which Deutsche Bank AG and its subsidiaries agreed to purchase from their retail, certain smaller and medium-sized institutional, and charitable clients, ARS that those clients purchased from Deutsche Bank AG and its subsidiaries prior to February 13, 2008; to work expeditiously to provide liquidity solutions for their larger institutional clients who purchased ARS from Deutsche Bank AG and its subsidiaries; to pay an aggregate penalty of U.S.$ 15 million to state regulators; and to be subject to state orders requiring future compliance with applicable state laws. On June 3, 2009, DBSI finalized settlements with the NYAG and the New Jersey Bureau of Securities that were consistent with the August 2008 agreements in principle, and DBSI entered into a settlement with Securities and Exchange Commission ("SEC") that incorporated the terms of the agreements in principle with the states and contained certain additional terms, including authority by the SEC to seek an additional monetary penalty from DBSI if the SEC believes that DBSI has not complied with its undertakings under the settlement. DBSI has since received proposed settled orders from a number of state and territorial agencies pursuant to which those agencies have claimed their respective shares of the U.S.$ 15 million penalty. DBSI expects to finalize those settled orders and pay the requisite shares of the penalty to the requesting states over the next several months.

ÖBB Litigation. In September 2005, Deutsche Bank AG entered into a Portfolio Credit Default Swap ("PCDS") transaction with ÖBB Infrastruktur Bau AG ("ÖBB"), a subsidiary of Österreichische Bundesbahnen-Holding Aktiengesellschaft. Under the PCDS, ÖBB assumed the credit risk of a € 612 million AAA rated tranche of a diversified portfolio of corporates and asset-backed securities ("ABS"). As a result of the developments in the ABS market since mid 2007, the market value of the PCDS declined.

In June 2008, ÖBB filed a claim against Deutsche Bank AG in the Vienna Trade Court, asking that the Court declare the PCDS null and void. ÖBB argued that the transaction violates Austrian law, and alleged to have been misled about certain features of the PCDS. ÖBB's claim was dismissed by the Trade Court in January 2009. On June 25, 2009, the Vienna Higher Court dismissed ÖBB's appeal against the decision of the Trade Court. On September 21, 2009, ÖBB filed an extraordinary further appeal in the matter to the Austrian Supreme Court. On January 15, 2010, ÖBB and Deutsche Bank AG agreed to settle the case. The settlement does not have a material adverse impact on Deutsche Bank AG.

Trust Preferred Securities. Deutsche Bank AG and certain of its affiliates and officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. Claims are asserted under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933. An amended and consolidated class action complaint was filed on January 25, 2010. The litigation is in its early stages.

Other

Other provisions include non-staff related provisions that are not captured on other specific provision accounts and provisions for restructuring. Restructuring provisions are recorded in conjunction with acquisitions as well as business realignments. Other costs primarily include, among others, amounts for lease terminations and related costs.

[28] Other Short-Term Borrowings

The following are the components of other short-term borrowings.

in € m.	Dec 31, 2009	Dec 31, 2008
Other short-term borrowings:		
Commercial paper	20,906	26,095
Other	21,991	13,020
Total other short-term borrowings	**42,897**	**39,115**

[29] Long-Term Debt and Trust Preferred Securities

Long-Term Debt

The following table presents the Group's long-term debt by contractual maturity.

By remaining maturities in € m.	Due in 2010	Due in 2011	Due in 2012	Due in 2013	Due in 2014	Due after 2014	Total Dec 31, 2009	Total Dec 31, 2008
Senior debt:								
Bonds and notes:								
Fixed rate	6,738	11,544	11,703	8,615	9,462	28,474	76,536	76,527
Floating rate	9,607	7,437	5,378	4,289	4,705	16,230	47,646	49,127
Subordinated debt:								
Bonds and notes:								
Fixed rate	27	314	197	1,166	729	1,115	3,548	3,780
Floating rate	2,523	513	513	45	288	170	4,052	4,422
Total long-term debt	**18,895**	**19,808**	**17,791**	**14,115**	**15,184**	**45,989**	**131,782**	**133,856**

The Group did not have any defaults of principal, interest or other breaches with respect to its liabilities in 2009 and 2008.

Trust Preferred Securities

The following table summarizes the Group's fixed and floating rate trust preferred securities, which are perpetual instruments, redeemable at specific future dates at the Group's option.

in € m.	Dec 31, 2009	Dec 31, 2008
Fixed rate	9,971	9,147
Floating rate	606	582
Total trust preferred securities	**10,577**	**9,729**

Additional Notes

[30] Common Shares

Common Shares

Deutsche Bank's share capital consists of common shares issued in registered form without par value. Under German law, each share represents an equal stake in the subscribed capital. Therefore, each share has a nominal value of € 2.56, derived by dividing the total amount of share capital by the number of shares.

Number of shares	Issued and fully paid	Treasury shares	Outstanding
Common shares, January 1, 2008	**530,400,100**	**(29,334,819)**	**501,065,281**
Shares issued under share-based compensation plans	458,915	–	458,915
Capital increase	40,000,000	–	40,000,000
Shares purchased for treasury	–	(369,614,111)	(369,614,111)
Shares sold or distributed from treasury	–	390,756,870	390,756,870
Common shares, December 31, 2008	**570,859,015**	**(8,192,060)**	**562,666,955**
Shares issued under share-based compensation plans	-	–	–
Capital increase	50,000,000	–	50,000,000
Shares purchased for treasury	–	(476,284,991)	(476,284,991)
Shares sold or distributed from treasury	–	483,793,356	483,793,356
Common shares, December 31, 2009	**620,859,015**	**(683,695)**	**620,175,320**

There are no issued ordinary shares that have not been fully paid.

Shares purchased for treasury consist of shares held by the Group for a period of time, as well as any shares purchased with the intention of being resold in the short-term. In addition, the Group has launched share buy-back programs. Shares acquired under these programs serve among other things, share-based compensation programs, and also allow the Group to balance capital supply and demand. The sixth buy-back program was completed in May 2008. In the fourth quarter of 2008, the majority of the remaining shares were sold in the market. The seventh share buy-back program was started in July 2009. All such transactions were recorded in shareholders' equity and no revenues and expenses were recorded in connection with these activities.

On March 6, 2009, Deutsche Bank AG issued 50 million new common shares against a contribution-in-kind of 50 million ordinary shares of Deutsche Postbank AG, resulting in a share capital increase of € 128 million. The shares were issued with full dividend rights for the year 2008 from authorized capital and without subscription rights.

Authorized and Conditional Capital

Deutsche Bank's share capital may be increased by issuing new shares for cash and in some circumstances for non-cash consideration. As of December 31, 2009, Deutsche Bank had authorized but unissued capital of € 485,480,000 which may be issued at various dates through April 30, 2014 as follows.

Authorized capital	Expiration date
€ 30,600,000	April 30, 2012
€140,000,000[1]	April 30, 2013
€314,880,000	April 30, 2014

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

The Annual General Meeting on May 26, 2009 authorized the Management Board to increase the share capital by up to a total of € 128,000,000 against cash payments with the consent of the Supervisory Board. The expiration date is April 30, 2014. This additional authorized capital was subject of a law suit (summary proceeding according to Section 246a AktG) which ended February 23, 2010, with the approval by the Higher Regional Court Frankfurt. The entry in the Commercial Register will follow shortly. This authorized capital will become effective upon its entry.

Additionally, the Annual General Meeting on May 26, 2009 authorized the Management Board to increase the share capital by up to a total of € 176,640,000 against cash payments or contributions-in-kind with the consent of the Supervisory Board. The expiration date is April 30, 2014. This authorized capital was also subject of a law suit (summary proceeding according to Section 246a AktG) which ended February 23, 2010, with the approval by the Higher Regional Court Frankfurt. The entry in the Commercial Register will follow shortly. This authorized capital will become effective upon its entry.

Deutsche Bank also had conditional capital of € 406,000,000. Conditional capital is available for various instruments that may potentially be converted into common shares.

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.

The Annual General Meeting on May 26, 2009 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, 2014. For this purpose, share capital was increased conditionally by up to € 256,000,000.

Dividends

The following table presents the amount of dividends proposed or declared for the years ended December 31, 2009, 2008 and 2007, respectively.

	2009 (proposed)	2008	2007
Cash dividends declared[1] (in € m.)	466	309	2,274
Cash dividends declared per common share (in €)	0.75	0.50	4.50

1 Cash dividend for 2009 is based on the number of shares issued as of December 31, 2009.

No dividends have been declared since the balance sheet date.

[31] Share-Based Compensation Plans

Share-Based Compensation Plans used for Granting New Awards in 2009

In 2009, the Group made grants of share-based compensation under the DB Equity Plan. All awards represent a contingent right to receive Deutsche Bank common shares after a specified period of time. The award recipient is not entitled to receive dividends before the settlement of the award. The terms of the DB Equity Plan are presented in the table below.

Plan		Vesting schedule	Early retirement provisions	Eligibility
DB Equity Plan	Annual Award	50 % : 24 months 25 % : 36 months 25 % : 48 months	No	Select employees as annual retention
	Retention/New Hire	Individual specification[1]	No	Select employees to attract or retain key staff

1 Weighted average relevant service period: 20 months.

An award, or portions of it, may be forfeited if the recipient voluntarily terminates employment before the end of the relevant vesting period.

Vesting usually continues after termination of employment in cases such as redundancy or retirement. Vesting is accelerated if the recipient's termination of employment is due to death or disability.

In countries where legal or other restrictions hinder the delivery of shares, a cash plan variant of the DB Equity Plan was used for making awards from 2007 onwards.

A successor plan for the former Global Share Plan has been developed over the course of 2009 and will be implemented in early 2010 for entities in selected countries.

The Group has other local share-based compensation plans, none of which, individually or in the aggregate, are material to the consolidated financial statements.

Share-Based Compensation Plans used for Granting Awards prior to 2009

Share Plans and Stock Appreciation Right Plans

Prior to 2009, the Group granted share-based compensation under a number of other plans. The following table summarizes the main features of these prior plans.

Plan		Vesting schedule	Early retirement provisions	Eligibility	Last grant in
Restricted Equity Units (REU) Plan	Annual Award	80%: 48 months[1] 20%: 54 months	Yes	Select employees as annual retention	2006
DB Share Scheme	Annual Award	1/3: 6 months 1/3: 18 months 1/3: 30 months	No	Select employees as annual retention	2006
	Off Cycle Award	Individual specification	No	Select employees to attract or retain key staff	2006
DB Key Employee Equity Plan (KEEP)	–	Individual specification	No	Select executives	2005
Stock Appreciation Rights (SAR) Plan	–	Exercisable after 36 months Expiry after 72 months	No	Select employees	2002
Global Share Plan	–	100 % : 12 months	No	All employee plan granting up to 10 shares per employee	2007
Global Partnership Plan Equity Units	Annual Award	80% : 24 months[2] 20%: 42 months	No	Group Board	2008
Global Share Plan – Germany	–	100 % : 12 months	No	Employee plan granting up to 10 shares per employee in Germany[3]	2008
DB Equity Plan	Annual Award	50%: 24 months 25%: 36 months 25%: 48 months	Yes	Select employees as annual retention	2008

1 With delivery after further 6 months.
2 With delivery after further 18 months.
3 Participant must have been active and working for the Group for at least one year at date of grant.

All Plans except for the SAR plan represent a contingent right to receive Deutsche Bank common shares after a specified period of time. The award recipient is not entitled to receive dividends before the settlement of the award.

An award, or portion of it, may be forfeited if the recipient voluntarily terminates employment before the end of the relevant vesting period. Early retirement provisions for the REU Plan or DB Equity Plan, however, allow continued vesting after voluntary termination of employment when certain conditions regarding age or tenure are fulfilled.

In countries where legal or other restrictions hinder the delivery of shares, a cash plan variant of the plans used for making awards from 2007 onwards.

Vesting usually continues after termination of employment in certain cases, such as redundancy or retirement. Vesting is accelerated if the recipient's termination of employment is due to death or disability.

The SAR plan provided eligible employees of the Group with the right to receive cash equal to the appreciation of Deutsche Bank common shares over an established strike price. The last rights granted under the SAR plan expired in 2007.

Performance Options

Deutsche Bank used performance options as a remuneration instrument under the Global Partnership Plan and the pre-2004 Global Share Plan. No new options were issued under these plans after February 2004.

The following table summarizes the main features related to performance options granted under the pre-2004 Global Share Plan and the Global Partnership Plan.

Plan	Grant Year	Exercise price	Additional Partnership Appreciation Rights (PAR)	Exercisable until	Eligibility
Global Share Plan	2001	€87.66	No	Nov 2007	All employees[1]
(pre-2004)	2002	€55.39	No	Nov 2008	All employees[1]
Performance Options	2003	€75.24	No	Dec 2009	All employees[1]
Global	2002	€89.96	Yes	Feb 2008	Select executives
Partnership Plan	2003	€47.53	Yes	Feb 2009	Select executives
Performance Options	2004	€76.61	Yes	Feb 2010	Group Board

1 Participant must have been active and working for the Group for at least one year at date of grant.

Under both plans, the option represents the right to purchase one Deutsche Bank common share at an exercise price equal to 120 % of the reference price. This reference price was set as the higher of the fair market value of the common shares on the date of grant or an average of the fair market value of the common shares for the ten trading days on the Frankfurt Stock Exchange up to, and including, the date of grant.

Performance options under the Global Partnership Plan were granted to select executives in the years 2002 to 2004. Participants were granted one Partnership Appreciation Right (PAR) for each option granted. PARs represent a right to receive a cash award in an amount equal to 20 % of the reference price. The reference price was determined in the same way as described above for the performance options. PARs vested at the same time and to the same extent as the performance options. They are automatically exercised at the same time, and in the same proportion, as the Global Partnership Plan performance options.

Performance options under the Global Share Plan (pre-2004), a broad-based employee plan, were granted in the years 2001 to 2003. The plan allowed the purchase of up to 60 shares in 2001 and up to 20 shares in both 2002 and 2003. For each share purchased, participants were granted one performance option in 2001 and five performance options in 2002 and 2003. Performance options under the Global Share Plan (pre-2004) are forfeited upon termination of employment. Participants who retire or become permanently disabled retain the right to exercise the performance options.

Compensation Expense

Compensation expense for awards classified as equity instruments is measured at the grant date based on the fair value of the share-based award.

Compensation expense for share-based awards payable in cash is remeasured to fair value at each balance sheet date, and the related obligations are included in other liabilities until paid. For awards granted under the cash plan version of the DB Equity Plan and DB Global Share Plan, remeasurement is based on the current market price of Deutsche Bank common shares.

A further description of the underlying accounting principles can be found in Note [1].

The Group recognized compensation expense related to its significant share-based compensation plans as follows:

in € m.	2009	2008	2007
DB Global Partnership Plan	4	10	7
DB Global Share Plan	6	39	49
DB Share Scheme/Restricted Equity Units Plan/DB KEEP/DB Equity Plan	637	1,249	1,088
Stock Appreciation Rights Plan[1]	–	–	1
Total	**647**	**1,298**	**1,145**

1 For the year ended December 31, 2007 net gains of € 1 million from non-trading equity derivatives, used to offset fluctuations in employee share-based compensation expense, were included.

Of the compensation expense recognized in 2009 and 2008 approximately € 22 million and € 4 million, respectively, was attributable to the cash-settled variant of the DB Global Share Plan and the DB Equity Plan.

Share-based payment transactions which will result in a cash payment give rise to a liability, which amounted to approximately € 26 million and € 10 million for the years ended December 31, 2009 and 2008 respectively. This liability is attributable to unvested share awards.

As of December 31, 2009 and 2008, unrecognized compensation cost related to non-vested share-based compensation was approximately € 0.4 billion and € 0.6 billion respectively.

Award-Related Activities

Share Plans

The following table summarizes the activity in plans involving share awards, which are those plans granting a contingent right to receive Deutsche Bank common shares after a specified period of time. It also includes the grants under the cash plan variant of the DB Equity Plan and DB Global Share Plan.

in thousands of units (except per share data)	Global Partnership Plan Equity Units	DB share scheme/ DB KEEP/REU/ DB equity plan	Global Share Plan (since 2004)	Total	Weighted-average grant date fair value per unit
Balance as of December 31, 2007	**324**	**49,309**	**599**	**50,232**	**€ 71.05**
Granted	150	18,007	258	18,415	€ 61.17
Issued	(139)	(16,541)	(561)	(17,241)	€ 62.52
Forfeited	–	(2,508)	(38)	(2,546)	€ 73.44
Balance as of December 31, 2008	**335**	**48,267**	**258**	**48,860**	**€ 70.22**
Granted	–	23,809	–	23,809	€ 22.02
Issued	(93)	(18,903)	(253)	(19,249)	€ 68.76
Forfeited	–	(3,059)	(5)	(3,064)	€ 43.51
Balance as of December 31, 2009	**242**	**50,114**	**–**	**50,356**	**€ 49.61**

In addition to the amounts shown in the table above, in February 2010 the Group granted awards of approximately 35.2 million units, with an average fair value of € 44.01 per unit under the DB Equity Plan with modified plan conditions for 2010. Approximately 0.8 million of these grants under the DB Equity Plan were granted under the cash plan variant of this plan.

Approximately 10.6 million shares were issued to plan participants in February 2010, resulting from the vesting of prior years DB Equity Plan and DB Share Scheme awards.

Performance Options

The following table summarizes the activities for performance options granted under the Global Partnership Plan and the DB Global Share Plan (pre-2004).

in thousands of units (except per share data and exercise prices)	Global Partnership Plan Performance Options	Weighted-average exercise price[1]	DB Global Share Plan (pre-2004) Performance Options	Weighted-average exercise price
Balance as of December 31, 2007	1,637	€ 53.32	812	€ 68.14
Exercised	(434)	€ 47.53	(26)	€ 57.67
Forfeited	–	–	(16)	€ 65.75
Expired	(223)	€ 89.96	(260)	€ 55.39
Balance as of December 31, 2008	**980**	**€ 47.53**	**510**	**€ 75.24**
Exercised	–	–	–	–
Forfeited	–	–	(9)	€ 75.24
Expired	(980)	€ 47.53	(501)	€ 75.24
Balance as of December 31, 2009	**–**	**–**	**–**	**–**

1 The weighted-average exercise price does not include the effect of the Partnership Appreciation Rights for the DB Global Partnership Plan.

The following two tables present details related to performance options outstanding as of December 31, 2008 and 2007, by range of exercise prices.

As of December 31, 2009 no more performance options were outstanding since those granted in 2004 were already exercised and all others not previously exercised expired in 2009.

	Performance options outstanding December 31, 2008		
Range of exercise prices	**Options outstanding (in thousands)**	**Weighted-average exercise price[1]**	**Weighted-average remaining contractual life**
€40.00 – 59.99	980	€ 47.53	1 month
€60.00 – 79.99	510	€ 75.24	12 months
€80.00 – 99.99	–	–	–

1 The weighted-average exercise price does not include the effect of the Partnership Appreciation Rights for the DB Global Partnership Plan.

	Performance options outstanding December 31, 2007		
Range of exercise prices	**Options outstanding (in thousands)**	**Weighted-average exercise price[1]**	**Weighted-average remaining contractual life**
€40.00 – 59.99	1,704	€ 48.87	13 months
€60.00 – 79.99	522	€ 75.24	24 months
€80.00 – 99.99	223	€ 89.96	1 month

1 The weighted-average exercise price does not include the effect of the Partnership Appreciation Rights for the DB Global Partnership Plan.

The weighted average share price at the date of exercise was € 64.31 and € 99.70 in the years ended December 31, 2008 and 2007, respectively.

[32] Employee Benefits

Deferred Compensation

In February 2009 awards of approximately € 1.0 billion were granted under the terms and conditions of the DB Restricted Cash Plan. As a rule, the awards are only paid out to the employee if there is a non-terminated employment relationship between the employee and Deutsche Bank at the respective vesting date. The award consists of three tranches each amounting to one third of the grant volume. The first tranche vested in early 2010 and was paid out, net of those parts of the awards forfeited during the course of 2009 according to the terms and conditions of the plan. The two remaining tranches vest in early 2011 and early 2012, respectively. Each tranche is expensed over its vesting period.

In February 2010 new awards of approximately € 0.5 billion were granted under the terms and conditions of the DB Restricted Incentive Plan. The award consists of three tranches each amounting to one third of the grant volume. The tranches vest in early 2011, 2012 and 2013. Each tranche is expensed over its vesting period. In line with regulatory requirements this plan includes performance-indexed clawback rules for the most senior employees. Thus, there is the possibility that parts of the awards will be subject to forfeiture in the event of non-achievement of defined targets, breach of policy or financial impairment.

In addition, as described in Note [31], the Group granted share awards totaling approximately € 1.5 billion in February 2010. Total deferred compensation awards of approximately € 2.0 billion were therefore granted in February 2010.

Post-employment Benefit Plans

The Group provides a number of post-employment benefit plans. In addition to defined contribution plans, there are plans accounted for as defined benefit plans. The Group's defined benefit plans are classified as post-employment medical plans and retirement benefit plans such as pensions.

The majority of the beneficiaries of retirement benefit plans are located in Germany, the United Kingdom and the United States. The value of a participant's accrued benefit is based primarily on each employee's remuneration and length of service.

The Group's funding policy is to maintain full coverage of the defined benefit obligation ("DBO") by plan assets within a range of 90 % to 110 % of the obligation, subject to meeting any local statutory requirements. Any obligation for the Group's unfunded plans is accrued for as book provision.

Moreover, the Group maintains unfunded contributory post-employment medical plans for a number of current and retired employees who are mainly located in the United States. These plans pay stated percentages of eligible medical and dental expenses of retirees after a stated deductible has been met. The Group funds these plans on a cash basis as benefits are due.

December 31 is the measurement date for all plans. All plans are valued using the projected unit credit method.

The following table provides reconciliations of opening and closing balances of the defined benefit obligation and of the fair value of plan assets of the Group's defined benefit plans over the years ended December 31, 2009 and 2008, a statement of the funded status as well as its reconciliation to the amounts recognized on balance sheet as of December 31 in each year.

	Retirement benefit plans		**Post-employment medical plans**	
in € m.	**2009**	**2008**	**2009**	**2008**
Change in defined benefit obligation:				
Balance, beginning of year	8,189	8,518	119	116
Current service cost	186	264	3	2
Interest cost	457	453	7	7
Contributions by plan participants	6	8	–	–
Actuarial loss (gain)	846	(160)	14	1
Exchange rate changes	181	(572)	–	1
Benefits paid	(467)	(393)	(7)	(8)
Past service cost (credit)	18	14	–	–
Acquisitions	–	–	–	–
Divestitures	–	–	–	–
Settlements/curtailments	–	(1)	–	–
Other[1]	–	58	–	–
Balance, end of year	**9,416**	**8,189**	**136**	**119**
thereof: unfunded	201	245	136	119
thereof: funded	9,215	7,944	–	–
Change in fair value of plan assets:				
Balance, beginning of year	8,755	9,331	–	–
Expected return on plan assets	403	446	–	–
Actuarial gain (loss)	92	(221)	–	–
Exchange rate changes	231	(689)	–	–
Contributions by the employer	264	239	–	–
Contributions by plan participants	6	8	–	–
Benefits paid[2]	(398)	(358)	–	–
Acquisitions	–	–	–	–
Divestitures	–	–	–	–
Settlements	(1)	(1)	–	–
Other	–	–	–	–
Balance, end of year	**9,352**	**8,755**	**–**	**–**
Funded status, end of year	**(64)**	**566**	**(136)**	**(119)**
Past service cost (credit) not recognized	–	–	–	–
Asset ceiling	(7)	(9)	–	–
Net asset (liability) recognized	**(71)**	**557**	**(136)**	**(119)**
thereof: other assets	276	885	–	–
thereof: other liabilities	(347)	(328)	(136)	(119)

1 Includes opening balance of first time application of smaller plans.
2 For funded plans only.

The principal actuarial assumptions applied were as follows. They are provided in the form of weighted averages.

Assumptions used for retirement benefit plans	2009	2008	2007
to determine defined benefit obligations, end of year			
Discount rate	5.4%	5.6 %	5.5%
Rate of price inflation	2.7%	2.1 %	2.1%
Rate of nominal increase in future compensation levels	3.4%	3.0 %	3.3%
Rate of nominal increase for pensions in payment	2.4%	1.8 %	1.8%
to determine expense, year ended			
Discount rate	5.6%	5.5 %	4.8%
Rate of price inflation	2.1%	2.1 %	2.0%
Rate of nominal increase in future compensation levels	3.0%	3.3 %	3.2%
Rate of nominal increase for pensions in payment	1.8%	1.8 %	1.7%
Expected rate of return on plan assets[1]	4.5%	5.0 %	4.6%
Assumptions used for post-employment medical plans			
to determine defined benefit obligations, end of year			
Discount rate	5.9%	6.1 %	6.1%
to determine expense, year ended			
Discount rate	6.1%	6.1 %	5.8%
Assumed life expectancy at age 65			
for a male aged 65 at measurement date	19.4	19.1	19.1
for a male aged 45 at measurement date	21.5	21.1	21.0
for a female aged 65 at measurement date	22.8	22.6	22.5
for a female aged 45 at measurement date	24.8	24.5	24.3

1 The expected rate of return on assets for determining income in 2010 is 5.0 %.

In determining expenses for post-employment medical plans, an annual weighted-average rate of increase of 8.9 % in the per capita cost of covered health care benefits was assumed for 2010. The rate is assumed to decrease gradually to 4.9 % by the end of 2017 and to remain at that level thereafter.

