Deutsche Bank Privat- und Geschäftskunden AG

Non-binding translation

Financials 2008

Leistung aus Leidenschaft.

Deutsche Bank

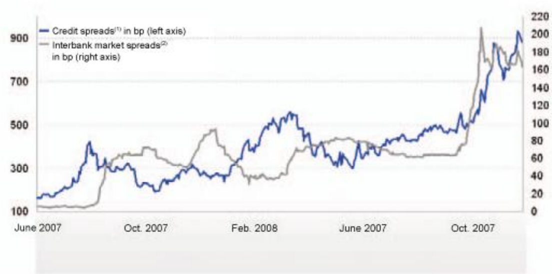
Non-binding translation

Management report for the 2008 fiscal year

A. Financial crisis and its effects on banks

2008 was an extraordinary year for the banks. It was characterized by the worst financial crisis in decades. The subprime crisis in the United States led to a downward spiral starting in fall 2007, during which the banks suffered massive losses in their credit securities and had to take significant write-offs. Risk spreads reached a level never seen before.

Massive growth in credit and interbank spreads due to financial market crisis



(1) iTraxx Crossover Series 6 (5 years), index of "sub-investment grade" rated credit default swaps
(2) 3-month Euribor minus 3-month Eonia swap rate
Source: Datastream, Bloomberg

Due to the loss of trust between credit institutions, liquidity supply also became more difficult, leading to the collapse of several leading banking and investment firms and insurance companies in the fall.

Concomitant with the crisis in the financial markets, increasingly recessive tendencies arose in all relevant sectors of the economy in the United States, Europe, and Asia. The economic forecast for Germany also fell into a similar downwards trend, as the stock market had before it. In Germany, the average annual growth in 2008 fell to 1.3%, after predictions of 2.5% made in 2007. The cause lay in the notably weak global demand, long-term high energy and food prices, a strong Euro, and the negative consequences of the international financial crisis. There were also effects on the money and capital markets. After an initial delay, the European Central Bank finally reduced its prime rate by 175 base points to 2.50% between October and December of 2008. Banking bailout packages of nearly global scope were also launched to bring new life to the withered money market. The drop in yields was less sharp in Germany, so that yields here at the end of 2008 were about 85 base points above those in America. The lasting uncertainty due to the financial crisis was particularly notable on the stock markets. The Dax and S&P 500 lost nearly 40% of their value by the end of 2008.

Aside from the direct effects on banks, there was also a significant uncertainty on the part of market participants. Private clients especially withdrew extensive deposits from some institutions. The demand for gold grew so massively for a time that supplies were exhausted and no more orders could be taken for weeks. Only the "declaration of guarantee" by the German government for all private savings institutions was able to calm frightened clients to a certain extent in October 2008.

In the operational business, due to the difficult conditions throughout the year in most areas of the capital market, there was a significant reduction in commission income and a drop in trading results, which even went into the negative range for many institutions. Only net interest income had an overall positive trend, based on lower interest costs and, particularly in Europe, a relatively strong growth in credit. However, this was increasingly overcompensated by the sharp increase in risk provisions, continuing a trend already observed in the previous years. Under the line, profitability of banks around the world fell drastically, and numerous institutions showed a net loss for the first time after years of sometimes significant growth in profits.

The concrete effects of the financial market crisis are still not entirely clear and are a challenge to the world economy that has rarely been seen before. For 2009, continued tension on the financial markets can be anticipated, with volatility on the stock markets that will remain at crisis level. All in all, shrinkage of the global economy can be expected, affecting the German economy at least until mid-2009.

B. Operational business activities

1. Positive results contribution in a very difficult environment

The Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft (hereinafter Deutsche Bank PGK), as a 100% subsidiary within the Deutsche Bank Group, is the primary platform for the Private & Business Clients market segment and has its branch office in Frankfurt am Main as part of the Private & Business Clients Division (hereinafter PBC), which has had stable, and until now steadily increasing, profit contributions for years. Despite the extremely difficult market situation, we again demonstrated the reliability of our mature business model, and on the basis of very good sales results in Deutsche Bank PGK, we were able to show a pre-tax profit of €668 million, a result that is relatively stable compared to the previous year. Against a backdrop of extreme market turbulence in 2008, the reduction in results of €55 million (-8%) is thoroughly satisfactory. The sharp drop in the securities business could largely be compensated for by excellent sales success in the consumer credit business, renewed significant growth in earnings and volume in the deposit business, and very successful interest cost control. Our model of balanced growth – with simultaneous consideration of the three dimensions of client, employee, and shareholder – was systematically pursued and proved successful.