Mortality assumptions are significant in measuring the Group's obligations under its defined benefit plans. These assumptions have been set in accordance with current best practice in the respective countries. Future longevity improvements have been considered and included where appropriate.

The price inflation assumptions in the U.K. and eurozone are set with reference to market implied measures of inflation based on inflation swap rates in those markets at December 31, 2009, to better estimate the impact of inflation on the Group's pension commitments. In previous years, these assumptions were set predominantly with reference to the long-term inflation forecasts by Consensus Economics Inc. This change results in an increase of the Defined Benefit Obligation at December 31, 2009 by approximately € 540 million.

The expected rate of return on assets is developed separately for each plan, using a building block approach recognizing the plan's specific asset allocation and the assumed return on assets for each asset category. The plan's target asset allocation at the measurement date is used, rather than the actual allocation.

The weighted-average asset allocation of the Group's funded retirement benefit plans as of December 31, 2009 and 2008, as well as the target allocation by asset category are as follows.

	Target allocation	Percentage of plan assets	
		Dec 31, 2009	Dec 31, 2008
Asset categories:			
Equity instruments	5%	8%	7%
Debt instruments (including Cash and Derivatives)	90%	90%	90%
Alternative Investments (including Property)	5%	2%	3%
Total asset categories	**100%**	**100%**	**100%**

The general principle is to use a risk-free rate as a benchmark, with adjustments for the effect of duration and specific relevant factors for each major category of plan assets. For example, the expected rate of return for equities and property is derived by adding a respective risk premium to the yield-to-maturity on ten-year fixed interest government bonds.

Expected returns are adjusted for factors such as taxation, but no allowance is made for expected outperformance due to active management. Finally, the relevant risk premiums and overall expected rates of return are confirmed for reasonableness through comparison with other reputable published forecasts and any other relevant market practice.

The Group's primary investment objective is to immunize broadly the Bank to large swings in the funded status of the retirement benefit plans, with some limited amount of risk-taking through duration mismatches and asset class diversification. The aim is to maximize returns within a defined risk tolerance level specified by the Group.

The actual return on plan assets for the years ended December 31, 2009, and December 31, 2008, was € 495 million and € 225 million, respectively.

Plan assets as of December 31, 2009, include derivatives with a positive market value of € 249 million. Derivative transactions are made within the Group and with external counterparties. In addition, there are € 26 million of securities issued by the Group included in the plan assets.

It is not expected that any plan assets will be returned to the Group during the year ending December 31, 2010.

The Group expects to contribute approximately € 275 million to its retirement benefit plans in 2010. The final amounts to be contributed in 2010 will be determined in the fourth quarter of 2010.

The table below reflects the benefits expected to be paid in each of the next five years, and in the aggregate for the five years thereafter. The amounts include benefits attributable to estimated future employee service.

	Retirement benefit plans	**Post-employment medical plans**	
in € m.		**Gross amount**	**Reimbursement[1]**
2010	415	9	(1)
2011	409	11	(1)
2012	424	11	(1)
2013	441	12	(2)
2014	449	12	(2)
2015 – 2019	2,619	65	(11)

1 Expected reimbursements from Medicare for prescription drugs.

The Group applies the policy of recognizing actuarial gains and losses in the period in which they occur. Actuarial gains and losses are taken directly to shareholders' equity and are presented in the Consolidated Statement of Recognized Income and Expense and in the Consolidated Statement of Changes in Equity. The following table shows the cumulative amounts recognized as at December 31, 2009 since inception of IFRS on January 1, 2006 as well as the amounts recognized in the years ended December 31, 2009 and 2008, respectively, not taking deferred taxes into account. Deferred taxes are disclosed in a separate table for income taxes taken to equity in Note [33]. Adjusted amounts recognized for prior periods are presented in Note [1].

		Amount recognized in shareholders' equity (gain(loss))	
in € m.	**Dec 31, 2009[1]**	**2009**	**2008**
Retirement benefit plans:			
Actuarial gain (loss)	(89)	(754)	(61)
Asset ceiling	(7)	1	–
Total retirement benefit plans	**(96)**	**(753)**	**(61)**
Post-employment medical plans:			
Actuarial gain (loss)	38	(14)	(1)
Total post-employment medical plans	**38**	**(14)**	**(1)**
Total amount recognized	**(58)**	**(767)**	**(62)**

1 Accumulated since inception of IFRS and inclusive of the impact of exchange rate changes.

The following table shows the amounts for the current annual period and the previous annual periods of the present value of the defined benefit obligation, the fair value of plan assets and the funded status as well as the experience adjustments arising on the obligation and the plan assets.

in € m.	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006
Retirement benefit plans:				
Defined benefit obligation	9,416	8,189	8,518	9,129
thereof: experience adjustments (loss (gain))	(72)	24	(68)	18
Fair Value of plan assets	9,352	8,755	9,331	9,447
thereof: experience adjustments (gain (loss))	92	(221)	(266)	(368)
Funded status	**(64)**	**566**	**813**	**318**
Post-employment medical plans:				
Defined benefit obligation	136	119	116	147
thereof: experience adjustments (loss (gain))	–	(5)	(17)	(27)
Funded status	**(136)**	**(119)**	**(116)**	**(147)**

Expenses for defined benefit plans and other selected employee benefits recognized in the Consolidated Statement of Income for the years ended December 31, 2009, 2008 and 2007 included the following items. All items are part of compensation and benefits expenses.

in € m.	2009	2008	2007
Expenses for retirement benefit plans:			
Current service cost	186	264	265
Interest cost	457	453	436
Expected return on plan assets	(403)	(446)	(435)
Past service cost (credit) recognized immediately	18	14	11
Settlements/curtailments	1	–	(5)
Recognition of actuarial losses (gains) due to settlements/curtailments[1]	–	9	(6)
Amortization of actuarial losses (gains)[1]	–	1	(1)
Asset ceiling[1]	–	(2)	2
Total retirement benefit plans	**259**	**293**	**267**
Expenses for post-employment medical plans:			
Current service cost	3	2	3
Interest cost	7	7	8
Amortization of actuarial losses (gains)[1]	–	2	(3)
Total post-employment medical plans	**10**	**11**	**8**
Total expenses defined benefit plans	**269**	**304**	**275**
Total expenses for defined contribution plans	203	206	203
Total expenses for post-employment benefits	**472**	**510**	**478**
Disclosures of other selected employee benefits			
Employer contributions to mandatory German social security pension plan	162	159	156
Expenses for cash retention plans	688	13	18
Expenses for severance payments	629	555	225

1 Items accrued under the corridor approach in 2006 and 2007 were reversed in 2008 due to the change in accounting policy.

Expected expenses for 2010 are € 225 million for the retirement benefit plans and € 11 million for the post-employment medical plans. The average remaining service period at measurement date for retirement benefit plans is 11 years and for post-employment medical plans 7 years respectively.

The following table presents the sensitivity to key assumptions of the defined benefit obligation as of December 31, 2009, and the aggregate of service costs and interest costs as well as the expected return on plan assets for the year ended December 31, 2009. Each assumption is shifted in isolation.

Increase (decrease)	**Defined benefit obligation as at**		**Expenses for**	
in € m.	**Dec 31, 2009**	**Dec 31, 2008**	**2009**	**2008**
Retirement benefit plans sensitivity:				
Discount rate (fifty basis point decrease)	695	560	5	15
Rate of price inflation (fifty basis point increase)	420	370	30	40
Rate of real increase in future compensation levels (fifty basis point increase)	80	75	10	10
Longevity (improvement by ten percent)[1]	175	130	10	10
Expected rate of return (fifty basis point decrease)	–	–	45	45
Post-employment medical plans sensitivity:				
Health care cost rate (100 basis point increase)	16	13	2	1
Health care cost rate (100 basis point decrease)	(14)	(12)	(1)	(1)

1 Improvement by ten percent on longevity means that the probability of death at each age is reduced by ten percent. The sensitivity has, broadly, the effect of increasing the expected longevity at age 65 by about one year.

[33] Income Taxes

The components of income tax expense (benefit) for 2009, 2008 and 2007 are as follows.

in € m.	**2009**	**2008**	**2007**
Current tax expense (benefit):			
Tax expense (benefit) for current year	970	(32)	3,504
Adjustments for prior years	(430)	(288)	(347)
Total current tax expense (benefit)	**540**	**(320)**	**3,157**
Deferred tax expense (benefit):			
Origination and reversal of temporary difference, unused tax losses and tax credits	570	(1,346)	(651)
Effects of changes in tax rates	3	26	(181)
Adjustments for prior years	(869)	(205)	(86)
Total deferred tax expense (benefit)	**(296)**	**(1,525)**	**(918)**
Total income tax expense (benefit)	**244**	**(1,845)**	**2,239**

Income tax expense (benefit) includes policyholder tax attributable to policyholder earnings, amounting to an income tax benefit of € 1 million, € 79 million and € 1 million in 2009, 2008 and 2007, respectively.

Total current tax expense includes benefits from previously unrecognized tax losses, tax credits and deductible temporary differences, which reduced the current tax expense by € 0.2 million in 2009. In 2008 these effects increased the current tax benefit by € 45 million and reduced the current tax expense by € 3 million in 2007.

Total deferred tax benefit includes expenses arising from write-downs of deferred tax assets and benefits from previously unrecognized tax losses (tax credits/temporary differences) and the reversal of previous writedowns of deferred tax assets, which increased the deferred tax benefit by € 537 million in 2009. In 2008 these effects reduced the deferred tax benefit by € 971 million and by € 71 million in 2007.

The following is an analysis of the difference between the amount that results from applying the German statutory (domestic) income tax rate to income before tax and the Group's actual income tax expense.

in € m.	2009	2008	2007
Expected tax expense at domestic income tax rate of 30.7 % (30.7 % for 2008 and 39.2 % for 2007)	**1,595**	**(1,760)**	**3,429**
Foreign rate differential	(63)	(665)	(620)
Tax-exempt gains on securities and other income	(763)	(746)	(657)
Loss (income) on equity method investments	(29)	(36)	(22)
Nondeductible expenses	624	403	393
Goodwill impairment	0	1	21
Changes in recognition and measurement of deferred tax assets	(537)	926	68
Effect of changes in tax law or tax rate	3	26	(181)
Effect related to share based payments	(95)	227	–
Effect of policyholder tax	(1)	(79)	(1)
Other	(490)	(142)	(191)
Actual income tax expense (benefit)	**244**	**(1,845)**	**2,239**

The Group is under continuous examinations by tax authorities in various jurisdictions. The line item other in the preceding table includes mainly the nonrecurring effect of settling examinations in 2009.

The domestic income tax rate, including corporate tax, solidarity surcharge, and trade tax, used for calculating deferred tax assets and liabilities was 30.7 % for the years ended December 31, 2009, 2008 and 2007.

In August 2007, the German legislature enacted a tax law change on company taxation ("Unternehmensteuerreformgesetz 2008"), which lowered the statutory corporate income tax rate from 25 % to 15 %, and changed the trade tax calculation from 2008 onwards. This tax law change reduced the deferred tax expense for 2007 by € 232 million. Further tax rate changes, mainly in the United Kingdom, Spain, Italy and the United States of America, increased the deferred tax expense for 2007 by € 51 million.

Income taxes charged or credited to equity are as follows.

in € m.	2009	2008	2007
Tax (charge)/credit on actuarial gains (losses) related to defined benefit plans	**113**	**1**	**(192)**
Financial assets available for sale			
Unrealized net gains (losses) arising during the period	(195)	892	154
Net (gains) losses reclassified to profit or loss	(214)	(194)	43
Derivatives hedging variability of cash flows			
Unrealized net gains (losses) arising during the period	90	(34)	4
Net (gains) losses reclassified to profit or loss	(2)	–	(5)
Other equity movement			
Unrealized net gains (losses) arising during the period	54	67	19
Net (gains) losses reclassified to profit or loss	13	–	–
Income taxes (charged) credited to recognized income and expenses in total equity	**(254)**	**731**	**215**
Other income taxes (charged) credited to total equity	**(35)**	**(75)**	**(35)**

Major components of the Group's gross deferred income tax assets and liabilities are as follows.

in € m.	Dec 31, 2009	Dec 31, 2008
Deferred tax assets:		
Unused tax losses	2,986	3,477
Unused tax credits	218	134
Deductible temporary differences:		
Trading activities	7,244	8,769
Property and equipment	654	380
Other assets	1,544	1,167
Securities valuation	563	654
Allowance for loan losses	353	144
Other provisions	1,088	1,016
Other liabilities	439	568
Total deferred tax assets	**15,089**	**16,309**
Deferred tax liabilities:		
Taxable temporary differences:		
Trading activities	6,666	7,819
Property and equipment	55	53
Other assets	652	1,042
Securities valuation	652	605
Allowance for loan losses	122	167
Other provisions	932	1,221
Other liabilities	1,017	716
Total deferred tax liabilities	**10,096**	**11,623**
Net deferred tax assets	**4,993**	**4,686**

After offsetting, deferred tax assets and liabilities are presented on the balance sheet as follows.

in € m.	Dec 31, 2009	Dec 31, 2008
Presented as deferred tax assets	7,150	8,470
Presented as deferred tax liabilities	2,157	3,784
Net deferred tax assets	**4,993**	**4,686**

The change in the balance of net deferred tax assets and deferred tax liabilities does not equal the deferred tax expense. This is due to (1) deferred taxes that are booked directly to equity, (2) the effects of exchange rate changes on tax assets and liabilities denominated in currencies other than euro, (3) the acquisition and disposal of entities as part of ordinary activities and (4) the reclassification of deferred tax assets and liabilities which are presented on the face of the balance sheet as components of other assets and liabilities.

As of December 31, 2009 and 2008, no deferred tax assets are recognized for the following items.[1]

in € m.	Dec 31, 2009	Dec 31, 2008
Deductible temporary differences	**(69)**	**(26)**
Not expiring	(1,598)	(617)
Expiring in subsequent period	0	(1)
Expiring after subsequent period	(659)	(2,851)
Unused tax losses	**(2,257)**	**(3,469)**
Expiring in subsequent period	–	–
Expiring after subsequent period	(87)	(90)
Unused tax credits	**(87)**	**(90)**

1 Amounts in the table refer to deductible temporary differences, unused tax losses and tax credits for federal income tax purposes.

Deferred tax assets were not recognized on these items because it is not probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

As of December 31, 2009 and December 31, 2008, the Group recognized deferred tax assets of € 6 billion and € 5.6 billion, respectively that exceed deferred tax liabilities in entities which have suffered a loss in either the current or preceding period. This is based on management's assessment that it is probable that the respective entities will have taxable profits against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. Generally, in determining the amounts of deferred tax assets to be recognized, management uses profitability information and, if relevant, forecasted operating results, based upon approved business plans, including a review of the eligible carry-forward periods, tax planning opportunities and other relevant considerations.

As of December 31, 2009 and December 31, 2008, the Group had temporary differences associated with the Group's parent company's investments in subsidiaries, branches and associates and interests in joint ventures of € 105 million and € 157 million respectively, in respect of which no deferred tax liabilities were recognized.

[34] Acquisitions and Dispositions

Business Combinations finalized in 2009

In 2009, the Group finalized several acquisitions that were accounted for as business combinations. Of these transactions, none were individually significant and are, therefore, presented in the aggregate. These transactions involved the acquisition of interests of 100 % respectively for a total consideration of € 22 million, including cash payments of € 20 million and costs of € 2 million directly related to these acquisitions. Based on provisional values, the aggregated purchase prices were allocated as other intangible assets of € 21 million, reflecting customer relationships, and goodwill of € 1 million. Among these transactions is the acquisition of Dresdner Bank's Global Agency Securities Lending business which closed on November 30, 2009. The business is operating from offices in London, New York and Frankfurt and was integrated into GTB. The completion of this transaction added one of the largest third-party agency securities lending providers to the Group's existing custody platform, closing a strategic product gap in the securities servicing area.

The aggregate impact from these acquisitions on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition	Adjustments to fair value	Fair value
Assets:			
Cash and due from banks	–	–	–
Goodwill	–	1	1
Other intangible assets	–	21	21
All remaining assets	–	–	–
Total assets	**–**	**22**	**22**
Liabilities:			
Long-term debt	–	–	–
All remaining liabilities	–	3	3
Total liabilities	**–**	**3**	**3**
Net assets	–	19	19
Total liabilities and equity	**–**	**22**	**22**

Their related effect on net revenues and net profit or loss after tax of the Group in 2009 was € 1 million and € (1) million, respectively.

Potential Profit or Loss Impact of Business Combinations finalized in 2009

If the business combinations described above which were finalized in 2009 had all been effective as of January 1, 2009, the effect on the Group's net revenues and net profit or loss after tax in 2009 would have been € 22 million and less than € 1 million, respectively.

Business Combinations finalized in 2008

In 2008, the Group finalized several acquisitions that were accounted for as business combinations. Of these transactions, the acquisitions of DB HedgeWorks, LLC and the reacquisition of Maher Terminals LLC and Maher Terminals of Canada Corp. were individually significant and are, therefore, presented separately. The other business combinations, which were not individually significant, are presented in the aggregate.

DB HedgeWorks, LLC

On January 31, 2008, the Group acquired 100 % of HedgeWorks, LLC, a hedge fund administrator based in the United States which it subsequently renamed DB HedgeWorks, LLC ("DB HedgeWorks"). The acquisition

further strengthened the Group's service offering to the hedge fund industry. The cost of this business combination consisted of a cash payment of € 19 million and another € 15 million subject to the acquiree exceeding certain performance targets over the following three years. The purchase price was allocated as goodwill of € 28 million, other intangible assets of € 5 million and net tangible assets of € 1 million. DB HedgeWorks is included in GTB. The impact of this acquisition on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition	Adjustments to fair value	Fair value
Assets:			
Cash and due from banks	1	–	1
Goodwill	–	28	28
Other intangible assets	–	5	5
All remaining assets	1	–	1
Total assets	**2**	**33**	**35**
Liabilities:			
Long-term debt	–	15	15
All remaining liabilities	1	–	1
Total liabilities	**1**	**15**	**16**
Net assets	1	18	19
Total liabilities and equity	**2**	**33**	**35**

Following the acquisition in 2008, DB HedgeWorks recorded net revenues and net losses after tax of € 6 million and € 2 million, respectively.

Maher Terminals LLC and Maher Terminals of Canada Corp.

Commencing June 30, 2008, the Group has consolidated Maher Terminals LLC and Maher Terminals of Canada Corp., collectively and hereafter referred to as Maher Terminals, a privately held operator of port terminal facilities in North America. Maher Terminals was acquired as seed asset for the North American Infrastructure Fund. The Group initially owned 100 % of Maher Terminals and following a partial sale of an 11.4 % minority stake to the RREEF North America Infrastructure Fund in 2007, the Group retained a non-controlling interest which was accounted for as equity method investment under the held for sale category at December 31, 2007 (see Note [24]). In a subsequent effort to restructure the fund in 2008, RREEF Infrastructure reacquired all outstanding interests in the North America Infrastructure Fund, whose sole investment was Maher Terminals, for a cash consideration of € 109 million.

In discontinuing the held for sale accounting for the investment at the end of the third quarter 2008, the assets and liabilities of Maher Terminals were reclassified from the held for sale category, with the reacquisition accounted for as a purchase transaction. The cost of this acquisition was allocated as goodwill of € 33 million and net tangible assets of € 76 million. At acquisition, Maher Terminals was included in AWM. Following a change in management responsibility, Maher Terminals was transferred to CI effective January 1, 2009.

As of the acquisition date, the impact on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition and included under held-for-sale category	Reclassification from held-for-sale category and Adjustments to fair value	Fair value
Assets:			
Interest-earning time deposits with banks	–	30	30
Property and equipment	–	169	169
Goodwill	–	597	597
Other intangible assets	–	770	770
All remaining assets	1,840	(1,656)	184
Total assets	**1,840**	**(90)**	**1,750**
Liabilities:			
Long-term debt	–	839	839
All remaining liabilities	983	(845)	138
Total liabilities	**983**	**(6)**	**977**
Net assets	857	(84)	773
Total liabilities and equity	**1,840**	**(90)**	**1,750**

Post-acquisition net revenues and net losses after tax related to Maher Terminals in 2008 amounted to negative € 7 million and € 256 million, respectively. The latter included a charge of € 175 million net of tax reflecting a goodwill impairment loss recognized in the fourth quarter 2008 (see Note [23]).

Other Business Combinations finalized in 2008

Other business combinations, not being individually material, which were finalized in 2008, are presented in the aggregate, and, among others, included the acquisition of Far Eastern Alliance Asset Management Co. Limited, a Taiwanese investment management firm, as well as the acquisition of the operating platform of Pago eTransaction GmbH, a cash management and merchant acquiring business domiciled in Germany. These transactions involved the acquisition of majority interests ranging between more than 50 % and up to 100 % for a total consideration of € 7 million, including less than € 1 million of costs directly related to these acquisitions.

Their impact on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition	Adjustments to fair value	Fair value
Assets:			
Cash and due from banks	4	6	10
Interest-earning demand deposits with banks	6	3	9
Interest-earning time deposits with banks	2	3	5
Other intangible assets	–	1	1
All remaining assets	20	2	22
Total assets	**32**	**15**	**47**
Liabilities:			
Other liabilities	1	7	8
All remaining liabilities	–	1	1
Total liabilities	**1**	**8**	**9**
Net assets	31	7	38
Total liabilities and equity	**32**	**15**	**47**

The effect of these acquisitions on net revenues and net profit or loss after tax of the Group in 2008 was € 2 million and € (4) million, respectively.

Potential Profit or Loss Impact of Business Combinations finalized in 2008

If the business combinations described above which were finalized in 2008 had all been effective as of January 1, 2008, the effect on the Group's net revenues and net profit or loss after tax in 2008 would have been € 44 million and € (223) million, respectively. The latter included a charge of € 175 million net of tax reflecting a goodwill impairment related to Maher Terminals recognized in the fourth quarter 2008.

Business Combinations finalized in 2007

In 2007, the Group finalized several acquisitions that were accounted for as business combinations. Of these transactions, the acquisitions of Berliner Bank AG & Co. KG, MortgageIT Holdings, Inc. and Abbey Life Assurance Company Limited were individually significant and are, therefore, presented separately. The other business combinations, which were not individually significant, are presented in the aggregate.

Berliner Bank AG & Co. KG

Effective January 1, 2007, the Group completed the acquisition of Berliner Bank AG & Co. KG ("Berliner Bank") which expands the Group's market share in the retail banking sector of the German capital. The cost of the acquisition consisted of a cash consideration of € 645 million and € 1 million of cost directly attributable to the acquisition.

From the purchase price, € 508 million were allocated to goodwill, € 45 million were allocated to other intangible assets, and € 93 million reflected net tangible assets. Berliner Bank is included in PBC. The impact of this acquisition on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition	Adjustments to fair value	Fair value
Assets:			
Cash and due from banks	190	–	190
Interest-earning demand deposits with banks	808	–	808
Interest-earning time deposits with banks	1,945	–	1,945
Loans	2,443	(28)	2,415
Goodwill	–	508	508
Other intangible assets	–	45	45
All remaining assets	18	2	20
Total assets	**5,404**	**527**	**5,931**
Liabilities:			
Deposits	5,107	–	5,107
All remaining liabilities	133	45	178
Total liabilities	**5,240**	**45**	**5,285**
Net assets	164	482	646
Total liabilities and equity	**5,404**	**527**	**5,931**

Post-acquisition net revenues and net profits after tax related to Berliner Bank in 2007 amounted to € 251 million and € 35 million, respectively.

MortgageIT Holdings, Inc.

On January 2, 2007, the Group completed the acquisition of 100 % of MortgageIT Holdings, Inc. ("MortgageIT") for a total cash consideration of € 326 million. The purchase price was allocated as goodwill of € 149 million and net tangible assets of € 177 million. MortgageIT, a residential mortgage real estate investment trust (REIT) in the U.S., is included in CB&S.

The impact of this acquisition on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition	Adjustments to fair value	Fair value
Assets:			
Cash and due from banks	29	–	29
Financial assets at fair value through profit or loss	5,854	(5)	5,849
Goodwill	9	140	149
All remaining assets	160	(7)	153
Total assets	**6,052**	**128**	**6,180**
Liabilities:			
Financial liabilities at fair value through profit or loss	3,390	–	3,390
Other liabilities	2,349	10	2,359
All remaining liabilities	95	10	105
Total liabilities	**5,834**	**20**	**5,854**
Net assets	218	108	326
Total liabilities and equity	**6,052**	**128**	**6,180**

Following the acquisition in 2007, MortgageIT recorded net negative revenues and net losses after tax of € 38 million and € 212 million, respectively.

Abbey Life Assurance Company Limited

On October 1, 2007, the Group completed the acquisition of 100 % of Abbey Life Assurance Company Limited ("Abbey Life") for a cash consideration of € 1,412 million and € 12 million of costs directly related to the acquisition. The allocation of the purchase price resulted in net tangible assets of € 512 million and other intangible assets of € 912 million. These identified intangible assets represent the present value of the future cash flows of the long-term insurance and investment contracts acquired in a business combination (the Value of Business Acquired ("VOBA")). Abbey Life is a U.K. life assurance company which closed to new business in 2000 but still holds a valid license under which it is permitted to write new contracts if required. The company comprises primarily unit-linked life and pension policies and annuities and is included in CB&S. The impact of this acquisition on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition	Adjustments to fair value	Fair value
Assets:			
Interest-earning demand deposits with banks	232	–	232
Financial assets at fair value through profit or loss	14,145	–	14,145
Financial assets available for sale	2,261	–	2,261
Other intangible assets	–	912	912
All remaining assets	1,317	(1)	1,316
Total assets	**17,955**	**911**	**18,866**
Liabilities:			
Financial liabilities at fair value through profit or loss	10,387	–	10,387
Provisions – Insurance policies and reserves	6,339	–	6,339
All remaining liabilities	246	318	564
Total liabilities	**16,972**	**318**	**17,290**
Net assets[1]	983	593	1,576
Total liabilities and equity	**17,955**	**911**	**18,866**

1 Includes minority interest of € 152 million.

Following the acquisition and in finalizing the purchase accounting in 2008, net assets acquired were reduced against the VOBA for € 5 million, resulting in revised net tangible assets of € 507 million and VOBA of € 917 million. Post-acquisition net revenues and net profits after tax related to Abbey Life in 2007 amounted to € 53 million and € 26 million, respectively.

Other Business Combinations finalized in 2007

Other business combinations, not being individually material, which were finalized in 2007, are presented in the aggregate. These transactions involved the acquisition of majority interests ranging between 51 % and 100 % for a total consideration of € 107 million, including € 1 million of costs directly related to these acquisitions.

Their impact on the Group's balance sheet was as follows.

in € m.	Carrying value before the acquisition	Adjustments to fair value	Fair value
Assets:			
Cash and due from banks	3	77	80
Goodwill	3	25	28
Other intangible assets	8	–	8
All remaining assets	91	44	135
Total assets	**105**	**146**	**251**
Total liabilities	**87**	**13**	**100**
Net assets	18	133	151
Total liabilities and equity	**105**	**146**	**251**

The effect of these acquisitions on net revenues and net profit or loss after tax of the Group in 2007 was € 2 million and € 1 million, respectively.

Potential Profit or Loss Impact of Business Combinations finalized in 2007

If the business combinations described above which were finalized in 2007, had all been effective as of January 1, 2007, the effect on the Group's net revenues and net profit or loss after tax in 2007 would have been € 426 million and € (74) million, respectively.

Business Combinations subject to completion in 2010

The following acquisitions have been or will be completed in 2010 and therefore are accounted for under the revised IFRS 3 R, "Business Combinations", which the Group decided to adopt as of January 1, 2010. However, disclosure requirements for these transactions at year-end 2009 are still governed by current IFRS 3.

Sal. Oppenheim. On October 28, 2009, Deutsche Bank AG ("Deutsche Bank") and the owners of Luxembourg based holding company Sal. Oppenheim jr. & Cie. S.C.A. ("Sal. Opp. S.C.A.") signed a framework agreement which allowed Deutsche Bank to acquire 100 % of Sal. Oppenheim Group ("Sal. Opp. Group") at a purchase price of approximately € 1.0 billion. The previous shareholders in Sal. Opp. S.C.A. have the option of acquiring a long-term shareholding of up to 20 % in the German subsidiary Sal. Oppenheim KGaA ("Sal. Opp. KGaA").

With the purchase of Sal. Opp. S.C.A., all activities of Sal. Opp. KGaA, BHF BANK AG ("BHF") and the private equity fund of funds business managed in the separate holding Sal. Oppenheim Private Equity Partners S.A. ("SOPEP") have transferred to Deutsche Bank. In addition, Deutsche Bank acquired 94.9 % (49 % of voting rights) of BHF Asset Servicing GmbH ("BAS") which was held by the Sal. Opp. S.C.A. shareholders. In addition to the envisaged sale of BAS, Deutsche Bank also intends to resell parts of Sal. Opp. KGaA's investment banking activities to third parties.

On provisional values, the purchase price for the different entities acquired is expected to total approximately € 1.3 billion. Further agreements have been reached with the owners of Sal. Opp. S.C.A. that could lead to an increase of the purchase price contingent upon the future performance of specific risk positions. The allocation of the purchase price and the determination of the net fair value of the identifiable assets, liabilities, and contingent liabilities for the Sal. Opp. Group as of the acquisition date is not yet finalized.

Sal. Oppenheim's Asset and Wealth Management activities will be maintained and expanded in the future under the private bank's established brand "Oppenheim" and "Sal. Oppenheim" and will preserve Sal. Oppenheim's identity, values, culture and service quality. With this transaction, the Group strengthens its position among high-net-worth private clients, family offices and trusts, especially in Germany.

The acquisition of the Sal. Opp. Group closes in the first quarter of 2010 and is implemented via various execution agreements which, in accordance with definitions provided in IAS 28, resulted in the Group having significant influence over the Sal. Opp. Group at year end 2009. As all significant legal and regulatory approvals

have been obtained by January 29, 2010, the date of acquisition was set for that date and accordingly, the Group commenced consolidation of the Sal. Opp. Group in the first quarter 2010.

ABN AMRO. In December 2009, the Group signed a definitive agreement with ABN AMRO Bank N.V. ("ABN AMRO") to acquire parts of ABN AMRO's corporate and commercial banking activities in the Netherlands. The businesses to be acquired remain the same as those in the original agreement announced in July 2008, encompassing a network of 15 ABN AMRO branches: two corporate client units serving large corporate clients and 13 commercial advisory branches serving medium-sized clients in the Netherlands. In addition, as part of the transaction, the Group will acquire the Rotterdam-based bank, Hollandsche Bank Unie N.V. and the Dutch IFN Finance B.V which provides factoring services. The transaction is expected to be completed in the second quarter 2010.

Other Business Combinations completed in 2010

Other business combinations, not being individually material, which were finalized in 2010, include the step-acquisition of an additional 47.5 % interest in an existing associate domiciled in the Philippines. The acquisition resulted in a controlling ownership interest of 95 % and the consolidation of the investment in the first quarter 2010. The total consideration of € 6 million paid in cash was allocated to net assets acquired (including liabilities assumed) of € 10 million, resulting in negative goodwill of € 4 million which will be recognized as other income in the Group's income statement of the first quarter 2010.

Dispositions

During 2009, 2008 and 2007, the Group finalized several dispositions of subsidiaries/businesses. For a list and further details about these dispositions, please see Note [4]. The total cash consideration received for these dispositions in 2009, 2008 and 2007 was € 51 million, € 182 million and € 375 million, respectively. The table below includes the assets and liabilities that were included in these disposals.

in € m.	2009	2008	2007
Cash and cash equivalents	49	66	52
All remaining assets	15	4,079	885
Total assets disposed	**64**	**4,145**	**937**
Total liabilities disposed	**73**	**3,490**	**463**

[35] Derivatives

Derivative Financial Instruments and Hedging Activities

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

In accordance with the Group's accounting policy relating to derivatives and hedge accounting as described in Note [1], all derivatives are carried at fair value in the balance sheet regardless of whether they are held for trading or non-trading purposes.

Derivatives held for Trading Purposes

Sales and Trading

The majority of the Group's derivatives transactions relate to sales and trading activities. Sales activities include the structuring and marketing of derivative products to customers to enable them to take, transfer, modify or reduce current or expected risks. Trading includes market-making, positioning and arbitrage activities. Market-making involves quoting bid and offer prices to other market participants, enabling revenue to be generated based on spreads and volume. Positioning means managing risk positions in the expectation of benefiting from favorable movements in prices, rates or indices. Arbitrage involves identifying and profiting from price differentials between markets and products.

Risk Management

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

Derivatives qualifying for Hedge Accounting

The Group applies hedge accounting if derivatives meet the specific criteria described in Note [1].

Fair Value Hedging

The Group undertakes fair value hedging, using primarily interest rate swaps and options, in order to protect itself against movements in the fair value of fixed-rate financial instruments due to movements in market interest rates.

The following table presents the value of derivatives held as fair value hedges.

in € m.	Assets 2009	Liabilities 2009	Assets 2008	Liabilities 2008
Derivatives held as fair value hedges	6,726	3,240	8,441	3,142

For the years ended December 31, 2009 and 2008, a loss of € 1.6 billion and a gain of € 4.1 billion, respectively, were recognized on the hedging instruments. For the same periods the gain on the hedged items, which were attributable to the hedged risk, was € 1.5 billion and a loss of € 3.8 billion, respectively.

Cash Flow Hedging

The Group undertakes cash flow hedging, using equity futures, interest rate swaps and foreign exchange forwards, in order to protect itself against exposures to variability in equity indices, interest rates and exchange rates.

The following table presents the value of derivatives held as cash flow hedges.

in € m.	Assets 2009	Liabilities 2009	Assets 2008	Liabilities 2008
Derivatives held as cash flow hedges	2	197	12	355

A schedule indicating the periods when hedged cash flows are expected to occur and when they are expected to affect the income statement is as follows.

in € m.	Within one year	1-3 years	3-5 years	Over five years
As of December 31, 2009				
Cash inflows from assets	42	79	65	106
Cash outflows from liabilities	(40)	(58)	(27)	(140)
Net cash flows	**2**	**21**	**38**	**(34)**
As of December 31, 2008[1]				
Cash inflows from assets	102	65	58	111
Cash outflows from liabilities	(71)	(38)	(49)	(304)
Net cash flows	**31**	**27**	**9**	**(194)**

1 Prior year amounts have been adjusted.

Of these expected future cash flows, most will arise in relation to the Group's two largest cash flow hedging programs.

First, Maher Terminals LLC, a fully consolidated subsidiary, utilizes a term borrowings program to fund its infrastructure asset portfolio. Future interest payments under the program are exposed to changes in wholesale variable interest rates. To hedge this volatility in highly probable future interest cash flows, and align its funding costs with the nature of its revenue profile, Maher Terminals LLC has transacted a series of term pay fixed interest rate swaps.

Second, under the terms of unit-linked contracts written by Abbey Life Assurance Company Limited, policyholders are charged an annual management fee expressed as a percentage of assets under management. In order to protect against volatility in the highly probable forecasted cash flow stream arising from the management fees, the Group has entered into three month rolling FTSE futures. Other cash flow hedging programs use interest rate swaps and FX forwards as hedging instruments.

For the years ended December 31, 2009 and December 31, 2008, balances of € (217) million and € (342) million, respectively, were reported in equity related to cash flow hedging programs. Of these, € (48) million and € (56) million, respectively, related to terminated programs. These amounts will be released to the income statement as appropriate.

For the years ended December 31, 2009 and December 31, 2008, a gain of € 119 million and a loss of € 265 million, respectively, were recognized in equity in respect of effective cash flow hedging.

For the years ended December 31, 2009 and December 31, 2008, losses of € 6 million and € 2 million, respectively, were removed from equity and included in the income statement.

For the years ended December 31, 2009 and December 31, 2008, a loss of € 7 million and a gain of € 27 million, respectively, were recognized due to hedge ineffectiveness.

As of December 31, 2009 the longest term cash flow hedge matures in 2027.

Net Investment Hedging

Using foreign exchange forwards and swaps, the Group undertakes hedges of translation adjustments resulting from translating the financial statements of net investments in foreign operations into the reporting currency of the parent.

The following table presents the value of derivatives held as net investment hedges.

in € m.	Assets 2009	Liabilities 2009	Assets 2008	Liabilities 2008
Derivatives held as net investment hedges	94	364	1,081	1,220

For the years ended December 31, 2009 and December 31, 2008 losses of € 238 million and € 151 million respectively, were recognized due to hedge ineffectiveness.

[36] Regulatory Capital

Capital Management

The Group's Treasury function manages its capital at Group level and locally in each region. The allocation of financial resources, in general, and capital, in particular, favors business portfolios with the highest positive impact on the Group's profitability and shareholder value. As a result, Treasury periodically reallocates capital among business portfolios.

Treasury implements the Group's capital strategy, which itself is developed by the Capital and Risk Committee and approved by the Management Board, including the issuance and repurchase of shares. The Group is committed to maintain its sound capitalization. Overall capital demand and supply are constantly monitored and adjusted, if necessary, to meet the need for capital from various perspectives. These include book equity based on IFRS accounting standards, regulatory capital and economic capital. The Group's target for the Tier 1 capital ratio continues to be at 10% or above.

The allocation of capital, determination of the Group's funding plan and other resource issues are framed by the Capital and Risk Committee.

Regional capital plans covering the capital needs of the Group's branches and subsidiaries are prepared on a semi-annual basis and presented to the Group Investment Committee. Most of the Group's subsidiaries are subject to legal and regulatory capital requirements. Local Asset and Liability Committees attend to those needs under the stewardship of regional Treasury teams. Furthermore, they safeguard compliance with requirements such as restrictions on dividends allowable for remittance to Deutsche Bank AG or on the ability of the Group's subsidiaries to make loans or advances to the parent bank. In developing, implementing and testing the Group's capital and liquidity, the Group takes such legal and regulatory requirements into account.

The 2008 Annual General Meeting granted our management the authority to buy back up to 53.1 million shares before the end of October 2009. No shares had been repurchased under this authorization through the Annual General Meeting in May 2009 when a new authorization was granted.

The 2009 Annual General Meeting granted the Group's management the authority to buy back up to 62.1 million shares before the end of October 2010. During the period from the Annual General Meeting in May 2009 until year-end 2009, 11.7m shares (or 1.9 % of shares issued) were purchased for equity compensation purposes. The purchases were executed in July and August 2009.

In March 2009, the Group issued 50 million new registered shares to Deutsche Post AG. In turn, Deutsche Post AG contributed-in-kind a minority stake in Deutsche Postbank AG to Deutsche Bank AG.

The Group issued € 1.3 billion of hybrid Tier 1 capital for the year ended December 31, 2009. Total outstanding hybrid Tier 1 capital (all noncumulative trust preferred securities) as of December 31, 2009, amounted to € 10.6 billion compared to € 9.6 billion as of December 31, 2008.

Capital Adequacy

Since 2008, Deutsche Bank calculated and published consolidated capital ratios for the Deutsche Bank group of institutions pursuant to the Banking Act and the Solvency Regulation ("Solvabilitätsverordnung"), which adopted the revised capital framework of the Basel Committee from 2004 ("Basel II") into German law.

The group of companies consolidated for banking regulatory purposes ("group of institutions") includes all subsidiaries as defined in the German Banking Act that are classified as banks, financial services institutions, investment management companies, financial enterprises, ancillary services enterprises or payment institutions. It does not include insurance companies or companies outside the finance sector.

For financial conglomerates, however, insurance companies are included in an additional capital adequacy (also "solvency margin") calculation. The Group has been designated as a financial conglomerate following the acquisition of Abbey Life Assurance Company Limited in October 2007. The Group's solvency margin as a financial conglomerate remains dominated by its banking activities.

A bank's total regulatory capital, also referred to as "Own Funds", is divided into three tiers: Tier 1, Tier 2 and Tier 3 capital, and the sum of Tier 1 and Tier 2 capital is also referred to as "Regulatory Banking Capital".

— Tier 1 capital consists primarily of common share capital, additional paid-in capital, retained earnings and hybrid capital components such as noncumulative trust preferred securities. Common shares in treasury, goodwill and other intangible assets are deducted from Tier 1. Other regulatory adjustments according to the Banking Act entail the exclusion of capital from entities outside the group of institutions and the reversal of capital effects under the fair value option on financial liabilities due to own credit risk. Tier 1 capital without hybrid capital components is referred to as Core Tier 1 capital.

— Tier 2 capital consists primarily of cumulative trust preferred securities and long-term subordinated debt, as well as 45 % of unrealized gains on certain listed securities.

  Certain items must be deducted from Tier 1 and Tier 2 capital. Primarily these include deductible investments in unconsolidated banking, financial and insurance entities where the Group holds more than 10 % of the capital (in case of insurance entities 20 % either of the capital or of voting rights unless included in the solvency margin calculation of the financial conglomerate), the amount by which the expected loss for exposures to central governments, institutions and corporate and retail exposures as measured under the bank's internal ratings based approach ("IRBA") model exceeds the value adjustments and provisions for such exposures, the expected losses for certain equity exposures, securitization positions not included in the risk-weighted assets and the value of securities delivered to a counterparty plus any replacement cost to the extent the required payment by the counterparty has not been made within five business days after delivery provided the transaction has been allocated to the bank's trading book.

— Tier 3 capital consists mainly of certain short-term subordinated debt.

The amount of subordinated debt that may be included as Tier 2 capital is limited to 50 % of Tier 1 capital. Total Tier 2 capital is limited to 100 % of Tier 1 capital.

The Tier 1 capital ratio is the principal measure of capital adequacy for internationally active banks. The ratio compares a bank's regulatory Tier 1 capital with its credit risks, market risks and operational risks pursuant to Basel II (which the Group refers to collectively as the "risk-weighted assets" or "RWA"). In the calculation of the risk-weighted assets 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 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. For operational risk calculations, the Group uses the so-called Advanced Measurement Approach ("AMA") pursuant to the German Banking Act.

The following two tables present a summary of the Group's regulatory capital and RWA.

in € m. (unless stated otherwise)	Dec 31, 2009	Dec 31, 2008
Credit risk	217,003	247,611
Market risk[1]	24,880	23,496
Operational risk	31,593	36,625
Total risk-weighted assets	**273,476**	**307,732**
Tier 1 capital	34,406	31,094
Thereof Core Tier 1 capital	23,790	21,472
Tier 2 capital	3,523	6,302
Tier 3 capital	–	–
Total regulatory capital	**37,929**	**37,396**
Tier 1 capital ratio	12.6%	10.1%
Core Tier 1 capital ratio	8.7%	7.0%
Total capital ratio	13.9%	12.2%
Average Active Book Equity	**34,613**	**32,079**

1 A multiple of the Group's value-at-risk, calculated with a confidence level of 99 % and a ten-day holding period.

The Group's total capital ratio was 13.9 % on December 31, 2009, significantly higher than the 8 % minimum ratio required.

The Group's Tier 1 capital was € 34.4 billion on December 31, 2009 and € 31.1 billion on December 31, 2008. The Tier 1 capital ratio was 12.6 % as of December 31, 2009 and 10.1 % as of December 31, 2008, both exceeding the Group's target ratio of 10 %. Core Tier 1 capital amounted to € 23.8 billion on December 31, 2009 and € 21.5 billion on December 31, 2008 with Core Tier 1 ratio of 8.7 % and 7.0 % respectively.

The Group's Tier 2 capital was € 3.5 billion on December 31, 2009, and € 6.3 billion on December 31, 2008, amounting to 10 % and 20 % of Tier 1 capital, respectively.

The German Banking Act and Solvency Regulation rules require the Group to cover its market risk as of December 31, 2009, with € 1,990 million of total regulatory capital (Tier 1 + 2 + 3) compared to € 1,880 million as of December 31, 2008. The Group met this requirement entirely with Tier 1 and Tier 2 capital that was not required for the minimum coverage of credit and operational risk.

The following are the components of Tier 1 and Tier 2 capital for the Group of companies consolidated for regulatory purposes as of December 31, 2009, and December 31, 2008.

in € m.	Dec 31, 2009	Dec 31, 2008
Tier 1 capital:		
Core Tier 1 capital:		
Common shares	1,589	1,461
Additional paid-in capital	14,830	14,961
Retained earnings, common shares in treasury, equity classified as obligation to purchase common shares, foreign currency translation, minority interest	21,807	16,724
Items to be fully deducted from Tier 1 capital (inter alia goodwill and intangible assets)	(10,238)	(10,125)
Items to be partly deducted from Tier 1 capital:		
Deductible investments in banking, financial and insurance entities	(2,120)	(771)
Securitization positions not included in risk-weighted assets	(1,033)	(279)
Excess of expected losses over risk provisions	(1,045)	(499)
Items to be partly deducted from Tier 1 capital[1]	(4,198)	(1,549)
Core Tier 1 capital	**23,790**	**21,472**
Additional Tier 1 capital:		
Noncumulative trust preferred securities	10,616	9,622
Additional Tier 1 capital	**10,616**	**9,622**
Total Tier 1 capital	**34,406**	**31,094**
Tier 2 capital:		
Unrealized gains on listed securities[2] (45% eligible)	331	–
Cumulative preferred securities	294	300
Qualified subordinated liabilities	7,096	7,551
Items to be partly deducted from Tier 2 capital	(4,198)	(1,549)
Total Tier 2 capital	**3,523**	**6,302**

1 Pursuant to German Banking Act Section 10 (6) and Section 10 (6a) in conjunction with German Banking Act Section 10a.

2 Net unrealized gains and losses on listed securities as to be determined for regulatory purposes were negative at the end of 2008 € (108) million and were fully deducted from Tier 1 capital.

The following table reconciles shareholders' equity according to IFRS to Tier 1 capital pursuant to Basel II.

in € m.	Dec 31, 2009	Dec 31, 2008
Total shareholders' equity	**36,647**	**30,703**
Unrealized net gains (losses) on financial assets available for sale	121	882
Unrealized net gains (losses) on cash flow hedges	136	349
Accrued future dividend	(466)	(310)
Active book equity	**36,438**	**31,624**
Goodwill and intangible assets	(10,169)	(9,877)
Minority interest	1,322	1,211
Other (consolidation and regulatory adjustments)	397	63
Noncumulative trust preferred securities	10,616	9,622
Items to be partly deducted from Tier 1 capital	(4,198)	(1,549)
Tier 1 capital	**34,406**	**31,094**

Basel II requires the deduction of goodwill from Tier 1 capital. However, for a transitional period the partial inclusion of certain goodwill components in Tier 1 capital is allowed 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, 2009, the transitional item amounted to € 462 million. In the Group's reporting to the German regulatory authorities, the Tier 1 capital, total regulatory capital and the total risk-weighted assets shown above were increased by this amount. Correspondingly, the Group's Tier 1 and total capital ratios reported to the German regulatory authorities including this item were 12.7 % and 14.0 %, respectively, on December 31, 2009.

Failure to meet minimum capital requirements can result in orders to suspend or reduce dividend payments or other profit distributions on regulatory capital and discretionary actions by the BaFin that, if undertaken, could have a direct material effect on the Group's businesses. The Group complied with the regulatory capital adequacy requirements in 2009.

[37] Related Party Transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group's related parties include

— key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members,

— subsidiaries, joint ventures and associates, and

— post-employment benefit plans for the benefit of Deutsche Bank employees.

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectibility or present other unfavorable features.

Transactions with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Deutsche Bank, directly or indirectly. The Group considers the members of the Management Board and of the Supervisory Board to constitute key management personnel for purposes of IAS 24.

The following table presents the compensation expense of key management personnel.

in € m.	2009	2008	2007
Short-term employee benefits	22	9	30
Post-employment benefits	3	3	4
Other long-term benefits	–	–	–
Termination benefits	–	–	–
Share-based payment	7	8	8
Total	**32**	**20**	**42**

Among the Group's transactions with key management personnel as of December 31, 2009 were loans and commitments of € 9 million and deposits of € 21 million. In addition, the Group provides banking services, such as payment and account services as well as investment advice, to key management personnel and their close family members.

Transactions with Subsidiaries, Joint Ventures and Associates

Transactions between Deutsche Bank AG and its subsidiaries meet the definition of related party transactions. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions. Transactions between the Group and its associated companies and joint ventures also qualify as related party transactions and are disclosed as follows.

Loans

in € m.	2009	2008
Loans outstanding, beginning of year	**834**	**2,081**
Loans issued during the year	366	1,623
Loan repayment during the year	209	514
Changes in the group of consolidated companies[1]	(83)	(2,200)
Exchange rate changes/other	57	(156)
Loans outstanding, end of year[2]	**965**	**834**
Other credit risk related transactions:		
Allowance for loan losses	4	4
Provision for loan losses	31	4
Guarantees and commitments[3]	135	95

1 In 2009 one entity that was accounted for using the equity method was sold. In 2008 four entities that were accounted for using the equity method were fully consolidated for the first time. Therefore loans made to these investments were eliminated on consolidation.
2 Included in this amount are loans past due of € 15 million and € 7 million as of December 31, 2009 and 2008, respectively. For the above loans the Group held collateral of € 375 million and € 361 million as of December 31, 2009 and as of December 31, 2008, respectively. Loans included also € 4 million and € 143 million loans with joint ventures as of December 31, 2009 and 2008, respectively. For these loans no loan loss allowance was required.
3 The guarantees above include financial and performance guarantees, standby letters of credit, indemnity agreements and irrevocable lending-related commitments.

Deposits

in € m.	2009	2008
Deposits outstanding, beginning of year	**246**	**962**
Deposits received during the year	287	955
Deposits repaid during the year	161	685
Changes in the group of consolidated companies[1]	(6)	(693)
Exchange rate changes/other	1	(293)
Deposits outstanding, end of year[2]	**367**	**246**

1 In 2009 one entity that was accounted for using the equity method was sold. In 2008 one entity that was accounted for using the equity method was fully consolidated. Therefore deposits received from this investment were eliminated on consolidation.
2 The deposits are unsecured. Deposits include also € 0.4 million and € 18 million deposits from joint ventures as of December 31, 2009 and as of December 31, 2008, respectively.