2. Sales structure

Deutsche Bank PGK is oriented through the PBC division primarily towards private clients, the self-employed, and small- to medium-sized companies. Through multiple sales channels, it provides these clients with an extensive range of modern banking services, such as account management, credit and deposit business, and pension and asset consulting. The offering of PBC in Germany is extended by Deutsche Bank itself, as well as the independent institutions norisbank and Berliner Bank.

PBC sees itself as a sales organization, with the goal of activating the market for private and business clients in Germany, as well as continuing to establish its leading position by profitable growth. Sales at PBC is based on a comprehensive multichannel strategy through

- Investment & FinanzCenter (IFC),
- Integrated mobile sales,
- Financial consulting offices (FBB) for mobile sales,
- Telephone banking,
- Online Banking & Brokerage,
- Self-service zones and machines,
- Third-party sales and cooperations.

The stationary network of our IFCs is the central driver for personal contact with our clients. This is where we can focus on consulting and advising discussions, while other services and technical transactions, such as cash supply, wire transfers, or the printing of account and deposit statements, largely take place by use of the self-service machines or online banking.

2.1 Marketing networks permanently developed

Deutsche Bank PGK works with its private and business clients in 773 IFCs, the Q110 branch of the future, and 397 self-service (SB) banking units as of the end of December 2008. A total of 1,171 sales units offer our clients a broad self-service banking offering, best service, extensive customer service, and outstanding advice with an extensive first-class product offering. This marketing network, which is also positioned well in comparison with our competition, is a solid starting basis for continued increases in customer satisfaction.

The concept of the branch "Q110 – the Deutsche Bank of the Future" is an outstanding example of creativity and innovation. Experience is gained here that leads to additional transfer of tested elements into our sales network. A lounge has been installed in about 120 of our branches, giving clients a relaxed atmosphere where they can ease into their first contact with bank consultants. The thorough renovation of our branches has also been continued in the context of the modernization program. The 330 branches that have been renovated today offer an outstanding start for the permanent achievement of our goals. Higher client satisfaction and improved working conditions for employees in a modern consulting and work environment contribute permanently to the success of Deutsche Bank PGK.

Our mobile sales, with 191 financial consulting offices, perfectly complements the IFCs and SB banking units, contributing still more to client proximity. The number of independent financial advisors rose slightly, to 1,536. Due to the acquisition of new clients, mobile sales has contributed to the extension of our client base, whether in the financial advisor offices, in the IFCs, or even through advice given to clients at home. Mobile Sales, as an integrated sales channel, is a significant component of our value creation chain. In this function, it optimizes cross-sales potential and acquires new capital assets and/or credits. The bank is also continuing to grow mobile sales, both in organizational strength and in terms of productivity per financial advisor. The strategic development of the office design initiated in 2008 and the concept of mobile sales associated with IFCs will be detailed further in 2009. We also anticipate continued improvement in the infrastructure of mobile sales, in order to ensure the technical framework for later growth. The client is still the focus of all these activities in 2009, associated with the goal of providing even more quality in consulting.

For continued improvement in service quality and scope, we continued investment in our SB banking units in 2008. By the end of 2008 throughout Germany, our clients had access to about 3,100 banking terminals, of which about 1,600 had document readers, and 2,000 ATMs, of which 630 had deposit functions. At about 260 million client contacts, this was the most-used access to our account services on the part of clients. As a member of the Cash Group, we offer our clients the option of withdrawing cash free of charge at over 7,000 ATMs in Germany and about 35,000 ATMs in 32 countries around the world. At the beginning of 2008, after approval by the German Cartel Authority, a shared initiative of "Community purchase of self-service banking services" was undertaken by Commerzbank, Dresdner Bank, and Deutsche Bank. In the second half of 2008, supply contracts were finalized, meaning that an initial milestone for the replacement of 1,300 ATM machines in 2010 has been reached. The Cash Group banks, together with Siemens and VÖB-ZVD Bank, have also undertaken a common initiative for the improvement of free cash supply outside the conurbations, starting a shared pilot project in mid-October 2008 in Nordbaden/Vorderpfalz. This measure should strengthen client relations and additionally create new potential clients.

Our offer was also complemented by telephone banking. Here, our Client Call Centers are available daily around the clock, where, for example, account information can be accessed or security or other orders placed. For the IFCs, the Call Center often handles the first client conversations in the context of marketing campaigns, makes consulting appointments, or takes telephone calls when all consultants on site are already speaking with clients. In general, the discussion volume in the IFCs and the Call Center has grown sharply since September 2008, due to the financial market crisis. The high availability of telephone client service to which our clients are accustomed could be ensured throughout the year. To further optimize client communication with our sales units, a significant portion of contacts in telephone client service are handled by forwarding calls out of the IFCs. During peak times, up to 114,000 calls are answered daily by our employees. The acceptance of telephone client service is especially obvious from the continually growing number of users. At the end of 2008, the two millionth client using db

TelefonBanking Service was greeted. It is our goal to continue to improve the already high service quality of the direct channels, in order to continue to build client relationships.