Other Transactions

As of December 31, 2009 positive and negative market values from derivative financial transactions with associated companies amounted to € 3.7 billion and € 3.0 billion, respectively. Positive market values from derivative financial instruments with associated companies were € 390 million as of December 31, 2008. The increase was attributable to changes in the composition of the Group's associated companies. Other transactions with related parties also reflected the following:

Business Relationships with Deutsche Postbank AG: In addition to the acquisition of an interest in Deutsche Postbank AG, Deutsche Bank AG signed a cooperation agreement with Postbank. The cooperation agreement encompasses financing and investment products, business banking and commercial loans as well as customer-oriented services. The agreement also covers sourcing and IT-infrastructure.

Xchanging etb GmbH: The Group holds a stake of 44 % in Xchanging etb GmbH and accounts for it under the equity method. Xchanging etb GmbH is the holding company of Xchanging Transaction Bank GmbH ("XTB"). Two of the four executive directors of Xchanging etb GmbH and one member of the supervisory board of XTB are employees of the Group. The Group's arrangements reached with Xchanging in 2004 include a 12-year outsourcing agreement with XTB for security settlement services and are aimed at reducing costs without compromising service quality. In 2009 and 2008, the Group received services from XTB with volume of € 104 million and € 94 million, respectively. In 2009 and 2008, the Group provided supply services (e.g., IT and real estate-related services) with volumes of € 29 million and € 26 million, respectively, to XTB.

Mutual funds: The Group offers clients mutual fund and mutual fund-related products which pay returns linked to the performance of the assets held in the funds. For all funds the Group determines a projected yield based on current money market rates. However, no guarantee or assurance is given that these yields will actually be achieved. Though the Group is not contractually obliged to support these funds, it made a decision, in a number of cases in which actual yields were lower than originally projected (although still above any guaranteed thresholds), to support the funds' target yields by injecting cash of € 16 million in 2009 and € 207 million in 2008.

Transactions with Pension Plans

Under IFRS, certain post-employment benefit plans are considered related parties. The Group has business relationships with a number of its pension plans pursuant to which it provides financial services to these plans, including investment management services. The Group's pension funds may hold or trade Deutsche Bank shares or securities. A summary of transactions with related party pension plans follows.

in € m.	2009	2008
Deutsche Bank securities held in plan assets:		
Equity shares	–	–
Bonds	–	–
Other securities	26	4
Total	**26**	**4**
Property occupied by/other assets used by Deutsche Bank	–	–
Derivatives: Market value for which DB (or subsidiary) is a counterparty	177	335
Derivatives: Notional amount for which DB (or subsidiary) is a counterparty	11,604	9,172
Fees paid from Fund to any Deutsche Bank asset manager(s)	21	23

[38] Information on Subsidiaries

Deutsche Bank AG is the direct or indirect holding company for the Group's subsidiaries.

Significant Subsidiaries

The following table presents the significant subsidiaries Deutsche Bank AG owns, directly or indirectly.

Subsidiary	Place of Incorporation
Taunus Corporation[1]	Delaware, United States
Deutsche Bank Trust Company Americas[2]	New York, United States
Deutsche Bank Securities Inc.[3]	Delaware, United States
Deutsche Bank Luxembourg S.A.[4]	Luxembourg
Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft[5]	Frankfurt am Main, Germany
DB Capital Markets (Deutschland) GmbH[6]	Frankfurt am Main, Germany
DWS Investment GmbH[7]	Frankfurt am Main, Germany
DB Valoren S.á.r.l.[8]	Luxembourg
DB Equity S.á.r.l.[9]	Luxembourg

1 This company is a holding company for most of the Group's subsidiaries in the United States.
2 This company is a subsidiary of Taunus Corporation. Deutsche Bank Trust Company Americas is a New York State-chartered bank which originates loans and other forms of credit, accepts deposits, arranges financings and provides numerous other commercial banking and financial services.
3 Deutsche Bank Securities Inc. is a U.S. SEC-registered broker dealer and is a member of the New York Stock Exchange and regulated by the Financial Industry Regulatory Authority. It is also regulated by the individual state securities authorities in the states in which it operates.
4 The primary business of this company comprises treasury and global market activities, especially as a major supplier of Euro liquidity for Deutsche Bank Group, the international loan business with a specific focus on continental Europe, and private banking.
5 The company serves private individuals, affluent clients and small business clients with banking products.
6 This company is a German limited liability company and operates as a holding company for a number of European subsidiaries, mainly institutional and mutual fund management companies located in Germany, Luxembourg, Austria, Switzerland, Italy, Poland, and Cyprus.

7 This company, in which DB Capital Markets (Deutschland) GmbH indirectly owns 100 % of the equity and voting interests, is a limited liability company that operates as a mutual fund manager.
8 This company is a holding company for the Group's subgroups in Australia, New Zealand, and Singapore. It is also the holding company for DB Equity S.á.r.l.
9 This company is the holding company for the Group's minority stake in Deutsche Postbank AG.

The Group owns 100 % of the equity and voting rights in these significant subsidiaries. They prepare financial statements as of December 31 and are included in the Group's consolidated financial statements. Their principal countries of operation are the same as their countries of incorporation.

Subsidiaries may have restrictions on their ability to transfer funds, including payment of dividends and repayment of loans, to Deutsche Bank AG. Reasons for the restrictions include:

— Central bank restrictions relating to local exchange control laws

— Central bank capital adequacy requirements

— Local corporate laws, for example limitations regarding the transfer of funds to the parent when the respective entity has a loss carried forward not covered by retained earnings or other components of capital.

Subsidiaries where the Group owns 50 percent or less of the Voting Rights

The Group also consolidates certain subsidiaries although it owns 50 percent or less of the voting rights. Most of those subsidiaries are special purpose entities ("SPEs") that are sponsored by the Group for a variety of purposes.

In the normal course of business, the Group becomes involved with SPEs, primarily through the following types of transactions: asset securitizations, commercial paper programs, repackaging and investment products, mutual funds, structured transactions, leasing and closed-end funds. The Group's involvement includes transferring assets to the entities, entering into derivative contracts with them, providing credit enhancement and liquidity facilities, providing investment management and administrative services, and holding ownership or other investment interests in the entities.

Investees where the Group owns more than half of the Voting Rights

The Group owns directly or indirectly more than half of the voting rights of investees but does not have control over these investees when

— another investor has the power over more than half of the voting rights by virtue of an agreement with the Group, or

— another investor has the power to govern the financial and operating policies of the investee under a statute or an agreement, or

— another investor has the power to appoint or remove the majority of the members of the board of directors or equivalent governing body and the investee is controlled by that board or body, or when

— another investor has the power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The "List of Shareholdings 2009" is published as a separate document and deposited with the German Electronic Federal Gazette ("elektronischer Bundesanzeiger"). It is available in the Investor Relations section of Deutsche Bank's website (http://www.deutsche-bank.de/ir/en/content/reports.htm), but can also be ordered free of charge.

[39] Insurance and Investment Contracts

Liabilities arising from Insurance and Investment Contracts

	Dec 31, 2009			Dec 31, 2008		
in € m.	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Insurance contracts	4,613	(1,534)	3,079	3,963	(1,407)	2,556
Investment contracts	7,278	–	7,278	5,977	–	5,977
Total	**11,891**	**(1,534)**	**10,357**	**9,940**	**(1,407)**	**8,533**

Generally, amounts relating to reinsurance contracts are reported gross unless they have an immaterial impact to their respective balance sheet line items. In the table above, reinsurance amounts are shown gross.

Carrying Amount

The following table presents an analysis of the change in insurance and investment contracts liabilities.

	2009		2008	
in € m.	Insurance contracts	Investment contracts	Insurance contracts	Investment contracts
Balance, beginning of year	**3,963**	**5,977**	**6,450**	**9,796**
New business	121	171	236	158
Claims paid	(285)	(549)	(405)	(618)
Other changes in existing business	427	1,145	(850)	(935)
Exchange rate changes	387	534	(1,468)	(2,424)
Balance, end of year	**4,613**	**7,278**	**3,963**	**5,977**

Included in Other changes in existing business for the investment contracts is € 1,145 million and € (935) million attributable to changes in the underlying assets' fair value for the years ended December 31, 2009 and December 31, 2008, respectively.

Key Assumptions in relation to Insurance Business

The liabilities will vary with movements in interest rates, which are applicable, in particular, to the cost of guaranteed benefits payable in the future, investment returns and the cost of life assurance and annuity benefits where future mortality is uncertain.

Assumptions are made related to all material factors affecting future cash flows, including future interest rates, mortality and costs. The assumptions to which the long-term business amount is most sensitive are the interest rates used to discount the cash flows and the mortality assumptions, particularly those for annuities.

The assumptions are set out below:

Interest Rates

Interest rates are used that reflect a best estimate of future investment returns taking into account the nature and term of the assets used to support the liabilities. Suitable margins for default risk are allowed for in the assumed interest rate.

Mortality

Mortality rates are based on published tables, adjusted appropriately to take into account changes in the underlying population mortality since the table was published, company experience and forecast changes in future mortality. If appropriate, a margin is added to assurance mortality rates to allow for adverse future deviations. Annuitant mortality rates are adjusted to make allowance for future improvements in pensioner longevity. Improvements in annuitant mortality are based on a percentage of the medium cohort projection subject to a minimum of rate of improvement of 1.25 % per annum.

Costs

For non-linked contracts, allowance is made explicitly for future expected per policy costs.

Other Assumptions

The take-up rate of guaranteed annuity rate options on pension business is assumed as 60 % for the years ended December 31, 2009 and December 31, 2008.

Key Assumptions impacting Value of Business Acquired (VOBA)

The opening VOBA arising on the purchase of Abbey Life Assurance Company Limited was determined by capitalizing the present value of the future cash flows of the business over the reported liability at the date of acquisition. If assumptions were required about future mortality, morbidity, persistency and expenses, they were determined on a best estimate basis taking into account the business's own experience. General economic assumptions were set considering the economic indicators at the date of acquisition.

The rate of VOBA amortization is determined by considering the profile of the business acquired and the expected depletion in future value. At the end of each accounting period, the remaining VOBA is tested against the future net profit expected related to the business that was in force at the date of acquisition. If there is insufficient net profit, the VOBA will be written down to its supportable value.

Key Changes in Assumptions

Upon acquisition of Abbey Life Assurance Company Limited in October 2007, liabilities for insurance contracts were recalculated from a U.K. GAAP to a U.S. GAAP best estimate basis in line with the provisions of IFRS 4. The noneconomic assumptions set at that time have not been changed but the economic assumptions have

been reviewed in line with changes in key economic indicators. For annuity contracts, the liability was valued using the locked-in basis determined at the date of acquisition.

Sensitivity Analysis (in respect of Insurance Contracts only)

The following table presents the sensitivity of the Group's profit before tax and equity to changes in some of the key assumptions used for insurance contract liability calculations. For each sensitivity test, the impact of a reasonably possible change in a single factor is shown with other assumptions left unchanged.

	Impact on profit before tax		Impact on equity	
in € m.	2009	2008	2009	2008
Variable:				
Mortality[1] (worsening by ten percent)	(11)	(12)	(11)	(12)
Renewal expense (ten percent increase)	(2)	(1)	(2)	(1)
Interest rate (one percent increase)	(1)	(6)	(158)	(142)

1 The impact of mortality assumes a ten percent decrease in annuitant mortality and a ten percent increase in mortality for other business.

For certain insurance contracts, the underlying valuation basis contains a Provision for Adverse Deviations ("PADs"). For these contracts, under U.S. GAAP, any worsening of expected future experience would not change the level of reserves held until all the PADs have been eroded while any improvement in experience would not result in an increase to these reserves. Therefore, in the sensitivity analysis, if the variable change represents a worsening of experience, the impact shown represents the excess of the best estimate liability over the PADs held at the balance sheet date. As a result, the figures disclosed in this table should not be used to imply the impact of a different level of change, and it should not be assumed that the impact would be the same if the change occurred at a different point in time.

[40] Current and Non-Current Assets and Liabilities

The following tables present an analysis of each asset and liability line item by amounts recovered or settled within or after one year as of December 31, 2009 and December 31, 2008.

Asset items as of December 31, 2009, follow.

	Amounts recovered or settled		
in € m.	within one year	after one year	Total Dec 31, 2009
Cash and due from banks	9,346	–	9,346
Interest-earning deposits with banks	46,383	850	47,233
Central bank funds sold and securities purchased under resale agreements	6,587	233	6,820
Securities borrowed	43,509	–	43,509
Financial assets at fair value through profit or loss	943,143	22,177	965,320
Financial assets available for sale	3,605	15,214	18,819
Equity method investments	–	7,788	7,788
Loans	93,781	164,324	258,105
Property and equipment	–	2,777	2,777
Goodwill and other intangible assets	–	10,169	10,169
Other assets	113,255	8,283	121,538
Assets for current tax	1,247	843	2,090
Total assets before deferred tax assets	**1,260,856**	**232,658**	**1,493,514**
Deferred tax assets			7,150
Total assets			**1,500,664**

Liability items as of December 31, 2009, follow.

in € m.	Amounts recovered or settled within one year	after one year	Total Dec 31, 2009
Deposits	310,805	33,415	344,220
Central bank funds purchased and securities sold under repurchase agreements	45,453	42	45,495
Securities loaned	5,098	466	5,564
Financial liabilities at fair value through profit or loss	702,804	19,470	722,274
Other short-term borrowings	42,897	–	42,897
Other liabilities	147,506	6,775	154,281
Provisions	1,307	–	1,307
Liabilities for current tax	729	1,412	2,141
Long-term debt	18,895	112,887	131,782
Trust preferred securities	746	9,831	10,577
Obligation to purchase common shares	–	–	–
Total liabilities before deferred tax liabilities	**1,276,240**	**184,298**	**1,460,538**
Deferred tax liabilities			2,157
Total liabilities			**1,462,695**

Asset items as of December 31, 2008, follow.

in € m.	Amounts recovered or settled within one year	after one year	Total Dec 31, 2008
Cash and due from banks	9,826	–	9,826
Interest-earning deposits with banks	63,900	839	64,739
Central bank funds sold and securities purchased under resale agreements	8,671	596	9,267
Securities borrowed	35,016	6	35,022
Financial assets at fair value through profit or loss	1,598,362	25,449	1,623,811
Financial assets available for sale	7,586	17,249	24,835
Equity method investments	–	2,242	2,242
Loans	103,436	165,845	269,281
Property and equipment	–	3,712	3,712
Goodwill and other intangible assets	–	9,877	9,877
Other assets	135,408	2,421	137,829
Assets for current tax	3,217	295	3,512
Total assets before deferred tax assets	**1,965,422**	**228,531**	**2,193,953**
Deferred tax assets			8,470
Total assets			**2,202,423**

Liability items as of December 31, 2008, follow.

in € m.	Amounts recovered or settled within one year	after one year	Total Dec 31, 2008
Deposits	360,298	35,255	395,553
Central bank funds purchased and securities sold under repurchase agreements	84,481	2,636	87,117
Securities loaned	3,206	10	3,216
Financial liabilities at fair value through profit or loss	1,308,128	25,637	1,333,765
Other short-term borrowings	39,115	–	39,115
Other liabilities	157,750	2,848	160,598
Provisions	1,418	–	1,418
Liabilities for current tax	1,086	1,268	2,354
Long-term debt	22,225	111,631	133,856
Trust preferred securities	983	8,746	9,729
Obligation to purchase common shares	4	–	4
Total liabilities before deferred tax liabilities	**1,978,694**	**188,031**	**2,166,725**
Deferred tax liabilities			3,784
Total liabilities			**2,170,509**

[41] Supplementary Information to the Consolidated Financial Statements according to Section 315a HGB

As required by Section 315a German Commercial Code ("HGB"), the consolidated financial statements prepared in accordance with IFRS must provide additional disclosures which are given below.

Staff Costs

in € m.	2009	2008
Staff costs:		
Wages and salaries	**9,336**	**8,060**
Social security costs	1,974	1,546
thereof: those relating to pensions	472	510
Total	**11,310**	**9,606**

Staff

The average number of effective staff employed in 2009 was 79,098 (2008: 79,931) of whom 33,400 (2008: 33,837) were women. Part-time staff is included in these figures proportionately. An average of 51,183 (2008: 51,993) staff members worked outside Germany.

Management Board and Supervisory Board Remuneration

The total compensation of the Management Board was € 38,978,972 and € 4,476,684 for the years ended December 31, 2009 and 2008, respectively, thereof € 32,179,626 and € 0 for variable components. All Management Board members active in 2008 have irrevocably waived any entitlements to payment of variable compensation for the 2008 financial year.

Former members of the Management Board of Deutsche Bank AG or their surviving dependents received € 19,849,430 and € 19,741,906 for the years ended December 31, 2009 and 2008, respectively.

The Supervisory Board received in addition to a fixed payment (including meeting fees) of € 2,436,000 and € 2,478,500 (excluding value-added tax), variable emoluments totaling € 125,316 and € 0 for the years ended December 31, 2009 and 2008, respectively. 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 and their surviving dependents amounted to € 171,135,197 and € 167,420,222 at December 31, 2009 and 2008, respectively.

Loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 8,128,645 and € 2,641,142 and for members of the Supervisory Board of Deutsche Bank AG to € 1,166,445 and € 1,396,955 for the years ended December 31, 2009 and 2008, respectively. Members of the Supervisory Board repaid € 23,883 loans in 2009.

Other Publications

The "List of Shareholdings 2009" is published as a separate document and deposited with the German Electronic Federal Gazette ("elektronischer Bundesanzeiger"). It is available in the Investor Relations section of Deutsche Bank's website (http://www.deutsche-bank.de/ir/en/content/reports.htm).

Corporate Governance

Deutsche Bank AG has approved the Declaration of Conformity in accordance with section 161 of the German Corporation Act (AktG). The declaration is published on Deutsche Bank's website (http://www.deutsche--bank.com/corporate-governance).

Principal Accounting Fees and Services

The table below gives a breakdown of the fees charged by the Group's auditors for the 2009 and 2008 financial year.

Fee category in € m.	**2009**	**2008**
Audit fees	45	47
thereof to KPMG Europe LLP	29	30
Audit-related fees	6	8
thereof to KPMG Europe LLP	4	6
Tax fees	5	7
thereof to KPMG Europe LLP	2	2
All other fees	–	–
thereof to KPMG Europe LLP	–	–
Total fees	**56**	**62**

For further information please refer to the Corporate Governance Statement/Corporate Governance Report.

Independent Auditors' Report

We have audited the consolidated financial statements prepared by the Deutsche Bank Aktiengesellschaft, comprising the balance sheet, the income statement, the statement of changes in equity, the statement of recognized income and expense, the cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1, 2009 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315a paragraph 1 HGB (German Commercial Code) are the responsibility of Deutsche Bank Aktiengesellschaft's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit. In addition we have been instructed to express an opinion as to whether the consolidated financial statements comply with full IFRS.

We conducted our audit of the consolidated financial statements in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany), and in supplementary compliance with the standards of the Public Company Accounting Oversight Board (United States). 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 consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group 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 consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group 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 consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to section 315a paragraph 1 HGB and full IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 5, 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Becker
Wirtschaftsprüfer

Bose
Wirtschaftsprüfer

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Consolidated Financial Statements (IFRS)
of Deutsche Bank Aktiengesellschaft
for the Fiscal Year ended December 31, 2008 (audited)

Incorporated by reference to the registration document of Deutsche Bank AG dated April 9, 2009 (English language version), pages F-3 to F-172 (see *"Documents Incorporated by Reference"*)

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**Consolidated Financial Statements (IFRS)
of Deutsche Bank Aktiengesellschaft
for the Fiscal Year ended December 31, 2007 (audited)**

Incorporated by reference to the registration document of Deutsche Bank AG dated April 9, 2009 (English language version), pages F-173 to F-322 (see "*Documents Incorporated by Reference*")

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Annual Financial Statements 2009 (HGB)
of Deutsche Bank Aktiengesellschaft
for the Fiscal Year ended December 31, 2009
(audited)

Balance Sheet

Assets in € m.				Dec 31, 2009	Dec 31, 2008
Cash reserve					
a) cash on hand			24		18
b) balances with central banks			24,988		29,851
thereof: with Deutsche Bundesbank	20,485				(24,594)
				25,012	29,869
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			1,660		1,006
thereof: eligible for refinancing at Deutsche Bundesbank	644				(238)
b) bills of exchange			0		1
thereof: eligible for refinancing at Deutsche Bundesbank	–				(–)
				1,660	1,007
Receivables from banks					
a) repayable on demand			131,589		120,673
b) other receivables			100,129		121,195
				231,718	241,868
thereof: reverse repos	56,363				(37,916)
Receivables from customers				357,558	405,850
thereof: secured by mortgage charges	9,501				(3,878)
loans to or guaranteed by public-sector entities	7,995				(8,105)
reverse repos	59,569				(70,176)
Bonds and other fixed-income securities					
a) money market instruments					
aa) of public-sector issuers		4,256			2,248
ab) of other issuers		11,218			7,120
thereof: eligible as collateral for Deutsche Bundesbank advances	9,223				(9)
b) bonds and notes			15,474		9,368
ba) of public-sector issuers		36,968			34,541
thereof: eligible as collateral for Deutsche Bundesbank advances	18,113				(10,385)
bb) of other issuers		86,427			93,984
thereof: eligible as collateral for Deutsche Bundesbank advances	35,629				(31,638)
			123,395		128,525
c) own debt instruments			5,946		3,358
nominal amount	5,296				3,785
				144,815	141,251
Equity shares and other variable-yield securities				82,175	68,468
Participating interests				3,128	2,964
thereof: in banks	637				(502)
in financial services institutions	29				(112)
Investments in affiliated companies				42,212	37,071
thereof: in banks	8,682				(6,106)
in financial services institutions	1,263				(1,495)
Assets held in trust				882	757
thereof: loans on a trust basis	78				(291)
Intangible assets				417	406
Tangible assets				909	892
Own shares (notional par value € 2 m.)				28	227
Sundry assets				644,287	1,317,648
Tax deferral				2,380	1,477
Prepaid expenses				1,442	910
Total assets				**1,538,623**	**2,250,665**

Liabilities and Shareholders' Equity in € m.				**Dec 31, 2009**	**Dec 31, 2008**
Liabilities to banks					
a) repayable on demand			229,242		199,235
b) with agreed period or notice period			117,614		168,458
				346,856	367,693
thereof:					
repos	26,729				(20,234)
Liabilities to customers					
a) savings deposits					
aa) with agreed notice period of three months		5,281			3,402
ab) with agreed notice period of more than three months		4,171			4,936
			9,452		8,338
b) other liabilities					
ba) repayable on demand		200,566			225,899
bb) with agreed period or notice period		121,221			142,643
			321,787		368,542
				331,239	376,880
thereof:					
repos	38,119				(33,433)
Liabilities in certificate form					
a) bonds in issue			41,892		54,974
b) other liabilities in certificate form			144,521		125,709
thereof:				186,413	180,683
money market instruments	13,532				(9,514)
own acceptances and promissory notes in circulation	305				(169)
Liabilities held in trust				882	757
thereof: loans on a trust basis	78				(291)
Sundry liabilities				622,125	1,276,950
Deferred income				889	968
Provisions					
a) provisions for pensions and similar obligations			3,311		3,190
b) provisions for taxes			1,141		1,162
c) other provisions			5,321		4,402
				9,773	8,754
Subordinated liabilities				17,682	17,038
Fund for general banking risks				–	–
Capital and reserves					
a) subscribed capital			1,589		1,461
conditional capital € 406 m. (Dec 31, 2008: € 154 m.)					
b) capital reserve			15,921		15,091
c) revenue reserves					
ca) statutory reserve		13			13
cb) reserve for own shares		28			227
cc) other revenue reserves		4,420			3,840
			4,461		4,080
d) distributable profit			793		310
				22,764	20,942
Total liabilities and shareholders' equity				**1,538,623**	**2,250,665**
Contingent liabilities					
a) contingent liabilities from rediscounted bills of exchange			–		0
b) liabilities from guarantees and indemnity agreements (see also page 60)			56,871		52,836
c) liability arising from the provision of collateral for third-party liabilities			42		55
				56,913	52,891
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			104,725		113,321
				104,725	113,321

Income Statement

Expenses in € m.			2009	2008
Interest expenses			14,030	34,153
Commission expenses			1,610	1,530
Net loss from financial transactions			–	6,201
Administrative expenses				
a) staff expenses				
aa) wages and salaries	4,732			3,743
ab) compulsory social security contributions and expenses for pensions and other employee benefits	1,292			958
		6,024		4,701
thereof: for pensions	372			(419)
b) other administrative expenses		5,124		4,459
			11,148	9,160
Depreciation, amortization and write-downs of and value adjustments to tangible and intangible assets			252	257
Other operating expenses			2,853	1,941
Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for possible loan losses			1,912	2,938
Write-downs of and value adjustments to participating interests, investments in affiliated companies and securities treated as fixed assets			297	1,551
Expenses from assumption of losses			–	0
Income taxes			(823)	(1,387)
Other taxes, unless reported under other operating expenses			61	75
Net income			1,173	–
Total expenses			**32,513**	**56,419**

		2009	2008
Net income (loss)		1,173	(2,185)
Profit carried forward from the previous year		1	113
		1,174	(2,072)
Withdrawal from revenue reserves			
– from reserve for own shares	199		2,382
– from other revenue reserves	–		–
		199	2,382
Allocations to revenue reserves			
– to reserve for own shares	–		–
– to other revenue reserves	580		–
		580	–
Distributable profit		**793**	**310**

Income in € m.		2009	2008
Interest income from			
a) lending and money market business	13,592		29,517
b) fixed-income securities and government-inscribed debt	4,407		5,638
		17,999	35,155
Current income from			
a) equity shares and other variable-yield securities	1,539		2,616
b) participating interests	66		121
c) investments in affiliated companies	1,171		2,165
		2,776	4,902
Income from profit-pooling, profit-transfer and partial profit-transfer agreements		680	2,218
Commission income		6,656	6,361
Net income from financial transactions		3,598	–
Other operating income		804	2,123
Income from release of the fund for general banking risks		–	3,475
Net loss		–	2,185
Total income		**32,513**	**56,419**

Notes to the Accounts

The annual financial statements of Deutsche Bank AG for the financial year 2009 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)) and company-law regulations have been complied with. For the sake of clarity, the figures are reported in millions of euros (€).

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 accounted for as described in the separate paragraph 'Trading activities'.

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 are neither 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 within 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 is a clear change in management intent after initial recognition which is documented. The reclassifications are made when the intent changes.

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 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 are 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 the first quarter of 2009 bonds and other fixed-income securities were reclassified with a carrying value of € 2.4 billion at reclassification date from trading portfolio to fixed assets and valued accordingly. In addition, receivables from customers with a carrying value of € 300 million at reclassification date were reclassified. 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. These assets were reclassified with the lower fair value at reclassification date.

The following table shows the carrying values and fair values of assets reclassified in 2008 and 2009.

in € m.	Carrying value at reclassification date	Dec 31, 2009	
		Carrying value[1]	**Fair value**
Receivables from customers	10,699	10,001	9,659
Bonds and other fixed-income securities – trading	8,919	8,227	6,878
Bonds and other fixed-income securities – liquidity reserve	781	683	566
Total assets reclassified[2]	**20,399**	**18,911**	**17,103**

1 The decline of the carrying values since reclassification was mainly attributable to repayments, credit loss provisions and foreign exchange movements.
2 The balance sheet category and the carrying value at reclassification date of certain assets reclassified in 2008 were corrected within the note.

Securities

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

	listed		unlisted	
in € m.	**Dec 31, 2009**	**Dec 31, 2008**	**Dec 31, 2009**	**Dec 31, 2008**
Bonds and other fixed-income securities	96,201	103,894	48,614	37,357
Equity shares and other variable-yield securities	70,163	55,655	11,036	7,055
Participating interests	742	452	0	0
Investments in affiliated companies	–	–	–	203

Equity shares and other variable-yield securities (€ 82,175 million) include mutual fund units of € 232 million (December 31, 2008: € 3,441 million) which were transferred to an independent trustee and may only be used to settle pension obligations towards active and former employees in Germany as well as liabilities for preretirement part-time employment. A significant part of assets held at the end of 2008 was transferred into an entity which was transferred to the trustee. This entity is disclosed within Investments in affiliated companies.

Bonds and other fixed-income securities include securities of € 93,199 million (December 31, 2008: € 105,705 million) that are held for trading purposes and recognized at fair value. Equity shares and other variable-yield securities include securities of € 80,614 million (December 31, 2008: € 64,268 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 € 11,144 million as of December 31, 2009. 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 three cases 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 was already considered in the provisions for credit losses.

Fixed Assets

The following schedule shows the changes in fixed assets.

in € m.	Acquisition/ manufacturing costs			Depreciation/amortization, write-downs and value adjustments			Book values	
	Balance at Jan 1, 2009	Additions	Disposals	Cumulative	therein current year	therein disposals	Balance at Dec 31, 2009	Balance at Dec 31, 2008
Intangible assets	813	61	27	430	75	27	417	406
Tangible assets	2,192	177	51	1,409	177	55	909	892
land and buildings	270	–	2	41	12	1	227	238
office furniture and equipment	1,922	177	49	1,368	165	54	682	654
			Change					
Participating interests			+ 164				3,128	2,964
Investments in affiliated companies			+ 5,141				42,212	37,071
Bonds and other fixed-income securities			+ 7,795				12,736	4,941
Equity shares and other variable-yield securities			+ 46				120	74

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, 2009) and in cumulative depreciation/amortization, write-downs and value adjustments. Land and buildings with a total book value of € 226 million were used as part of our own activities. In the position Investments in affiliated companies an entity held by an independent trustee is included (€ 3.7 billion) to which securities were transferred in 2009 which may only be used to settle pension obligations in Germany. The change of bonds and other fixed-income securities includes a balance sheet category correction within the fixed assets category for 2008.

Subordinated assets

Subordinated assets are reported as follows.

in € m.	Dec 31, 2008	Dec 31, 2008
Receivables from banks	1,072	1,210
Receivables from customers	200	997
Bonds and other fixed-income securities	2,701	1,360
Equity shares and other variable-yield securities	–	0

Intangible assets

The goodwill reported under intangible assets is amortized over its estimated useful life of between five and 15 years. Its determination is based on economic and organizational factors such as future growth and profit prospects, mode and duration of expected synergies, leveraging customer base and assembled workforce of the acquired business. Software classified as an intangible asset is amortized over its useful life.

Sundry assets

Sundry assets primarily comprise positive fair values of € 630,995 million (December 31, 2008: € 1,298,807 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 € 2,380 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 € 614,866 million (December 31, 2008: € 1,257,785 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.

Expenses for all subordinated liabilities totaled € 511 million. Accrued but not yet matured interest of € 318 million included in this figure is reported in sundry liabilities.

The following table shows the 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
€	978,800,000	Deutsche Bank AG, bond of 2004	1.62%	16.1.2014
€	738,325,000	Deutsche Bank AG, bond of 2005	0.91%	22.9.2015
€	468,034,000	Deutsche Bank AG, bond of 2004	1.01%	20.9.2016
€	488,548,000	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
€	1,300,001,000	Deutsche Bank Capital Funding Trust XI, Delaware/USA	9.50%	31.3.2039
€	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.$	335,400,000	Deutsche Bank AG, bond of 2004	0.57%	17.2.2015
U.S.$	778,040,000	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.$	225,000,000	DB Capital LLC V, Wilmington/USA, issue proceeds passed on to us	2.05%	unlimited
U.S.$	318,000,000	DB Capital LLC I, Wilmington/USA, issue proceeds passed on to us	5.03%	unlimited
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.$	650,000,000	DB Capital Funding LLC I, Wilmington/USA, issue proceeds passed on to us	3.25%	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.$	1,150,000,000	DB Capital Funding LLC IX, Wilmington/USA, issue proceeds passed on to us	6.63%	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 2009, the bank or its affiliated companies bought 463,502,282 Deutsche Bank shares at prevailing market prices and sold 463,545,289 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 29, 2008 and May 26, 2009 pursuant to Section 71 (1) No. 7 AktG, whose restrictions were complied with for every share purchase and sale. The authorization given on May 29, 2008 expired once the authorization of May 26, 2009 became effective. The average purchase price was € 40.22 and the average selling price was € 40.28 per share. The result was recognized in the operating profit.

The bank's own shares bought and sold for trading purposes during 2009 represented about 75 % of its share capital. The largest holding on any individual day was 0.84 % and the average daily holding 0.06 % of its share capital.

The bank was authorized by the General Meeting resolution of May 26, 2009 to purchase its own shares in a total volume of up to 10 % of the share capital at the time the resolution is taken on or before October 31, 2010 pursuant to Section 71 (1) No. 8 AktG. Together with the bank's own shares purchased for trading purposes and/or for other reasons and which are from time to time in the bank's possession or attributable to it pursuant to Sections 71a et seq. AktG, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the bank's share capital; compliance with these limits was monitored on a timely basis. The own shares may be purchased either through a stock exchange or by means of a public purchase offer to all shareholders. The price for the purchase of shares through a stock exchange may not exceed or fall short by more than 10 % of the average of the share prices (closing auction prices quoted 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 exceed or fall short by more than 10 % of the average of the share prices (closing auction prices of the Deutsche Bank shares 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 bank's shares offered for purchase per shareholder may be provided for.

The Management Board was authorized to dispose of the purchased shares on the stock exchange, by an offer to all shareholders or 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 was authorized, in case it disposes of such own shares by offer to all shareholders, to grant to the holders of the option rights, convertible bonds and convertible participatory rights issued by the bank and its affiliated companies pre-emptive rights to the extent to which 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 was also authorized with the exclusion of shareholders' pre-emptive rights to use such own shares to issue staff shares to employees and retired employees of the bank and its affiliated companies or to use them to service option rights on shares of the bank and/or rights or duties to purchase shares of the bank granted to employees or members of executive or non-executive management bodies of the bank and of affiliated companies.

Furthermore, the Management Board was authorized with the exclusion of shareholders' pre-emptive rights to sell such own shares to third parties against cash payment if the purchase price is not substantially lower than the price of the shares on the stock exchange at the time of the 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 does not exceed 10 % of the bank's share capital at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of section 186 (3) sentence 4 AktG, are to be included in the maximum limit of 10 % of the share capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bonds or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of section 186 (3) sentence 4 AktG.

The Management Board was also authorized to retire shares acquired on the basis 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 29, 2008 and was valid until October 31, 2009, expired as soon as the authorization of May 26, 2009 came into effect.

At the end of 2009, Deutsche Bank AG held no own shares pursuant to Section 71 (1) No. 7 AktG. Its holdings pursuant to Section 71 (1) No. 8 AktG amounted to 587,665 shares, or 0.09 % 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 € 27,573,804.96. On December 31, 2009, 3,804,043 (end of 2008: 3,544,833) Deutsche Bank shares, i.e. 0.61 % (end of 2008: 0.62 %) 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 620,859,015 registered no-par-value shares. During the year under review, 50,000,000 shares were issued through a capital increase against a contribution-in-kind with an exclusion of pre-emptive rights to acquire 50 million shares of Deutsche Postbank AG.

Excluding holdings of the bank's own shares, the number of shares in issue at December 31, 2009 came to 620,271,350 (end of 2008: 562,706,868). The average number of shares in issue in the year under review was 608,591,083.

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, 2008	**1,461,399,078.40**	**308,600,000.00**	**153,815,098.88**
Use pursuant to the General Meeting resolution of June 1, 2006 for capital increase against contribution-in-kind	128,000,000.00	(128,000,000.00)	
Expiry of the General Meeting resolution of June 2, 2004		(150,000,000.00)	(150,000,000.00)
Increase pursuant to the General Meeting resolution of May 29, 2008		140,000,000.00	150,000,000.00
Increase pursuant to the General Meeting resolution of May 26, 2009		314,880,000.00	256,000,000.00
Expiry of option rights issued to employees of the Deutsche Bank Group under Global Partnership Plans			(2,509,166.08)
Expiry of option rights issued to employees of the Deutsche Bank Group under Global Share Plans			(1,305,932.80)
Balance as of Dec 31, 2009	**1,589,399,078.40**	**485,480,000.00**	**406,000,000.00**

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 € 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 became effective upon its entry into the Commercial Register on June 25, 2009;
- by up to a total of € 314,880,000 against cash payments, on one or more occasions on or before April 30, 2014; Pre-emptive rights are granted to shareholders (General Meeting resolution of May 26, 2009);
- by up to a total of € 128,000,000 against cash payments, on one or more occasions on or before April 30, 2014; 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 and the shares issued in accordance with section 186 (3) sentence 4 AktG at the time the authorization is utilized do not exceed in total 10 % of the share capital (General Meeting resolution of May 26, 2009). This authorized capital was subject of a law suit (summary proceeding according to Section 246a AktG) which ended February 23, 2010, with the approval by the Higher Regional Court Frankfurt. The entry in the Commercial Register will follow shortly. This authorized capital will become effective upon its entry.
- by up to a total of € 176,640,000 against cash payments or contributions-in-kind, on one or more occasions on or before April 30, 2014, 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 26, 2009). This authorized capital was subject of a law suit (summary proceeding according to Section 246a AktG) which ended February 23, 2010, with the approval by the Higher Regional Court Frankfurt. The entry in the Commercial Register will follow shortly. This authorized capital will become effective upon its entry.

In all cases, pre-emptive rights may be excluded for fractional amounts and to grant pre-emptive rights to holders of option rights, convertible bonds and convertible participatory rights.

Conditional capital
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 became effective upon its entry into the Commercial Register on June 25, 2009.

The Management Board was authorized by the General Meeting on May 26, 2009 to issue bearer or registered participatory certificates on one or more occasions on or before April 30, 2014 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 €256,000,000).

The conditional capital increase can only be carried out to the extent to which these rights are exercised or holders with an obligation to convert fulfil their conversion obligations.

Changes in capital and reserves

in € m.		
Balance as of Dec 31, 2008		**20,942**
Distribution in 2009		(309)
Profit carried forward		(1)
Capital increase against contribution-in-kind		
– increase in subscribed capital	128	
– allocation to capital reserve	830	958
Revenue reserves		
– withdrawal from reserve for own shares	(199)	
– allocation to other revenue reserves	580	381
Distributable profit for 2009		793
Balance as of Dec 31, 2009		**22,764**

Off-balance sheet transactions

Contingent liabilities
In the normal course of business Deutsche Bank AG enters regularly into guarantees, letters of credit and credit liabilities. Under these contracts Deutsche Bank AG is required to make payments to the beneficiary based on third party's failure to meet its obligations or to perform under an obligation agreement. The maximum potential payment arising from these guarantees and credit liabilities after consideration of cash collateral is as follows.

in € m.	**Dec 31, 2009**	**Dec 31, 2008**
Guarantees	40,348	34,517
Letters of credit	4,447	5,328
Credit liabilities	12,076	12,991

The amounts stated above do not represent expected future cash flows as many of these contracts will expire without being drawn. The bank may require collateral to mitigate the credit risk. Cash collateral for contingent liabilities is recorded as liability on the balance sheet.

Irrevocable credit commitments
Irrevocable credit commitments amounted to € 104,725 million as of December 31, 2009 and included commitments of € 93,175 million for loans and discounts in favor of non-banks.

Deutsche Bank AG enters into irrevocable credit commitments to meet the financing needs of its customers. Irrevocable credit commitments represent the undrawn portion of Deutsche Bank's obligation to grant loans which cannot be withdrawn by Deutsche Bank. These commitments are shown with the contractual amount after consideration of cash collateral received. The amounts stated above do not represent expected future cash flows as many of these contracts will expire without being drawn. Even though the irrevocable credit commitments are not recognized on the balance sheet, Deutsche Bank AG considers them in monitoring the credit exposure.

Deutsche Bank AG is engaged in various business activities with certain entities, referred to as special purpose entities (SPEs), which are designed to achieve a specific business purpose. The principal uses of SPEs are to provide clients with access to specific portfolios of assets and risks and to provide market liquidity for clients through securitizing financial assets. Typically, Deutsche Bank AG will benefit by receiving service fees and commissions for the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. SPEs may be established as corporations, trusts or partnerships. While our involvement with these entities can take many different forms, it consists primarily of liquidity facilities, which are accounted as irrevocable credit commitments shown under other obligations below the line of the balance sheet. Deutsche Bank AG provides financial support to SPEs in connection with commercial paper conduit programs, asset securitizations, mutual funds and real estate leasing funds. Such vehicles are critical to the functioning of several significant investor markets, including the mortgage-backed and other asset-backed securities markets, since they offer investors access to specific cash flows and risks created through the securitization process. As of December 31, 2009, Deutsche Bank AG's exposure has not had a material impact on its debt covenants, capital ratios, credit ratings or dividends.

Sundry obligations
Purchase obligations are legally enforceable and binding agreements to purchase goods or services at predefined terms such as minimum quantities or prices. When Deutsche Bank AG enters into such agreements there is the potential risk that terms and conditions of the contract are less favorable than terms and conditions at the time the goods or services are delivered or that related costs are higher than the economic benefit received. As a consequence, Deutsche Bank AG may set aside a provision for onerous contracts in such cases.

Purchase obligations amount to € 1.8 billion for goods and services, which include future payments for, among others, services such as processing, information technology and custody.

Leases are contracts in which the owner of an asset (lessor) grants the right to use this asset to another party (lessee) for a specific period of time in return for regular payments. A leasing contract is classified as Operating Lease if the agreement includes a limited or unlimited right of termination for the lessee. All main risks and benefits linked with the ownership of the asset remain with the lessor, the lessor remains economic owner. Operating leases provide an alternative to ownership as they enable the lessee to benefit from not having its resources invested in the asset. Deutsche Bank AG's existing obligations arising from operating leases involve rental and leasing agreements for buildings, office furniture and equipment. The majority of these are leasing agreements for buildings, where Deutsche Bank AG is the lessee. As of December 31, 2009 payment obligations under rental agreements and leases amounted to € 978 million and had residual maturities of up to 14 years.

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 2009. 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 rating of the co-partners is impeccable in all cases.

In connection with Deutsche Bank AG's 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 the Bundesverband deutscher Banken e.V., Berlin.

Liabilities for possible calls on other shares totaled € 3 million at December 31, 2009.

Pursuant to Section 5 (10) of the Statute of the Deposit Protection Fund Deutsche Bank AG has 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 AG.

Pursuant to Section 3 (1a) of the Statute of the Deposit Protection 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, 2009.

There are contingent liabilities totaling € 41 million in connection with the resale of the trading company Klöckner & Co. AG, Duisburg.

In December 2009, Deutsche Bank AG signed a definitive agreement to acquire parts of ABN AMRO's corporate and commercial banking activities in the Netherlands for a purchase price of € 0.7 billion. The transaction is subject to approval by ABN AMRO and authorizations of De Nederlandsche Bank, the approval by the European Commission and other regulatory bodies and is expected to be completed in the second quarter 2010.

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 vormals 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

VAT Deutsche Bank DBU, Kiev

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, 2009	Dec 31, 2008
Other receivables from banks	**100,129**	**121,195**
with a residual period of		
up to three months	55,099	64,359
more than three months and up to one year	17,486	27,236
more than one year and up to five years	13,628	10,386
more than five years	13,916	19,214
Receivables from customers	**357,558**	**405,850**
with a residual period of		
up to three months	274,718	297,731
more than three months and up to one year	24,137	35,526
more than one year and up to five years	35,585	39,366
more than five years	20,789	27,599
with an indefinite period	2,329	5,628

Of the bonds and other fixed-income securities of € 144,815 million, € 33,182 million mature in 2010.

Maturity structure of liabilities

in € m.	Dec 31, 2009	Dec 31, 2008
Liabilities to banks with agreed period or notice period	**117,614**	**168,458**
with a residual period of		
up to three months	49,917	105,114
more than three months and up to one year	17,745	31,206
more than one year and up to five years	21,516	20,782
more than five years	28,436	11,356
Savings deposits with agreed notice period of more than three months	**4,171**	**4,936**
with a residual period of		
up to three months	1,873	1,179
more than three months and up to one year	1,072	3,490
more than one year and up to five years	1,222	263
more than five years	4	4
Other liabilities to customers with agreed period or notice period	**121,221**	**142,643**
with a residual period of		
up to three months	78,630	88,139
more than three months and up to one year	16,981	26,690
more than one year and up to five years	14,222	12,284
more than five years	11,388	15,530
Other liabilities in certificate form	**144,521**	**125,709**
with a residual period of		
up to three months	22,849	17,625
more than three months and up to one year	23,353	17,126
more than one year and up to five years	58,703	56,420
more than five years	39,616	34,538

Of the issued bonds and notes of € 41,892 million, € 9,872 million mature in 2010.

Prepaid expenses and deferred income

Prepaid expenses of € 1,442 million include a balance of € 840 million pursuant to Section 250 (3) HGB. Deferred income of € 889 million contains balances of € 42 million pursuant to Section 340e (2) HGB.

Trust business

	Assets held in trust			**Liabilities held in trust**	
in € m.	**Dec 31, 2009**	**Dec 31, 2008**	in € m.	**Dec 31, 2009**	**Dec 31, 2008**
Receivables from banks	–	–	Liabilities to banks	23	0
Receivables from customers	78	291	Liabilities to customers	859	757
Bonds and other fixed-income securities	587	317			
Equity shares and other variable-yield securities	76	29			
Participating interests	40	41			
Sundry assets	101	79			
Total	**882**	**757**	**Total**	**882**	**757**

Information on affiliated, associated and related companies

in € m.	Affiliated companies		Associated and related companies	
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Receivables from banks	85,573	86,227	9,237	10
Receivables from customers	138,534	152,786	817	982
Bonds and other fixed-income securities	979	54	22	9
Positive fair value of derivatives held for trading purposes (incl. in sundry assets)	40,141	80,189	5,901	2,796[1]
Liabilities to banks	119,284	104,684	15,178	21
Liabilities to customers	87,249	92,171	325	508
Liabilities in certificate form	1,530	9,778	–	–
Subordinated liabilities	11,793	11,076	–	–
Negative fair value of derivatives held for trading purposes (incl. in sundry liabilities)	41,829	83,704	4,035	3,011[1]

1 Prior year numbers were revised.

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, 2009	Dec 31, 2008
Liabilities to banks	22,091	26,789
Liabilities to customers	598	422

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 € 5,236 million related exclusively to securities sold under repo agreements.

Foreign currencies

The total amount of assets denominated in foreign currencies was equivalent to € 743,203 million at the balance sheet date; the total value of liabilities was equivalent to € 670,957 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

in € m.	Notional amount	Positive fair value	Dec 31, 2009 Negative fair value
OTC products			
interest rate-linked transactions	41,188,508	360,977	344,897
exchange rate-linked transactions	4,696,035	88,429	93,994
equity- and index-linked transactions	612,952	36,364	42,622
credit derivatives	3,496,687	126,387	115,357
other transactions	327,921	18,718	18,226
Exchange-traded products			
interest rate-linked transactions[1]	108,575	1	1
exchange rate-linked transactions[1]	433	0	0
equity- and index-linked transactions	269,698	2,274	1,766
other transactions	24,916	72	68
Total	**50,725,725**	**633,222**	**616,931**

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 € 633,222 million and the negative fair values of € 616,931 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.	2009	2008
Germany	13,196	19,260
Europe excl. Germany	11,138	17,474
Americas	4,942	6,337
Africa/Asia/Australia	2,557	5,470
Total	**31,833**	**48,541**

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 operating income

Other operating income of € 804 million includes € 357 million from write-ups of loans held for sale.

Other operating expenses

Other operating expenses of € 2,853 million primarily comprise valuation adjustments of € 1,550 million for loans held for sale. Other operating expenses also include a charge of € 316 million from a legal settlement with Huntsman Corp., guarantee expenses of € 140 million and litigation-related expenses of € 106 million.

Other Information

Disclosures according to Section 28 of the Pfandbrief Act

In June 2009 Deutsche Bank AG issued its first Pfandbrief. The following tables show the disclosures required by Section 28 of the Pfandbrief Act. As there was no Pfandbrief issued in 2008, tables are presented without comparatives.

Overall Exposure (Section 28 (1) No. 1 Pfandbrief Act)

Mortgage Pfandbriefe outstanding and cover assets			**Dec 31, 2009**
in € m.	**Nominal value**	**Net present value**	**Risk-adjusted net present value**
Mortgage Pfandbriefe outstanding	1,000.0	1,044.0	1,029.4
Cover pool	1,610.3	1,769.8	1,742.0
Cover assets	1,575.3	1,731.3	1,703.8
Further cover assets according to Section 4 1 Pfandbrief Act	35.0	38.5	38.2
Over-Collateralization	**610.3**	**725.8**	**712.6**

All cover assets are receivables from customers which are secured by mortgage charges. The further cover assets are bonds and other fixed income securities as per Pfandbrief Act.

Maturity Profile (Section 28 (1) No. 2 Pfandbrief Act)

Maturity profile					**Dec 31, 2009**
in € m.	Term > 2 and ≤ 3 years	Term > 3 and ≤ 4 years	Term > 4 and ≤ 5 years	Term > 5 and ≤ 10 years	**Total**
Maturity structure of outstanding Pfandbriefe	–	–	–	1,000.0	**1,000.0**
Fixed rate terms for cover pool	514.6	72.5	961.7	61.5	**1,610.3**

Share of Derivatives included in the Cover Pool (Section 28 (1) No. 3 Pfandbrief Act). As of December 31, 2009, there were no derivatives in the cover pool.

Cover Mortgages by Nominal Value (Section 28 (2) No. 1a Pfandbrief Act).

Single cover assets included in the total amount of 1,575.3 were higher than € 5 million each.

Loans used as Cover for Mortgage Pfandbriefe by Region in which Mortgaged Real Estate is based and by Type of Use (Section 28 (2) No. 1b and 1c Pfandbrief Act).

Dec 31, 2009	**Residential**					**Commercial**	
in € m.	**Apartment blocks**	Office buildings	Retail buildings	Industrial buildings	Other commercially used buildings	**Total**	**Total**
Germany	**504.0**	480.7	419.1	–	48.3	**948.1**	**1,452.1**
Great Britain	**–**	22.9	10.7	44.9	2.1	**80.6**	**80.6**
Switzerland	**–**	–	–	27.3	–	**27.3**	**27.3**
France	**–**	15.3	–	–	–	**15.3**	**15.3**
Total	**504.0**	**518.9**	**429.8**	**72.2**	**50.4**	**1,071.3**	**1,575.3**

Payments Outstanding on Mortgage Loans used as Cover for Mortgage Pfandbriefe (Section 28 (2) No. 2 Pfandbrief Act)

As of December 31, 2009, there were no payments outstanding by a minimum of 90 days on mortgage loans used as cover for Mortgage Pfandbriefe.

Additional information on Mortgage Loans (Section 28 (2) No. 3 Pfandbrief Act)

At year end 2009 there were no foreclosures pending. In 2009, no foreclosures were performed and Deutsche Bank AG did not take over properties to prevent losses on the mortgages. Furthermore, there were no arrears on interest payable by the mortgagors.

Management Board and Supervisory Board

The total remuneration paid to the Management Board is detailed on pages 12 to 20 of the Compensation Report. Former members of the Management Board of Deutsche Bank AG or their surviving dependents received € 19,849,430 and € 19,741,906 for the years ended December 31, 2009 and 2008, respectively. The Supervisory Board received in addition to a fixed payment (including meeting fees) of € 2,436,000 and € 2,478,500 (excluding value-added tax) for the years ended December 31, 2009 and 2008, respectively. Variable emoluments totaling € 125,316, for the financial year 2008 the Supervisory Board resolved to forgo any variable compensation.

Provisions for pension obligations to former members of the Management Board and their surviving dependents amounted to € 171,135,197 and € 167,420,222 at December 31, 2009 and 2008, respectively.

Loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 8,128,645 and € 2,641,142 and for members of the Supervisory Board of Deutsche Bank AG to € 1,166,445 and € 1,396,955 for the years ended December 31, 2009 and 2008, respectively. Members of the Supervisory Board repaid € 23,883 loans in 2009.

The members of the Management Board and the Supervisory Board are listed on pages 73 and 74.

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, 2009 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 April 16, 2009 – AXA S.A., Paris holds 4.64 % Deutsche Bank shares. Since October 17, 2008 – Credit Suisse Group, Zurich holds 3.86 % Deutsche Bank shares (via financial instruments) and since December 1, 2009 – Black-Rock, Inc., New York holds 4.72 % Deutsche Bank shares.

Employees

The average number of full-time equivalent staff employed during the reporting year was 28,497 (2008: 29,434), 10,473 of whom were women. Part-time employees are included proportionately in these figures based on their working hours. An average of 17,066 (2008: 17,973) staff members worked at branches outside Germany.

Corporate Governance

The bank has issued the declaration prescribed by Section 161 AktG. The Declaration of Conformity dated January 5, 2010, and all of the previous versions of the Declaration of Conformity are published on Deutsche Bank's website at www.deutsche-bank.com/corporate-governance.

Frankfurt am Main, March 3, 2010

Deutsche Bank Aktiengesellschaft
The Management Board

Josef Ackermann

Hugo Bänziger

Michael Cohrs

Jürgen Fitschen

Anshuman Jain

Stefan Krause

Hermann-Josef Lamberti

Rainer Neske

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, 2009 to December 31, 2009. 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 5, 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Becker
Wirtschaftsprüfer

Bose
Wirtschaftsprüfer

GLOSSARY

Alternative A (Alt-A)	Used as a term to categorize U.S. mortgages representing loans with a higher expectation of risk than → prime but still lower than → subprime.
Agency Securities	Low risk debt obligations issued by enterprises that the U.S. Government sponsors (e.g. Fannie Mae, Freddie Mac or the Federal Home Loan Banks).
Alternative assets/ investments	Direct investments in Private equity, venture capital, mezzanine capital, real estate capital investments and investments in leveraged buyout funds, venture capital funds and Hedge funds.
Asset Allocation	Asset allocation is the strategy used in choosing in what asset classes such as bonds, stocks, real estate and currencies one wants to invest.
Asset-backed securities	Particular type of securitized payment receivables in the form of tradable securities. These securities are created by the repackaging of certain financial assets (Securitization).
Auction Rate Securities	Debt instrument with a long-term nominal maturity (usually 20 to 30 years) with a variable interest rate. The interest rate is regularly reset through an auction.
Average Active Equity	The Bank calculates active equity to make it easier to compare to its competitors and the Bank refers to active equity for several ratios. However, active equity is not a measure provided for in IFRS and you should not compare the ratios of the Bank based on average active equity to other companies' ratios without considering the differences in the calculation. The items for which the Bank adjusts the average shareholders' equity are average unrealized net gains on assets available for sale, average fair value adjustments on cash flow hedges (both components net of applicable taxes), as well as average dividends, for which a proposal is accrued on a quarterly basis and for which payments occur once a year following the approval by the general shareholders' meeting.
Back-testing	Back-testing is used to verify the predictive power of the Value-at-risk model. Hypothetical daily profits and losses are compared with the estimates the Bank had forecasted using the Value-at-risk model.
Banking book	All risk positions that are not allocated to the Trading book.
Basel II	Revised capital framework of the Basel Committee which has replaced the former Basel I-regulations especially on the calculation of the regulatory risk position.
Basic	Undiluted.
BIS	Bank for International Settlements domiciled in Basel.
BIS capital ratio	Key figure for international banks expressing in % the ratio between their capital and their risk-weighted position for regulatory purposes. The minimum total capital ratio to be complied with is 8 % and the minimum core capital ratio 4 %.
Bookbuilding	Placement procedure specifically designed to establish a fair balance of interests between issuer and investor with regard to the size of the issue price.
Broker/brokerage	Brokers accept orders to buy and sell securities from banks and private investors and execute them on behalf of the customer. For this activity, the broker usually receives a commission.
Buyout	Purchase (in full or in part) of a company or specific corporate activities.
Capital according to Basel II	Capital recognized for regulatory purposes according to the Basel Capital Adequacy Accord of 1988 (last amended in January 1996) for international banks. Total capital consists of: • core capital or Tier 1 capital: primarily share capital, reserves and hybrid capital components,

- supplementary capital or Tier 2 capital: primarily participatory capital, long-term subordinated debt, unrealized gains on listed securities and other inherent loss allowances,
- Tier 3 capital: mainly short-term subordinated debt and excess Tier 2 capital.

Supplementary capital is limited to 100 % of core capital and the amount of long-term subordinated debt that can be recognized as supplementary capital is limited to 50 % of core capital.

Cash flow statement
Calculation and presentation of the cash flow generated or consumed by a company during a financial year as a result of its business, investing and financing activities, and reconciliation of holdings of cash and cash equivalents (cash reserve) at the beginning and end of a financial year.

Cash management
Refers to the management of liquid assets in dollars, euro and other currencies for companies and financial institutions to optimize financial transactions.

Cash margin receivables/payables
Balances placed by/placed with Deutsche Bank at/by broker-dealers and clearing organizations for clearing purposes.

Clearing
The process of transmitting, reconciling and, in some cases, confirming payment orders, partly the charging among each others.

Collateralized debt obligations (CDOs)
Investment vehicles based on a portfolio of assets that can include bonds, loans or derivatives.

Commercial Mortgage-backed Securities
→ Mortgage-backed securities (MBS), which are backed by commercial mortgage loans.

Compliance
Entirety of measures adopted to ensure that relevant laws, rules and internal regulations are adhered to and to prevent legal or regulatory sanctions as well as financial or reputational damage.

Conduit
Specific form of a special purpose vehicle (SPV → Securitzation) that purchases → ABS or → CDOs and finances such purchases, in full or in part, by issuing Asset Backed Commercial Papers (ABCP).

Confidence level
Within the value-at-risk concept framework, the confidence level reflects the probability a potential loss will occur within a specified interval.

Corporate finance
General term for capital marketrelated, innovative financing services to satisfy special consulting requirements in business with corporate customers.

Correlation
Reciprocal relationship between at least two variables (e.g. assets). It can be positive, in which case the variables move in the same direction, or negative when they move in opposite directions. However, correlation says nothing about causality (i.e. cause/effect). Correlation is an important tool used in asset allocation to diversify and/or hedge risks.

Cost/income ratio
In general: a ratio expressing a company's cost effectiveness which sets operating expenses in relation to operating income.

Country risk
The risk that the Bank may suffer a loss, in any given country, due to political and social unrest, nationalization and expropriation of assets, government repudiation of external indebtedness, exchange controls and currency depreciation or devaluation.

Credit default swap
A Credit Default Swap (CDS) is a credit derivative hedging credit risks related to loans, bonds or other borrower-related securities. The secured party usually makes a periodic (often quarterly or semi-annually) payment and receives a compensation at the occurrence of a credit event, as defined on the date of the agreement, e.g. default of repayment due to insolvency of the creditor.

Credit derivatives
Financial instruments with which Credit risk connected with loans, bonds or other risk-weighted assets or market risk positions is transferred to parties providing protection. This does not alter or re-establish the underlying credit relationship of the original risk-takers (parties selling the credit risks).

Credit Linked Note	A structured note that combines a debt product and an embedded → credit derivative, typically a → credit default swap
Credit risk	Risk that customers may not be able to meet their contractual payment obligations. Credit risk includes default risk, Country risk and settlement risk.
Custody	Custody and administration of securities as well as additional securities services.
Derivatives	Financial instruments whose value derives largely from the price, price fluctuations and price expectations of an underlying instrument (e.g. share, bond, foreign exchange or index). Derivatives include Swaps, Options and Futures.
Deferred taxes	Income tax to be paid or received as a result of temporary differences between the carrying amounts in the financial accounts and the relevant tax base or the value of unused tax losses and unused tax credits. At the balance sheet date, deferred taxes do not yet represent actual amounts receivable or payable from or to tax authorities.
Deposit Bucketing	Economic capital derived from stressing modeling assumptions for the effective duration of overnight deposits.
Earnings per share	Also: profit per share. Key figure for assessing a company's earning power. It expresses how much of a company's net income is attributable to each individual share. This figure is needed to work out the price-earnings ratio (PER) of a share.
Economic capital	A figure which states with a high degree of certainty the amount of equity capital the Bank needs at any given time to absorb unexpected losses arising from current exposures. It must be clearly distinguished from reported capital and reserves.
Emerging markets	Expanding markets in developing nations, primarily financial markets.
Equity Flow Derivatives	A securitized product that aims to provide maximum leverage. Flow derivatives are traded on exchanges or other electronic platforms, hence the availability of real time prices and the ability to place trades automatically. Flow derivatives typically allow investors to take on a directional position on exchange rate movements.
Equity method	Valuation method for investments in companies over which significant influence can be exercised. The pro-rata share of the company's net income (loss) increases (decreases) the carrying value of the investment affecting net income. Distributions decrease the carrying value of the investment without affecting net income.
Event risk scenarios	Scenarios representing important events, e.g. large movements in interest or exchange rates.
Expected loss	Measurement of the default loss to be expected in the Bank's loan portfolio within one year on the basis of historical loss data.
Exposure	The amount which the bank may lose as a result of losses incurred due to risks taken, e.g. in case of a borrower's or counterparty's default.
Fair value	Amount at which assets or liabilities would be exchanged between knowledgeable, willing and independent counterparties. Fair value is often identical to market price.
Family office	Financial services which are designed for families with very large and complex portfolios of assets and which protect customers' interests on the basis of absolute independence through optimal management and comprehensive coordination of individual.
Financial assets available for sale	Non-derivatives financial assets that are designated as available for sale or are not classified as loans and receivables or financial assets at fair value through profit and loss. They are reported in the balance sheet at their Fair value. Changes in Fair value are generally reported in Net gains/losses not recognized

in the income statement in shareholders' equity. Impairments and realized gains and losses are reported in the consolidated statement of income.

Futures — Forward contracts standardized with respect to quantity, quality and delivery date, in which an instrument traded on the money, capital, precious metal or foreign exchange markets, is to be delivered or taken receipt of at an agreed price at a certain future time. Cash settlement is often stipulated for such contracts (e.g. futures based on equity indices) to meet the obligation (instead of delivery or receipt of securities).

Gap Risk — Gap Risk is a form of liquidity risk occurring as a significant change in asset prices during gaps in trading activity. Such a gapping event does not allow any risk mitigating action by market participants, which might be applied if prices or values shifted more gradually.

Goodwill — The amount which the buyer of a company pays, taking account of future earnings, over and above the Fair value of the company's individually identifiable assets and liabilities.

Group Executive Committee — The Group Executive Committee (GEC) is made up of the members of the Management Board, the heads of the five core businesses, and the Head of Regional Management. The GEC supports the Management Board in its decision-making. At regular meetings, it reviews developments within the businesses, discusses matters of Group strategy and formulates recommendations for the Management Board.

Hedge accounting — Financial Reporting of multiple agreements in a hedging relationship. The relationship between two or more agreements is based on opposite terms which cause certain risks – mainly financial risks. Due to the terms of these agreements risks can be compensated in whole or in part. One of two agreements is usually referred to as underlying transaction – i.e. the contract that causes a risk or multiple risks – the other agreement is referred to as hedging contract or hedge which mitigates such risk or risks. Hedge Accounting is a method which allows an accounting of such hedging relationships that deviates from general accounting principals.

Hedge fund — Hedge funds are part of Alternative Investments. They are not distinguished by the kind of investments like equity and fixed income funds. In fact hedge funds are Asset Managers which are not subject to regulatory obligations or at least less stringent regulatory obligations and can therefore employ a wide variety of investment instruments and strategies which mutual funds are not permitted to use. Examples include short selling, leveraging and Derivatives. Hedge funds offer chances for high profits but also bear the risk of losing invested capital, thus their returns are uncorrelated with traditional investment returns.

Hybrid debt securities — Hybrid debt securities ("hybrids") are securities that are designed to have features similar to both debt and equity. They are designed to be considered as capital / equity by the issuing company's ratings agency or regulator, but treated as debt for other purposes such as taxation.

IFRS (International Financial Reporting Standards)/ previously IAS (International Accounting Standards) — Financial Reporting Rules of the International Accounting Standards Board to ensure globally transparent and comparable accounting and disclosure. Main objective is to present information that is useful in making economic decisions, mainly for investors.

Investment banking — Generic term for capital market-oriented business. This includes primarily the issuing and trading of securities and their Derivatives, interest and currency management, corporate finance, M&A advisory, structured finance and Private equity.

Investor relations — Investor relations describes the systematic and continuous two-way communication between companies and both current and potential providers of capital. Information is supplied on major corporate events, financial results, business strategy and the capital market's expectations of management. One objective

	of investor relations activities is to ensure that a company's equity is appropriately valued by the market.
Leveraged buyout	Debt-financed purchase of all or parts of a company or specific activities of a company. Interest and principal payments are financed from the acquired company's future revenues.
Leveraged Debt Capital Markets	Deutsche Bank's Leveraged Debt Capital Markets franchise combines a high yield bond market business with diverse debt financing capabilities.
Leveraged Financing	Financing of an investment which typically includes a very high amount of external debt (leverage) in the purchase price financing.
Liquidity risk	Risk to Deutsche Bank's earnings and capital arising from the bank's potential inability to meet matured obligations without incurring unacceptably high losses.
Market risk	Arises from the uncertainty concerning changes in market prices and rates (including interest rates, share prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility.
Mezzanine	Mixed form of financing comprising equity and debt capital. Here: long-term subordinated financing instrument used to finance growth while at the same time strengthening the borrower's economic equity capital base.
Monoline Insurers	Insurers, which provide exclusively credit insurance to debt issuers and other market participants.
Monte Carlo simulation	A Monte Carlo simulation is a model that calculates the gain or loss from a transaction by analyzing a large number of different market scenarios (e.g. 10,000).
Mortgage-backed securities (MBS)	Securities backed by mortgage loans
Netting agreements	Contracts between two parties that under certain circumstances – e.g. insolvency – mutual claims from outstanding business can be offset against each other. The inclusion of a legally binding netting agreement reduces the default risk from a gross to a net amount.
Net gains (losses) not recognized in the income statement	Primarily includes unrealized gains and losses on foreign currency translation and on financial assets available for sale. These unrealized gains and losses are not included in net income but reported in net gains (losses) not recognized in the income statement in shareholders' equity.
Non-compensation ratio	Non-compensation noninterest expenses, which is defined as total noninterest expenses less compensation and benefits, as a percentage of total net revenues, which is defined as net interest income before provision for credit losses plus noninterest income.
Onshore transaction	Financial services outside Germany (mostly in the customers home country) by a foreign branch of Deutsche Bank.
Operational risk	The potential for failure in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships. This excludes business, strategic and reputational risk.
Option	Right to purchase (call option) or sell (put option) a specific underlying (e.g. security or foreign exchange) from or to a counterparty (option seller) at a predetermined price on or before a specific future date.
OTC derivatives	Non-standardized financial instruments (Derivatives) not traded on a stock exchange, but directly between market participants (over the counter).
Portfolio	In general: part or all of one or all categories of assets (e.g. securities, loans, equity investments or real estate). Portfolios are formed primarily to diversify risk.

	Here: combination of similar transactions, especially in securities and/or Derivatives, under price risk considerations.
Portfolio management	Management and administration of a Portfolio of securities for a client. This can involve the continuous review of the portfolio and, if agreed with the client, purchases and sales.
Prime	Used as a term to categorize U.S. mortgages representing high quality loans.
Prime services/brokerage	Suite of products including Clearing and settlement, Custody, reporting, and financing of positions for institutional investors.
Private banking	Business with investment-oriented and high net worth clients
Private equity	Equity investment in non-listed companies. Examples are venture capital and buyout funds.
Probability of default	States the expected average probability of counterparty default, based on a statistical analysis of historical defaults in Deutsche Bank's Portfolio.
Projected unit credit method	An accrued benefit valuation method, according to IAS 19, used to determine the actuarial present value of an enterprise's defined benefit obligations and the related current service cost. This method takes into account the expected rates of salary increases, for instance, as the basis for future benefit increases. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on high quality corporate bonds
Rating	External: standardized evaluation of creditworthiness of an obligor and/or debt instruments, provided by specialized agencies. Internal: risk assessment of credit risk in relation to the exposure associated with a certain obligor.
Receivables/payables related to cash and clearing payments	Balances in Deutsche Bank's accounts with Clearing Systems and Brokers/Dealers held for clearing purposes.
Receivables/payables related to prime brokerage	Receivables/payables related to prime brokerage are amounts owed to/owed by Deutsche Bank from activities such as acting as settlement agent, custody provider, financing/funding provider and preparer of account statements for clients who are money managers, hedge funds, market makers and other professional investors.
Registered shares	Shares registered in a person's name. As required under joint stock company law, that person is registered in the share register with several personal details and the number of shares owned. Only those persons entered in the share register are deemed to be shareholders of the company and are entitled, for instance, to exercise rights at the General Meeting.
Regulatory Capital	Capital recognized for regulatory purposes according to the Basel Capital Adequacy Accord of 2004 for banks. Capital according to → Basel II consists of: • Tier 1 capital: primarily share capital, reserves and certain trust preferred securities, • Tier 2 capital: primarily participatory capital, cumulative preference shares, long-term subordinated debt and unrealized gains on listed securities, • Tier 3 capital: mainly short-term subordinated debt and excess Tier 2 capital. Tier 2 capital is limited to 100 % of Tier 1 capital and the amount of longterm subordinated debt that can be recognized as Tier 2 capital is limited to 50 % of Tier 1 capital.
Repo (repurchase agreement)	An agreement to repurchase securities sold (genuine repurchase agreement where the asset remains the seller's property). From the buyer's viewpoint, the transaction is a reverse repo.
RREEF	RREEF Alternative Investments is the global alternative investment management business of Deutsche Bank's Asset Management division. RREEF

	Alternative Investments consists of three businesses: Real Estate, Infrastructure and Private Equity.
Pre-tax return on average active equity	Income before income tax expense attributable to Deutsche Bank shareholders (annualized), which is defined as Income before income taxes less minority interest, as a percentage of average active equity.
Sarbanes-Oxley-Act (SOX)	U.S. capital market law passed in 2002 to strengthen corporate governance and restore investor confidence in response to a number of major corporate and accounting scandals. Legislation establishes new or enhanced standards ranging from additional Corporate Board responsibilities to criminal penalties for all companies that have listed their shares on a U.S. stock exchange.
Securitization	Creation of tradable securities from loan claims, deposit positions (i.e. future cash flows) and ownership rights in the wider sense. Examples of securitized rights are asset-backed securities and mortgage-backed securities (MBS). Rights are often evidenced through so-called SPVs (special purpose vehicles), companies whose sole purpose is to issue these securities and whose assets are comprised of the ownership rights contributed to the company.
Segment reporting	Component of company financial reporting. Provides information on a company's key businesses and its environment. Apart from providing information on the company's asset, financial and earnings situation, risks and opportunities are also addressed. Segment reporting is primarily based on the operative segments of the company and reflects the company's internal organizational and reporting structure.
Shareholder value	Management concept that focuses strategic and operational decision-making on the steady growth of a company's value. The guiding principle is that only returns above the cost of capital add value for shareholders.
Subprime	Used as a term to categorize U.S. mortgages representing loans with a higher expectation of risk.
Swaps	In general: exchange of one payment flow for another. Interest rate swap: exchange of interest payment flows in the same currency with different terms and conditions (e.g. fixed or floating). Currency swap: exchange of interest payment flows and principal amounts in different currencies.
Tail risk	Portfolio risk is approximated with a normal distribution. In a normal distribution, the probability that the value of a portfolio moves three standard deviations away from the mean (normally downwards) is very low. If that probability is actually higher than that specified in a normal distribution, it is called tail risk.
Target definition	Target definition excludes significant gains (such as gains from the sale of industrial holdings, businesses or premises) or significant charges (such as charges from restructuring, goodwill impairment or litigation) if they are not indicative of the future performance of Deutsche Bank core businesses.
Total recognized income and expense	Change of equity excluding transactions with shareholders (e.g. dividends, issuance of shares). It consists primarily of net income recognized in the income statement and Net gains (losses) not recognized in the income statement.
Trade Finance	Comprises Trade Finance Services as well as Trade and Risk Services. The business segment serves the export finance and risk mitigation business of financial institutions and corporates. These include multinational companies, established and emerging companies as well as public sector companies.
Trading book	A bank-regulatory term for positions in financial instruments, shares and tradable claims held by a bank which are intended for resale in the short term to benefit from price and interest rate fluctuations. This also includes business that is closely associated with trading book positions (e.g. for hedging purposes). Risk positions not belonging to the trading book are shown in the Banking book.

Trust & Securities Services	Broad range of administrative services for securities. They include, for example, securities custody, trust administration, issuing and paying agent services, depositary bank function for American Depositary Receipts (ADRs).
	U.S. GAAP (United States Generally Accepted Accounting Principles)
	U.S. accounting principles drawn up by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA). In addition, the interpretations and explanations furnished by the Securities and Exchange Commission (SEC) are particularly relevant for companies listed on the stock exchange. As in the case of IFRS the main objective is to provide decision useful information, especially for investors.
Value-at-risk	Value-at-risk measures, for a given Portfolio, the potential future loss (in terms of market value) that, under normal market conditions, will not be exceeded in a given period and with a given Confidence level.
Wirehouse	Different branches are connected via a communications system to allow customer information to be used at any branch of that bank.

EXCERPT FROM THE GROUP MANAGEMENT REPORT 2009

In Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal year 2009, risk disclosures under IFRS 7 are incorporated by reference to the portions marked by a bracket in the margins of Deutsche Bank's risk report for the fiscal year 2009. The risk report is part of the group management report of Deutsche Bank for the fiscal year 2009. Set forth below, as excerpt from Deutsche Bank's group management report for 2009, are certain sections of the risk report for 2009, in particular those sections that are marked by a bracket in the margins and are part of the notes to the consolidated financial statements of Deutsche Bank for the fiscal year 2009. Omissions from the risk report are indicated as follows: (. . .).

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Risk Report

Included in the following section on quantitative and qualitative disclosures about credit, market and other risks is information which forms part of the financial statements of Deutsche Bank and which is incorporated by reference into the financial statements of this report. Such information is marked by a bracket in the margins throughout this section.

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Risk and Capital Management Principles

The following key principles underpin our approach to risk and capital management:

- Our Management Board provides overall risk and capital management supervision for our consolidated Group. Our Supervisory Board regularly monitors our risk and capital profile.
- We manage credit, market, liquidity, operational, business, legal and reputational risks as well as our capital in a coordinated manner at all relevant levels within our organization. This also holds true for complex products which we typically manage within our framework established for trading exposures.
- The structure of our integrated legal, risk & capital function is closely aligned with the structure of our group divisions.
- The legal, risk & capital function is independent of our group divisions.

Risk and Capital Management Organization

Our Chief Risk Officer, who is a member of our Management Board, is responsible for our Group-wide credit, market, operational, liquidity, business, legal and reputational risk management as well as capital management activities and heads our integrated legal, risk & capital function.

Two functional committees, which are both chaired by our Chief Risk Officer, are central to the legal, risk & capital function.

- Our Risk Executive Committee is responsible for management and control of the aforementioned risks across our consolidated Group. To fulfill this mandate, the Risk Executive Committee is supported by sub-committees that are responsible for dedicated areas of risk management, including several policy committees and the Group Reputational Risk Committee.
- The responsibilities of the Capital and Risk Committee include risk profile and capital planning, capital capacity monitoring and optimization of funding.

Dedicated legal, risk & capital units are established with the mandate to:

- Ensure that the business conducted within each division is consistent with the risk appetite that the Capital and Risk Committee has set within a framework established by the Management Board;
- Formulate and implement risk and capital management policies, procedures and methodologies that are appropriate to the businesses within each division;
- Approve credit, market and liquidity risk limits;
- Conduct periodic portfolio reviews to ensure that the portfolio of risks is within acceptable parameters; and
- Develop and implement risk and capital management infrastructures and systems that are appropriate for each division.

The heads of our legal, risk & capital units, which are amongst the members of our Risk Executive Committee, are responsible for the performance of the units and report directly to our Chief Risk Officer.

Our finance and audit departments support our legal, risk & capital function. They operate independently of both the group divisions and of the legal, risk & capital function. The role of the finance department is to help quantify and verify the risk that we assume and ensure the quality and integrity of our risk-related data. Our audit department performs risk-oriented reviews of the design and operating effectiveness of our internal control procedures.

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Categories of Risk

The most important risks we assume are specific banking risks and reputational risks, as well as risks arising from the general business environment.

Specific Banking Risks

Our risk management processes distinguish among four kinds of specific banking risks: credit risk, market risk, operational risk and liquidity risk. A detailed discussion of these risks follows later in this report.

- **Credit risk** arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor (which we refer to collectively as "counterparties"). We distinguish between three kinds of credit risk:
  - ***Default risk*** is the risk that counterparties fail to meet contractual payment obligations.
  - ***Country risk*** is the risk that we may suffer a loss, in any given country, due to any of the following reasons: a possible deterioration of economic conditions, political and social upheaval, nationalization and expropriation of assets, government repudiation of indebtedness, exchange controls and disruptive currency depreciation or devaluation. Country risk includes transfer risk which arises when debtors are unable to meet their obligations owing to an inability to transfer assets to nonresidents due to direct sovereign intervention.
  - ***Settlement risk*** is the risk that the settlement or clearance of transactions will fail. It arises whenever the exchange of cash, securities and/or other assets is not simultaneous.
- **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.
- **Operational risk** is the potential for incurring losses in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships. This definition includes legal and regulatory risk, but excludes business and reputational risk.
- **Liquidity risk** is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs.

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Insurance Specific Risk

Our exposure to insurance risk increased upon our 2007 acquisition of Abbey Life Assurance Company Limited and our 2006 acquisition of a stake in Paternoster Limited, a regulated insurance company. We are primarily exposed to the following insurance-related risks.

- **Mortality and morbidity risks** – the risks of a higher or lower than expected number of death claims on assurance products and of an occurrence of one or more large claims, and the risk of a higher or lower than expected number of disability claims, respectively. We aim to mitigate these risks by the use of reinsurance and the application of discretionary charges. We investigate rates of mortality and morbidity annually.
- **Longevity risk** – the risk of faster or slower than expected improvements in life expectancy on immediate and deferred annuity products. We monitor this risk against the latest external industry data and emerging trends.
- **Expenses risk** – the risk that policies cost more or less to administer than expected. We monitor these expenses by an analysis of our actual expenses relative to our budget. We investigate reasons for any significant divergence from expectations and take remedial action. We reduce the expense risk by having in place (until 2010 with the option of renewal for two more years) an outsourcing agreement which covers the administration of the policies.
- **Persistency risk** – the risk of a higher or lower than expected percentage of lapsed policies. We assess our persistency rates annually by reference to appropriate risk factors.

We monitor the actual claims and persistency against the assumptions used and refine the assumptions for the future assessment of liabilities. Actual experience may vary from estimates, the more so as projections are made further into the future. Liabilities are evaluated at least annually.

To the extent that actual experience is less favorable than the underlying assumptions, or it is necessary to increase provisions due to more onerous assumptions, the amount of capital required in the insurance entities may increase.

The profitability of our non unit-linked long-term insurance businesses depends to a significant extent on the value of claims paid in the future relative to the assets accumulated to the date of claim. Typically, over the lifetime of a contract, premiums and investment returns exceed claim costs in the early years and it is necessary to set aside these amounts to meet future obligations. The amount of such future obligations is assessed on actuarial principles by reference to assumptions about the development of financial and insurance risks.

For unit-linked investment contracts, profitability is based on the charges taken being sufficient to meet expenses and profit. The premium and charges are assessed based on actuarial principles by reference to assumptions about the development of financial and insurance risks.

As stated above, reinsurance is used as a mechanism to reduce risk. Our strategy is to continue to utilize reinsurance as appropriate.

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Credit Risk

We measure and manage our credit risk following the below principles:

- In all our group divisions consistent standards are applied in the respective credit decision processes.
- The approval of credit limits for counterparties and the management of our individual credit exposures must fit within our portfolio guidelines and our credit strategies.
- Every extension of credit or material change to a credit facility (such as its tenor, collateral structure or major covenants) to any counterparty requires credit approval at the appropriate authority level.
- We assign credit approval authorities to individuals according to their qualifications, experience and training, and we review these periodically.
- We measure and consolidate all our credit exposures to each obligor on a global consolidated basis that applies across our consolidated Group. We define an "obligor" as a group of individual borrowers that are linked to one another by any of a number of criteria we have established, including capital ownership, voting rights, demonstrable control, other indication of group affiliation; or are jointly and severally liable for all or significant portions of the credit we have extended.

Credit Risk Ratings

Basic and key element of the credit approval process is a detailed risk assessment of every credit exposure associated with a counterparty. Our risk assessment procedures consider both the creditworthiness of the counterparty and the risks related to the specific type of credit facility or exposure. This risk assessment not only affects the structuring of the transaction and the outcome of the credit decision, but also influences the level of decision-making authority required to extend or materially change the credit and the monitoring procedures we apply to the ongoing exposure.

We have our own in-house assessment methodologies, scorecards and rating scale for evaluating the creditworthiness of our counterparties. Our granular 26-grade rating scale, which is calibrated on a probability of default measure based upon a statistical analysis of historical defaults in our portfolio, enables us to compare our internal ratings with common market practice and ensures comparability between different sub-portfolios of our institution. Several default ratings therein enable us to incorporate the potential recovery rate of defaulted exposures. We generally rate our credit exposures individually, though certain portfolios of securitized receivables are rated on a pool level. When we assign our internal risk ratings, we compare them with external risk ratings assigned to our counterparties by the major international rating agencies, where possible.

Credit Limits

Credit limits set forth maximum credit exposures we are willing to assume over specified periods. They relate to products, conditions of the exposure and other factors. Credit limits are established by the Credit Risk Management function via the execution of assigned credit authorities. Credit authority reflects the mandate to approve new credit limits as well as increases or the extension of existing credit limits. Credit authority is generally assigned to individuals as personal credit authority according to the individual's professional qualification and experience.

Where an individual's personal authority is insufficient to establish required credit limits, the transaction is referred to a higher credit authority holder or where necessary to an appropriate credit committee such as the CRM Underwriting Committee. Where personal and committee authorities are insufficient to establish appropriate limits the case is referred to the Management Board for approval.

All assigned credit authorities are reviewed on a periodic basis to ensure that they are adequate. The results of the review are presented to the Group Credit Policy Committee and reported to the Risk Executive Committee.

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Monitoring Default Risk

Ongoing active monitoring and management of credit risk positions is an integral part of our credit risk management. Monitoring tasks are primarily performed by the divisional risk units in close cooperation with our portfolio management function. We monitor all of our credit exposures on a continuing basis using the risk management tools described above.

Credit counterparties are allocated to credit officers within specified divisional risk units which are aligned to respective business units such as Global Banking, Global Markets or Global Transaction Banking. The individual credit officers within these divisional risk units have the most relevant expertise and experience to manage the credit risks associated with these counterparties and their associated credit related transactions. It is the responsibility of each credit officer to undertake ongoing credit monitoring for their allocated portfolio of counterparties. Monitoring of credit risk arising from our trading activities with credit counterparties is undertaken in accordance with industry best practice by reference to various dedicated measures that quantify the expected current and future exposure levels, including the exposure levels under adverse market developments. The credit process for trading instruments requires limits to be established against trading instrument exposures which are monitored by respective credit officers as part of their ongoing counterparty monitoring activities.

We also have procedures in place intended to identify at an early stage credit exposures for which there may be an increased risk of loss. In instances where we have identified counterparties where problems might arise, the respective exposure is generally placed on a watchlist. We aim to identify counterparties that, on the basis of the application of our risk management tools, demonstrate the likelihood of problems well in advance in order to effectively manage the credit exposure and maximize the recovery. The objective of this early warning system is to address potential problems while adequate alternatives for action are still available. This early risk detection is a tenet of our credit culture and is intended to ensure that greater attention is paid to such exposures.

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Credit Exposure

We define our credit exposure by taking into account all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations.

Maximum Exposure to Credit Risk

The following table presents our maximum exposure to credit risk without taking account of any collateral held or other credit enhancements that do not qualify for offset in our financial statements.

in € m.[1]	Dec 31, 2009	Dec 31, 2008
Due from banks	9,346	9,826
Interest-earning deposits with banks	47,233	64,739
Central bank funds sold and securities purchased under resale agreements	6,820	9,267
Securities borrowed	43,509	35,022
Financial assets at fair value through profit or loss[2]	900,800	1,569,203
Financial assets available for sale[2]	14,852	19,194
Loans[3]	261,448	271,219
Other assets subject to credit risk	52,457	78,957
Financial guarantees and other credit related contingent liabilities[4]	52,183	48,815
Irrevocable lending commitments and other credit related commitments[4]	104,125	104,077
Maximum exposure to credit risk	**1,492,773**	**2,210,319**

1 All amounts at carrying value unless otherwise indicated.

2 Excludes equities, other equity interests and commodities. Prior year numbers have been adjusted to reflect the exclusion of commodities respectively.
3 Gross loans less (deferred expense)/unearned income before deductions of allowance for loan losses.
4 Financial guarantees, other credit related contingent liabilities and irrevocable lending commitments (including commitments designated under the fair value option) are reflected at notional amounts.

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Credit Exposure Classification

We also classify our credit exposure under two broad headings: corporate credit exposure and consumer credit exposure.

- Our corporate credit exposure consists of all exposures not defined as consumer credit exposure.

- Our consumer credit exposure consists of our smaller-balance standardized homogeneous loans, primarily in Germany, Italy and Spain, which include personal loans, residential and nonresidential mortgage loans, overdrafts and loans to self-employed and small business customers of our private and retail business.

Corporate Credit Exposure

The following table breaks down several of our main corporate credit exposure categories according to the creditworthiness categories of our counterparties.

This table reflects a marginal decrease in our corporate loan book combined with a larger decrease in our OTC derivatives exposure. The portion of our corporate loan book carrying an investment-grade rating decreased from 66 % at December 31, 2008 to 61 % at December 31, 2009, reflecting the continued credit deterioration throughout 2009 in light of the credit crisis. However, the loan exposure shown in the table below does not take into account any collateral, other credit enhancement or credit risk mitigating transactions. After consideration of such credit mitigants, we believe that there is no inappropriate concentration risk and our loan book is well-diversified. The decrease in our OTC derivatives exposure, particularly in the AAA-AA range, was substantially driven by rising interest rate curves and reduction activities as well as tightening credit spreads during 2009. The OTC derivatives exposure as shown below does not include credit risk mitigants (other than master agreement netting) or collateral (other than cash). Taking these mitigants into account, the remaining current credit exposure is significantly lower and in our judgment well-diversified and geared towards investment grade counterparties.

Corporate credit exposure credit risk profile by creditworthiness category	Loans[1]		Irrevocable lending commitments[2]		Contingent liabilities		OTC derivatives[3]		Total	
in € m.	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
AAA–AA	28,134	40,749	22,211	20,373	6,573	5,926	23,966	65,598	80,884	132,646
A	29,634	29,752	22,758	30,338	13,231	11,976	13,793	22,231	79,416	94,297
BBB	46,889	53,360	28,814	26,510	15,753	15,375	7,600	15,762	99,056	111,007
BB	43,401	44,132	23,031	19,657	9,860	10,239	12,785	13,009	89,077	87,037
B	9,090	10,458	5,935	5,276	4,290	4,412	1,952	3,898	21,267	24,044
CCC and below	14,633	8,268	1,376	1,923	2,476	887	4,444	3,092	22,929	14,170
Total	**171,781**	**186,719**	**104,125**	**104,077**	**52,183**	**48,815**	**64,540**	**123,590**	**392,629**	**463,201**

1 Includes impaired loans mainly in category CCC and below amounting to € 4.9 billion as of December 31, 2009 and € 2.3 billion as of December 31, 2008.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 2.9 billion as of December 31, 2009 and € 2.8 billion as of December 31, 2008.
3 Includes the effect of netting agreements and cash collateral received where applicable.

Consumer Credit Exposure

The table below presents our total consumer credit exposure, consumer loan delinquencies in terms of loans that are 90 days or more past due, and net credit costs, which are the net provisions charged during the period, after recoveries. Loans 90 days or more past due and net credit costs are both expressed as a percentage of total exposure.

	Total exposure in € m.		90 days or more past due as a % of total exposure		Net credit costs as a % of total exposure	
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Consumer credit exposure Germany:	59,804	57,139	1.73%	1.54%	0.55%	0.65%
Consumer and small business financing	13,556	15,047	2.72%	1.98%	1.69%	1.98%
Mortgage lending	46,248	42,092	1.44%	1.39%	0.22%	0.18%
Consumer credit exposure outside Germany	29,864	27,361	3.37%	1.92%	1.27%	0.94%
Total consumer credit exposure[1]	**89,668**	**84,500**	**2.28%**	**1.67%**	**0.79%**	**0.74%**

1 Includes impaired loans amounting to € 2.3 billion as of December 31, 2009 and € 1.4 billion as of December 31, 2008.

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Collateral held as Security

We regularly agree on collateral to be received from customers in contracts that are subject to credit risk. We also regularly agree on collateral to be received from borrowers in our lending contracts. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it does not replace the necessity of high quality underwriting standards.

We segregate collateral received into the following two types:

- Financial and other collateral, which enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfill its primary obligations. Cash collateral, securities (equity, bonds), collateral assignments of other claims or inventory, equipment (e.g., plant, machinery, aircraft) and real estate typically fall into this category.
- Guarantee collateral, which substitutes the borrower's ability to fulfill its obligation under the legal contract and as such is provided by third parties. Letters of Credit, insurance contracts, received guarantees and risk participations typically fall into this category.

Additionally, we actively manage the credit risk of our loans and lending-related commitments through our specialized unit LEMG. To manage better our derivatives-related credit risk, we enter into collateral support arrangements as described further below.

Concentrations of Credit Risk

Significant concentrations of credit risk exist if we have material exposures to a number of counterparties with similar economic characteristics, or who are engaged in comparable activities, where these similarities may cause their ability to meet contractual obligations to be affected in the same manner by changes in economic or industry conditions. A concentration of credit risk may also exist at an individual counterparty level.

In order to monitor and manage credit risks, we use a comprehensive range of quantitative tools and metrics. Credit limits relating to counterparties, countries, products and other factors set the maximum credit exposures that we intend to incur.

Our largest concentrations of credit risk within loans are in Western Europe and North America, with a significant share in households. The concentration in Western Europe is principally in our home market Germany, which includes most of the mortgage lending business. Within the OTC derivatives business our largest concentrations are also in Western Europe and North America, with a significant share in banks and insurances mainly within the investment-grade rating band.

Our higher-risk loans are concentrated in Commercial Real Estate and Leveraged Finance, with the latter including a borrower group concentration contributing approximately 40 % of the exposure in this category.

Credit Exposure from Derivatives

Exchange-traded derivative transactions (e.g., futures and options) are regularly settled through a central counterparty (e.g., LCH. Clearnet Ltd. or Eurex Clearing AG), the rules and regulations of which provide for daily margining of all current and future credit risk positions emerging out of such transactions. To the extent

possible, we also use central counterparty clearing services for OTC derivative transactions ("OTC clearing"); we thereby benefit from the credit risk mitigation achieved through the central counterparty's settlement system.

In order to reduce the credit risk resulting from OTC derivative transactions, where OTC clearing is not available, we regularly seek the execution of standard master agreements (such as the International Swaps and Derivatives Association's master agreements for derivatives or the German Master Agreement for Financial Derivative Transactions) with our clients. A master agreement allows the netting of rights and obligations arising under derivative transactions that have been entered into under such master agreement upon the counterparty's default, resulting in a single net claim owed by or to the counterparty ("close-out netting"). For parts of the derivatives business (e.g., foreign exchange transactions) we also enter into master agreements under which we set off amounts payable on the same day in the same currency and in respect to transactions covered by such master agreements ("payment netting"), reducing our settlement risk.

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Problem Loans

Our problem loans consist mainly of our impaired loans. Our Credit Risk Management regularly assesses whether there is objective evidence that a loan or group of loans is impaired. A loan or group of loans is impaired and impairment losses are incurred if

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the balance sheet date (a "loss event"),
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets, and
- a reliable estimate of the loss amount can be made.

The impairment loss is generally calculated on the basis of discounted expected cash flows using the original effective interest rate of the loan. For troubled debt restructurings (as defined below) the original effective interest rate before modification of terms is used.

While we assess the impairment for our corporate credit exposures individually, we assess the impairment of our smaller-balance standardized homogeneous loans collectively.

The second component of our problem loans are nonimpaired problem loans, where no impairment loss is recorded but where either known information about possible credit problems of borrowers causes management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms or that are 90 days or more past due but for which the accrual of interest has not been discontinued.

In keeping with SEC industry guidance, we also continue to monitor and report the following categories in our problem loans:

- **Nonaccrual Loans**: We place a loan on nonaccrual status if the loan has been in default as to payment of principal or interest for 90 days or more and the loan is neither well secured nor in the process of collection, or the accrual of interest should be ceased according to management's judgment as to collectability of contractual cash flows. When a loan is placed on nonaccrual status, the accrual of interest in accordance with the contractual terms of the loan is discontinued. However, the accretion of the net present value of the written down amount of the loan due to the passage of time is recognized as interest income based on the original effective interest rate of the loan. Cash receipts of interest on nonaccrual loans are recorded as a reduction of principal.
- **Loans Ninety Days or More Past Due and Still Accruing**: These are loans in which contractual interest or principal payments are 90 days or more past due but on which we continue to accrue interest as no impairment loss is recorded.
- **Troubled Debt Restructurings**: These are loans that we have restructured due to deterioration in the borrower's financial position on terms that we would not otherwise consider. If a borrower performs satisfactorily for one year under a restructured loan, we no longer consider that borrower's loan to be a troubled debt restructuring, unless at the time of restructuring the new interest rate was lower than the market rate for similar credit risks.

The following two tables present a breakdown of our problem loans for the dates specified.

Dec 31, 2009		Impaired loans			Nonimpaired problem loans		Problem loans
in € m.	German	Non-German	Total	German	Non-German	Total	Total
Individually assessed	**758**	**4,145**	**4,903**	**304**	**1,037**	**1,341**	**6,244**
Nonaccrual loans	707	4,027	4,734	200	1,003	1,203	5,937
Loans 90 days or more past due and still accruing	–	–	–	50	5	55	55
Troubled debt restructurings[1]	51	118	169	54	29	83	252
Collectively assessed	**907**	**1,391**	**2,298**	**274**	**97**	**371**	**2,669**
Nonaccrual loans	905	1,281	2,186	–	–	–	2,186
Loans 90 days or more past due and still accruing	–	–	–	260	6	266	266
Troubled debt restructurings[1]	2	110	112	14	91	105	217
Total problem loans	**1,665**	**5,536**	**7,201**	**578**	**1,134**	**1,712**	**8,913**
thereof: IAS 39 reclassified problem loans	28	2,750	2,778	–	159	159	2,937

1 The table above shows troubled debt restructurings within our smaller-balance standardized homogeneous loans under collectively assessed problem loans as in last quarter 2009 credit policies and processes were enhanced to assess them accordingly.

Dec 31, 2008		Impaired loans			Nonimpaired problem loans		Problem loans
in € m.	German	Non-German	Total	German	Non-German	Total	Total
Individually assessed	**750**	**1,532**	**2,282**	**294**	**391**	**685**	**2,967**
Nonaccrual loans	699	1,519	2,218	215	377	592	2,810
Loans 90 days or more past due and still accruing	–	–	–	8	5	13	13
Troubled debt restructurings	51	13	64	71	9	80	144
Collectively assessed	**824**	**576**	**1,400**	**175**	**13**	**188**	**1,588**
Nonaccrual loans	824	576	1,400	–	–	–	1,400
Loans 90 days or more past due and still accruing	–	–	–	175	13	188	188
Troubled debt restructurings	–	–	–	–	–	–	–
Total problem loans	**1,574**	**2,108**	**3,682**	**469**	**404**	**873**	**4,555**
thereof: IAS 39 reclassified problem loans	9	745	754	–	86	86	840

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The following table presents an overview of nonimpaired Troubled Debt Restructurings representing our renegotiated loans that would otherwise be past due or impaired.

in € m.	Dec 31, 2009	Dec 31, 2008
Troubled debt restructurings not impaired	188	80

The following table breaks down the nonimpaired past due loan exposure carried at amortized cost according to its past due status.

in € m.	Dec 31, 2009	Dec 31, 2008
Loans less than 30 days past due	6,192	8,345
Loans 30 or more but less than 60 days past due	941	1,308
Loans 60 or more but less than 90 days past due	558	939
Loans 90 days or more past due	925	407
Total loans past due but not impaired	**8,616**	**10,999**

The following table presents the aggregated value of collateral – with the fair values of collateral capped at loan outstandings – held by us against our loans past due but not impaired.

in € m.	Dec 31, 2009	Dec 31, 2008
Financial and other collateral	3,965	3,222
Guarantees received	330	987
Total capped fair value of collateral held for loans past due but not impaired	**4,295**	**4,209**

Impaired Loans

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The following table presents a breakdown of our impaired loans by region based on the country of domicile of our counterparties for the dates specified.

	Dec 31, 2009			Dec 31, 2008		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Eastern Europe	30	121	151	16	38	54
Western Europe	3,215	2,152	5,367	1,439	1,338	2,777
Africa	27	–	27	–	–	–
Asia/Pacific	136	21	157	50	22	72
North America	1,392	3	1,395	543	1	544
Central and South America	84	1	85	233	1	234
Other	19	–	19	1	–	1
Total	**4,903**	**2,298**	**7,201**	**2,282**	**1,400**	**3,682**

The following table presents a breakdown of our impaired loans by industry sector for the dates specified.

	Dec 31, 2009			Dec 31, 2008		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Banks and insurance	101	–	101	146	10	156
Manufacturing	582	116	698	347	80	427
Households	103	1,556	1,659	228	981	1,209
Public sector	45	–	45	118	–	118
Wholesale and retail trade	255	91	346	145	55	200
Commercial real estate activities	710	250	960	137	35	172
Fund management activities	848	–	848	644	1	645
Other[1]	2,259	285	2,544	517	238	755
Total	**4,903**	**2,298**	**7,201**	**2,282**	**1,400**	**3,682**

1 For December 31, 2009 the category Other contains primarily the impaired junior debt portion of one Leveraged Finance exposure which was reclassified in accordance with IAS 39.

The following table presents the aggregated value of collateral we held against impaired loans, with fair values capped at transactional outstandings.

in € m.	Dec 31, 2009	Dec 31, 2008
Financial and other collateral	1,757	1,175
Guarantees received	57	18
Total capped fair value of collateral held for impaired loans	**1,814**	**1,193**

Collateral Obtained

The following table presents the aggregated value of collateral we obtained on the balance sheet during the reporting periods by taking possession of collateral held as security or by calling upon other credit enhancements.

in € m.	2009	2008
Commercial real estate	78	799
Residential real estate	10	170
Other	–	1,837
Total collateral obtained during the reporting period	**88**	**2,806**

Collateral obtained is made available for sale in an orderly fashion or through public auctions, with the proceeds used to repay or reduce outstanding indebtedness. Generally we do not occupy obtained properties for our business use.

The commercial real estate collateral obtained in 2009 related to two of our U.S. exposures while the residential real estate collateral obtained relates to a variety of cases in Spain where we have executed foreclosure by taking possession.

The residential real estate collateral obtained, as shown in the table above, excludes collateral recorded as a result of consolidating securitization trusts under SIC-12 and IAS 27. The year-end amounts in relation to collateral obtained for these trusts were € 33 million and € 127 million, for December 31, 2009 and December 31, 2008 respectively.

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Settlement Risk

Our trading activities may give rise to risk at the time of settlement of those trades. Settlement risk is the risk of loss due to the failure of a counterparty to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For many types of transactions, we mitigate settlement risk by closing the transaction through a clearing agent, which effectively acts as a stakeholder for both parties, only settling the trade once both parties have fulfilled their sides of the bargain.

Where no such settlement system exists, the simultaneous commencement of the payment and the delivery parts of the transaction is common practice between trading partners (free settlement). In these cases, we may seek to mitigate our settlement risk through the execution of bilateral payment netting agreements. We are also an active participant in industry initiatives to reduce settlement risks. Acceptance of settlement risk on free settlement trades requires approval from our credit risk personnel, either in the form of pre-approved settlement risk limits, or through transaction-specific approvals. We do not aggregate settlement risk limits with other credit exposures for credit approval purposes, but we take the aggregate exposure into account when we consider whether a given settlement risk would be acceptable.

Market Risk

The vast majority of our businesses are subject to market risk, defined as the potential for change in the market value of our trading and investing positions. Risk can arise from adverse changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility.

The primary objective of Market Risk Management is to ensure that our business units optimize the risk-reward relationship and do not expose it to unacceptable losses. To achieve this objective, Market Risk Management works closely together with risk takers (the business units) and other control and support groups.

We differentiate between two substantially different types of market risk:

- Trading market risk arises primarily through the market-making activities of the Corporate and Investment Bank division. This involves taking positions in debt, equity, foreign exchange, other securities and commodities as well as in equivalent derivatives.
- Nontrading market risk in the form of equity risk arises primarily from non-consolidated strategic investments in the Corporate Investment portfolio, alternative asset investments and equity compensation. Interest risk stems from our nontrading asset and liability positions. Other nontrading market risk elements are risks arising from asset management and fund related activities as well as model risks in PBC, GTB and PWM, which are derived by shocking assumptions on client behavior in combination with interest rate movements.

Trading Market Risk Management Framework

Our primary instrument to manage trading market risk is the limit setting process. Our Management Board, supported by Market Risk Management, which is part of our independent legal, risk & capital function, sets a Group-wide value-at-risk and economic capital limits for the market risk in the trading book. Market Risk Management sub-allocates this overall limit to our group divisions (e.g., Global Markets and Corporate Finance) and individual business areas (e.g., Global Rates, Global Markets Equity, etc.) based on anticipated business plans and risk appetite. Within the individual business areas, the business heads or Chief Operating Officers may establish business limits by sub-allocating the Market Risk Management limit down to individual portfolios or geographical regions.

Value-at-risk and economic capital limits are not sufficient for managing all types of market risk on their own. In addition, Market Risk Management operates sensitivity and concentration/liquidity limits. A distinction is made between Market Risk Management limits and business limits for sensitivities and concentration/liquidity. In practice, the Market Risk Management limits are likely to be a relatively small number of key limits necessary to capture an exposure to a particular risk factor and will tend to be global in nature rather than for any particular geographical region.

To manage the exposures inside the limits, the risk takers apply several risk mitigating measures, most notably the use of

- **Diversification effects**: Diversification is a portfolio strategy designed to reduce exposure by combining a variety of positions. Because some investments rise in value while others decline, diversification can help to lower the overall level of risk for a given portfolio.
- **Hedging**: Hedging involves taking positions in related securities, including derivative products, such as futures, swaps and options. Hedging activities may not always provide effective mitigation against losses

due to differences in the terms, specific characteristics or other basis risks that may exist between the hedge instrument and the exposure being hedged.

Trading Market Risk Management: Refined framework and de-risking discipline in 2009

In 2009, Market Risk Management implemented new processes to improve the monitoring and reporting of key risks. These processes included creating a list of exposures which had been targeted for de-risking. The identification of such positions was guided by a four step de-risking framework.

Reduce risk concentrations:

- Adapt position size to liquidity environment
- Invest in unwinding most illiquid risk positions.

Continued use of active hedging:

- Active program of macro hedging
- Improve hedging efficiency of individual strategies.

De-leverage balance sheet:

- Manage down gross and net exposure
- Align market risk appetite to new balance sheet and leverage targets.

Reduce uncertainty:

- Avoid exposure to difficult to value products
- Reduce reliance on complex, highly structured products.

As a result of the continued focus, the majority of these key exposures have been reduced to appropriate levels. For a minority of exposures, de-risking progress has been slowed by the current market conditions; and potential for future loss remains. Action has been taken to reduce this potential. The positions have been segregated from the 'Ongoing' trading books, and are managed in separate 'Legacy' books. Hedges have also been purchased to limit the downside risk. We continue to seek and take market opportunities to reduce these risks.

The plan was part of a wider recalibration of the business model. This aims to increase the proportion of revenues earned from the most liquid flow markets, and to reduce reliance on exotic and structured businesses which may lack liquidity.

Quantitative Risk Management Tools

Value-at-Risk

Value-at-risk is a quantitative measure of the potential loss (in value) of trading positions due to market movements that will not be exceeded in a defined period of time and with a defined confidence level.

Our value-at-risk for the trading businesses is based on our own internal value-at-risk model. In October 1998, the German Banking Supervisory Authority (now the BaFin) approved our internal value-at-risk model for calculating the regulatory market risk capital for our general and specific market risks. Since then the model has been periodically refined and approval has been maintained.

We calculate value-at-risk using a 99 % confidence level and a holding period of one day. This means we estimate there is a 1 in 100 chance that a mark-to-market loss from our trading positions will be at least as large as the reported value-at-risk. For regulatory reporting, the holding period is ten days.

We use historical market data to estimate value-at-risk, with an equally-weighted 261 trading day history. The calculation employs a Monte Carlo simulation technique, and we assume that changes in risk factors follow a certain distribution, e.g., normal or logarithmic normal distribution. To determine our aggregated value-at-risk, we use observed correlations between the risk factors during this 261 trading day period.

Our value-at-risk model is designed to take into account the following risk factors: interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices, as well as their implied volatilities and common basis risk. The model incorporates both linear and, especially for derivatives, nonlinear effects of the risk factors on the portfolio value.

The value-at-risk measure enables us to apply a constant and uniform measure across all of our trading businesses and products. It allows a comparison of risk in different businesses, and also provides a means of aggregating and netting positions within a portfolio to reflect correlations and offsets between different asset

classes. Furthermore, it facilitates comparisons of our market risk both over time and against our daily trading results.

When using value-at-risk estimates a number of considerations should be taken into account. The model is subject to known limitations, many of which manifested themselves in 2008, resulting in a high number of outliers. These include the following:

- The use of historical data may not be a good indicator of potential future events, particularly those that are extreme in nature. This 'backward-looking' limitation can cause value-at-risk to understate risk (as in 2008), but can also cause it to be overstated. In 2009 we observed fewer outliers than would be predicted by the model. In a strict statistical sense, the value-at-risk in 2009 was over-conservative, and had over-estimated the risk in the trading books. As discussed, our value-at-risk model bases estimates of future volatility on market data observed over the previous year. For much of 2009, this estimate incorporated the extreme market volatility observed in the fourth quarter of 2008 following the bankruptcy of Lehman Brothers. As markets normalized in 2009, estimated volatility exceeded actual volatility, and fewer outliers occurred than expected.
- Assumptions concerning the distribution of changes in risk factors, and the correlation between different risk factors, may not hold true, particularly during market events that are extreme in nature. While we believe our assumptions are reasonable, there is no standard value-at-risk methodology to follow. Different assumptions would produce different results.
- The one day holding period does not fully capture the market risk arising during periods of illiquidity, when positions cannot be closed out or hedged within one day.
- Value-at-risk does not indicate the potential loss beyond the 99th quantile.
- Intra-day risk is not captured.
- Although we consider the material risks to be covered by our value-at-risk model and we further enhance it, there still may be risks in the trading book that are not covered by the value-at-risk model.

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Economic Capital for Market Risk

As for other risk categories, economic capital for market risk measures the amount of capital we need to absorb very severe unexpected losses arising from our exposures. "Very severe" in this context means that economic capital is set at a level to cover with a probability of 99.98 % the aggregated unexpected losses within one year.

Some firms calculate economic capital for market risk using their value-at-risk model, by applying a higher confidence level and longer holding period. A key limitation of this approach is that value-at-risk models are based on relatively recent historical data, and therefore typically only reflect losses under normal market conditions. To address this, we calculate economic capital using stress tests and scenario analyses. The stress tests are derived from historically observed severe market shocks. The resulting losses from these stress scenarios are then aggregated using correlations observed during periods of market crises, to reflect the increase in correlations which occurs during severe downturns.

The stress tests are augmented by subjective assessments where only limited historical data is available, or where market developments are viewed to make historical data a poor indicator of possible future market scenarios.

The calculation of economic capital for market risk from the trading units is performed weekly. The model incorporates the following risk factors: interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices. Volatility, credit correlation and common basis risks are also captured.

During the course of 2009 the economic capital stress tests were recalibrated to reflect the extreme market moves observed in the later part of 2008. This included extension of the assumed holding periods on credit positions, and significant increases to the shocks applied to equity indices and credit spreads, especially for securitized products.

In addition to the recalibration, there were improvements to the economic capital model. These included the addition of stress tests for leveraged exchange traded funds and for gap risk in non-recourse finance in emerging markets.

Our stress testing results and economic capital estimations are necessarily limited by the number of stress tests executed and the fact that not all downside scenarios can be predicted and simulated. While our risk managers have used their best judgment to define worst case scenarios based upon the knowledge of past extreme market moves, it is possible for our market risk positions to lose more value than even our economic

capital estimates. We also continuously assess and refine our stress tests in an effort to ensure they capture material risks as well as reflect possible extreme market moves.

Value-at-Risk of Trading Units of Our Corporate and Investment Bank Group Division

The following table shows the value-at-risk (with a 99 % confidence level and a one-day holding period) of the trading units of our Corporate and Investment Bank Group Division. Our trading market risk outside of these units is immaterial. "Diversification effect" reflects the fact that the total value-at-risk on a given day will be lower than the sum of the values-at-risk relating to the individual risk classes. Simply adding the value-at-risk figures of the individual risk classes to arrive at an aggregate value-at-risk would imply the assumption that the losses in all risk categories occur simultaneously.

Value-at-risk of trading units

in € m.	Dec 31, 2009	Dec 31, 2008
Interest rate risk	111.0	129.9
Equity price risk	37.0	34.5
Foreign exchange risk	23.9	38.0
Commodity price risk	14.8	13.5
Diversification effect	(65.7)	(84.5)
Total	**121.0**	**131.4**

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Nontrading Market Risk Management

Our Nontrading Market Risk Management units oversee a number of risk exposures resulting from various business activities and initiatives.

The most dominant nontrading market risk is the equity risk arising from our non-consolidated strategic investments in the Corporate Investment portfolio, which in particular includes our stake in the Deutsche Postbank AG. Moreover, the alternative asset portfolio contributes to our nontrading equity risk position as it consists primarily of business-related principal investments as well as private equity and alternative asset investments.

The majority of the interest rate and foreign exchange risks arising from our nontrading asset and liability positions has been transferred through internal hedges to Global Markets within our Corporate and Investment Bank and is thus managed on the basis of value-at-risk as reflected in our trading value-at-risk numbers. For the remaining risks that have not been transferred through those hedges, in general foreign exchange risk is mitigated through match funding the investment in the same currency and only residual risk remains in the portfolios. Also, for these residual positions there is modest interest rate risk remaining from the mismatch between the funding term and the expected maturity of the investment.

A significant contribution to our foreign exchange risk in our nontrading portfolio results from unhedged capital and retained earnings in non-euro currencies in certain subsidiaries, mainly U.S. and U.K. entities. It is also referred to as structural foreign exchange risk exposure.

Apart from these more conventional risk topics, our Nontrading Market Risk Management function also has the mandate to monitor and manage risks arising from equity compensation and asset management and fund related activities resulting primarily from guaranteed funds. Moreover, our PBC, GTB and PWM businesses are subject to modeling risk with regard to client deposits. This risk materializes if assumptions on client behavior are shocked in combination with interest rate movements.

The Capital and Risk Committee supervises our nontrading market risk exposures. Investment proposals for strategic investments are analyzed by the Group Investment Committee. Depending on size of the strategic investment the investment requires approval from the Group Investment Committee, the Management Board or even the Supervisory Board. The development of Strategic Investments is monitored by the Group Investment Committee on a regular basis. Multiple members of the Capital and Risk Committee are also members of the Group Investment Committee, ensuring a close link between both committees.

Due to the complexity and variety of risk characteristics in the area of nontrading market risks, the responsibility of risk management is split into three teams

- The Nontrading Market Risk Management team within our Market Risk Management function covers market risks in PBC, GTB, PWM and Corporate Investments as well as Structural FX Risks, Equity Compensation Risks and Pension Risks.
- The Principal Investments team within our Credit Risk Management function is specialized in risk-related aspects of our nontrading alternative asset activities and performs monthly reviews of the risk profile of the nontrading alternative asset portfolios.
- The Asset Management Risk unit within our Credit Risk Management function is specialized in risk-related aspects of our asset and fund management business. Noteworthy risks in this area arise, for example, from performance and/or principal guarantees and reputational risk related to managing client funds.

Assessment of Market Risk in Our Nontrading Portfolios

Due to the nature of these positions as well as the static nature of some of the pricing we do not use value-at-risk to assess the market risk in our nontrading portfolios. Rather we assess the risk through the use of stress testing procedures that are particular to each risk class and which consider, among other factors, large historically-observed market moves and the liquidity of each asset class as well as changes in client behaviors in relation to deposit products. In this context, we also utilize our macroeconomic credit portfolio model to estimate the economic capital demand for our strategic investments. This assessment forms the basis of our economic capital estimates which enables us to actively monitor and manage our nontrading market risk.

As of year-end 2009 several enhancements to the economic capital coverage across the nontrading market risk portfolio have been introduced. Most significant additions to our economic capital coverage are Equity Compensation Risks, Structural FX risks and modeling risks with regard to our client deposits in our PBC, GTB and PWM businesses. Although these positions have a large economic capital impact on a standalone basis, they have only incremental impact on a diversified basis.

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Carrying Value and Economic Capital Usage for Our Nontrading Market Risk Portfolios

The table below shows the carrying values and economic capital usages separately for our nontrading portfolios.

Nontrading portfolios	Carrying value		Economic capital usage	
in € bn.	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Strategic Investments	7.6	1.2	4.9	0.8
Major Industrial Holdings[1]	0.2	1.1	–	0.4
Other Corporate Investments	0.9	0.9	0.2	0.2
Alternative Assets	3.8	3.2	1.3	1.3
Principal Investments	2.0	1.6	0.7	0.7
Real Estate	1.7	1.3	0.6	0.6
Hedge Funds[2]	0.1	0.2	–	–
Other nontrading market risks[3]	N/A	N/A	1.5	0.6
Total	**12.5**	**6.3**	**7.9**	**3.3**

1 There is a small economic capital usage of € 28 million as of December 31, 2009.
2 There is a small economic capital usage of € 17 million as of December 31, 2009 and € 42 million as of December 31, 2008.
3 N/A indicates that the risk is mostly related to off-balance sheet and liability items.

Our economic capital usage for these nontrading market risk portfolios totaled € 7.9 billion at year-end 2009, which is € 4.6 billion, or 142 %, above our economic capital usage at year-end 2008.

- **Strategic Investments.** Our economic capital usage of € 4.9 billion at December 31, 2009 was mainly driven by our participations in Deutsche Postbank AG and Hua Xia Bank Company Limited.
- **Major Industrial Holdings.** Our economic capital usage was € 28 million at December 31, 2009. Most of these Major Industrial Holdings have been divested during 2009, most notably the majority of our shareholdings in Daimler AG. The remaining positions are no longer substantial to us.
- **Other Corporate Investments.** Our economic capital usage was € 203 million for our other corporate investments at year-end 2009.

- **Alternative assets.** Our alternative assets include principal investments, real estate investments (including mezzanine debt) and small investments in hedge funds. Principal investments are composed of direct investments in private equity, mezzanine debt, short-term investments in financial sponsor leveraged buy-out funds, bridge capital to leveraged buy-out funds and private equity led transactions. The alternative assets portfolio has some concentration in infrastructure and real estate assets. While recent market conditions have limited the opportunities to sell down the portfolio, our intention remains to do so, provided suitable conditions allow it.
- **Other nontrading market risks:**
  - ***Deposit bucketing.*** Economic capital derived from stressing modeling assumptions for the effective duration of overnight deposits. Our economic capital usage was € 247 million at December 31, 2009 and was mainly driven by PBC with a contribution of € 228 million.
  - ***Equity compensation.*** Risk arising from structural short position in our own share price arising from restricted equity units. Our economic capital usage was € (597) million at December 31, 2009 on a diversified basis. The negative contribution to our diversified economic capital is derived from the fact that a reduction of our share price in a downside scenario as expressed by economic capital would lead to reduced negative impact on our capital position from the equity compensation liabilities.
  - ***Structural Foreign Exchange Risk.*** Our foreign exchange exposure arising from unhedged capital and retained earnings in non-euro currencies in certain subsidiaries. Our economic capital usage was € 307 million at December 31, 2009 on a diversified basis.
  - ***Asset Management.*** Guaranteed Funds: Our economic capital usage was € 1.3 billion at December 31, 2009, an increase of 139 % over our economic capital usage at year-end 2008, driven by a recalibration of economic capital calculation parameters (shocks, correlations) in July 2009 reflecting changed market conditions.

Our total economic capital figures do not currently take into account diversification benefits between the asset categories except for those of equity compensation and structural FX risks.

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Liquidity Risk

Liquidity risk management safeguards our ability to meet all payment obligations when they come due. Our liquidity risk management framework has been an important factor in maintaining adequate liquidity and in managing our funding profile during 2009.

Liquidity Risk Management Framework

Our Treasury function is responsible for the management of liquidity risk. Our liquidity risk management framework is designed to identify, measure and manage the liquidity risk position of the Group. The underlying policy, including the bank's risk tolerance, is reviewed and approved regularly by the Management Board. The policy defines the liquidity risk limits which are applied to the Group.

Our liquidity risk management approach starts at the intraday level (operational liquidity) managing the daily payments queue, forecasting cash flows and factoring in our access to Central Banks. It then covers tactical liquidity risk management dealing with the access to secured and unsecured funding sources. Finally, the strategic perspective comprises the maturity profile of all assets and liabilities (Funding Matrix) on our balance sheet and our issuance strategy.

Our cash flow based reporting system provides daily liquidity risk information to global and regional management.

Stress testing and scenario analysis plays a central role in our liquidity risk management framework. This also incorporates an assessment of asset liquidity, i.e. the characteristics of our asset inventory, under various stress scenarios.

Short-term Liquidity and Wholesale Funding

Our reporting system tracks cash flows on a daily basis over an 18-month horizon. This system allows management to assess our short-term liquidity position in each location, region and globally on a by-currency, by-product and by-division basis. The system captures all of our cash flows from transactions on our balance sheet, as well as liquidity risks resulting from off-balance sheet transactions. We model products that have no specific contractual maturities using statistical methods to reflect the behavioral characteristics of their cash flows. Liquidity outflow limits (Maximum Cash Outflow Limits), which have been set to limit cumulative global and local cash outflows, are monitored on a daily basis to safeguard our access to liquidity.

As of year-end 2009 we have implemented a new reporting system which focuses on contractual cash flows from wholesale funding sources on a daily basis over a 12-month horizon. The system captures all cash flows from unsecured as well as from secured funding transactions. Wholesale funding limits, which are calibrated against our stress testing results and approved by the Management Board, describe our maximum tolerance for liquidity risk. These limits apply to the cumulative global cash outflows and are monitored on a daily basis.

Unsecured Funding

Unsecured funding is a finite resource. Total unsecured funding represents the amount of external liabilities which we take from the market irrespective of instrument, currency or tenor. Unsecured funding is measured on a regional basis by currency and aggregated to a global utilization report. The management board approves limits to protect our access to unsecured funding at attractive levels.

Funding Diversification

Diversification of our funding profile in terms of investor types, regions, products and instruments is an important element of our liquidity risk management framework. Our core funding resources come from retail clients, long-term capital markets investors and transaction banking clients. Other customer deposits and borrowing from other banks are additional sources of funding. We use interbank deposits primarily to fund liquid assets.

In 2009 we continued to focus on increasing our stable core funding components and on reducing our short-term discretionary wholesale funding.

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Funding Matrix

We map all funding-relevant assets and all liabilities into time buckets corresponding to their maturities to compile a maturity profile (funding matrix). Given that trading assets are typically more liquid than their contractual maturities suggest, we determine individual liquidity profiles reflecting their relative liquidity value. We take assets and liabilities from the retail bank that show a behavior of being renewed or prolonged regardless of capital market conditions (mortgage loans and retail deposits) and assign them to time buckets reflecting the expected prolongation. Wholesale banking products are included with their contractual maturities.

The funding matrix identifies the excess or shortfall of assets over liabilities in each time bucket, facilitating management of open liquidity exposures. The funding matrix is a key input parameter for our annual capital market issuance plan, which, upon approval by the Capital and Risk Committee, establishes issuing targets for securities by tenor, volume and instrument. As per the year-end 2009, we were long funded in each of the annual time buckets of the funding matrix (2-10 years).

In 2009, Treasury issued capital market instruments with a total value of approximately € 19.9 billion, € 3.9 billion more than the original issuance plan.

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Stress Testing and Scenario Analysis

We use stress testing and scenario analysis to evaluate the impact of sudden stress events on our liquidity position. The scenarios have been based on historic events, such as the 1987 stock market crash, the 1990 U.S. liquidity crunch and the September 2001 terrorist attacks, liquidity crisis case studies and hypothetical events. Also incorporated are new liquidity risk drivers revealed by the latest financial markets crisis: prolonged term money-market freeze, collateral repudiation, limited fungibility of currencies, stranded syndications, systemic knock-on effects and further liquidity risk drivers such as intraday liquidity risk. As of year-end 2009 we also have introduced a scenario which combines a systemic market shock with a multi notch rating downgrade.

Under each of these scenarios we assume that all maturing loans to customers will need to be rolled over and require funding whereas rollover of liabilities will be partially impaired resulting in a funding gap. We then model the steps we would take to counterbalance the resulting net shortfall in funding. Countermeasures would include the bank's long cash balance and unencumbered asset inventory as well as our Strategic Liquidity Reserve.

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Maturity Analysis of Financial Liabilities

The following table presents a maturity analysis of the earliest contractual undiscounted cash flows for financial liabilities as of December 31, 2009, and 2008.

Dec 31, 2009 in € m.	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years
Noninterest bearing deposits	51,731	–	–	–	–
Interest bearing deposits	117,960	126,598	14,649	21,362	11,987
Trading liabilities[1]	64,501	–	–	–	–
Negative market values from derivative financial instruments[1]	576,973	–	–	–	–
Financial liabilities designated at fair value through profit or loss	64,920	33,785	4,806	5,797	4,826
Investment contract liabilities[2]	–	514	806	1,247	4,710
Negative market values from derivative financial instruments qualifying for hedge accounting[3]	946	–	10	392	2,455
Central bank funds purchased	3,824	1,884	–	–	–
Securities sold under repurchase agreements	1,349	38,292	104	37	5
Securities loaned	5,028	54	16	–	466
Other short-term borrowings	24,830	17,370	632	–	–
Long-term debt	1,856	2,044	20,373	67,837	41,011
Trust preferred securities	–	–	746	3,991	5,840
Other financial liabilities	120,731	6,705	375	233	60
Off-balance sheet loan commitments	63,662	–	–	–	–
Financial guarantees	21,719	–	–	–	–
Total[4]	**1,120,030**	**227,246**	**42,517**	**100,896**	**71,360**

1 Trading liabilities and derivatives not qualifying for hedge accounting balances are recorded at fair value. We believe that this best represents the cash flow that would have to be paid if these positions had to be closed out. Trading liabilities and derivatives not qualifying for hedge accounting balances are shown within on demand which management believes most accurately reflects the short-term nature of trading activities. The contractual maturity of the instruments may however extend over significantly longer periods.

2 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note [39] for more detail on these contracts.

3 Derivatives designated for hedge accounting are recorded at fair value and are shown in the time bucket at which the hedged relationship is expected to terminate.

4 The balances in the table do not agree to the numbers in the Group balance sheet as the cash flows included in the table are undiscounted. This analysis represents the worst case scenario for the Group if they were required to repay all liabilities earlier than expected. We believe that the likelihood of such an event occurring is remote. Interest cash flows have been excluded from the table.

Dec 31, 2008 in € m.	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years
Noninterest bearing deposits	34,211	–	–	–	–
Interest bearing deposits	143,417	143,309	39,367	20,917	14,332
Trading liabilities[1]	68,168	–	–	–	–
Negative market values from derivative financial instruments	1,181,617	–	–	–	–
Financial liabilities designated at fair value through profit or loss	52,323	33,751	8,494	7,909	9,180
Investment contract liabilities[2]	–	438	668	985	3,886
Negative market values from derivative financial instruments qualifying for hedge accounting[1]	4,362	–	–	–	–
Central bank funds purchased	9,669	17,440	–	–	–
Securities sold under repurchase agreements	871	36,899	19,602	–	2,636
Securities loaned	2,155	1,047	3	7	3
Other short-term borrowings	24,732	13,372	815	–	–
Long-term debt	9,799	4,455	15,096	68,337	35,685
Trust preferred securities	–	–	983	4,088	4,658
Other financial liabilities	124,534	6,751	234	108	49
Off-balance sheet loan commitments	69,516	–	–	–	–
Financial guarantees	22,505	–	–	–	–
Total[3, 4]	**1,747,879**	**257,462**	**85,262**	**102,351**	**70,429**

1 Trading liabilities and derivatives balances are recorded at fair value. We believe that this best represents the cash flow that would have to be paid if these positions had to be closed out. Trading and derivatives balances are shown within on demand which management believes most accurately reflects the short-term nature of trading activities. The contractual maturity of the instruments may however extend over significantly longer periods.

2 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note [39] for more detail on these contracts.

3 The balances in the table do not agree to the numbers in the balance sheet as the cash flows included in the table are undiscounted. This analysis represents the worst case scenario if they were required to repay all liabilities earlier than expected. We believe that the likelihood of such an event occurring is remote. Interest cash flows have been excluded from the table.

4 The prior year amounts have been adjusted and the 2009 amendment to IFRS 7 has not been applied to the comparative information. The fair value for embedded derivatives and derivatives designated for hedge accounting are shown within on demand.

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SIGNATURES

Frankfurt am Main, May 2010

Deutsche Bank AG

/s/ Matthias von Tiesenhausen /s/ Dr. Alexander Brunckhorst