2.2 Expansion of online sales

2008 saw the further expansion of online channels for private and business clients as an information, service, and sales platform.

In the further development of online banking, both client wishes and the overall goals of the bank, as well as extensive new regulatory requirements (e.g. compensation tax) were all considered. In addition to consistently high access figures at the PBC Portal (about 50 million visits in 2008), numerous new information and service pages were established and campaigns monitored. On the public Web site alone, 80 sales and marketing actions were carried out. The focus of these actions was on the special db FestzinsSparen action, and the PBC pension campaign. For db FestzinsSparen, up to 2000 product orders per week were handled on the online platform in 2008. With the restructuring of the business client portal – information and service offerings at a glance – PBC is a leader in the German market, actively following the future trend towards products capable of direct activation.

maxblue is the online brokerage offering from Deutsche Bank. It provides private investors with all the means and access to the world's capital markets they need to implement their individual investment and financial decisions by making their own market trades. Especially for investors who want to manage their own assets, the investment expertise of the Deutsche Bank Group and the extensive information and analysis tools provided on the Internet by maxblue are a valuable aid.

The brokerage offering of maxblue won numerous awards and press recommendations in 2008. For example, the Deutsche Institut für Service-Qualität named maxblue the "Best bank for umbrella funds" in a comparison of direct banks. FINANZtest gave maxblue the recommendation of "Online security account most worth the price." In the investigation of the "Most cost-effective direct bank" carried out by €uro am Sonntag, maxblue was in second place. In the Competition for the Innovation Prize 2008, praised by Euro Finance and bankenversicherungen.de, maxblue took third place in the category "Best bank for consulting tools for money investment on the Internet," out of more than 100 banking Web sites tested.

2.3 Successful cooperations and third-party sales

Deutsche Bank PGK worked successfully with its cooperation partners, continuing to establish its private client business and thus its position as the leading private client bank. The good experience of previous years validated our plan to enter additional strategic partnerships. Selected cooperations are described below.

Since 2001 Deutsche Vermögensberatung Aktiengesellschaft (DVAG) has extended the mobile sales force of Deutsche Bank. With over 33,000 investment advisors, DVAG is number 1 in the world in independent financial sales organizations. This strategic product partnership opens the attractive product line of Deutsche Bank to the over 4 million clients of DVAG, along with the extensive fund offering of DWS Investments GmbH (hereinafter DWS). In the meantime, about 580,000 of these clients use one or more banking products. Investment and bank products are now an essential component of the overall financial advice of DVAG. Innovative, targeted product solutions – such as ZinsKonto Plus as an attractively interest-bearing salary account for deposit clients – specifically extend the offering. In the currently uncertain market situation, moreover, demand is growing for traditional deposit products. This trend has been made use of by attractive interest offers. The success of cooperation is continuing to grow. In 2009, the brokering of construction financing in particular is supported with an online-capable standard offering.

Another strategic cooperation is our collaboration with Germany's leading automobile club, ADAC. ADAC offers its roughly 16 million members a broad range of offers concerning the topic of mobility. This includes financial services, which include not only vehicle financing and a credit card offer, but since October 2005 include exclusive savings products from Deutsche Bank PGK. The offer has been seen very positively both by the public and among members, since the competence of Deutsche Bank PGK is combined with the brand values of ADAC. Consumer demand is focused on ADAC FlexSparen, a flexible savings account with a savings card that, in addition to very attractive interest rates, also includes the option to be able to access cash free of charge at about 35,000 ATMs worldwide. To complement ADAC FlexSparen, ADAC also offers its members the asset-supporting ADAC-ZielSparen. In the 2008 fiscal year, this cooperation was continued. In all, since the beginning of cooperation in 2005, about 110,000 clients have been gained, about 20,000 of which joined in 2008. The success of the cooperation continues to grow. In 2009, the possibility of expanding the cooperation to additional product fields will be examined.

As a yield- and client-strong PBC growth engine, our partnership banking program was expanded. In partnership banking, we offer companies and their employees attractive products and comprehensive services. For example, we handle the entire banking administration of stock option plans and team stock share programs. In this business field, we are moving with the times to provide increased support, increased employee participation and the establishment of invested pay programs. Our offer also includes banking products (e.g. account, card, security deposits, PK) under preferred terms for the employees of companies and of the government. Numerous publicly traded companies like Daimler, SAP, Linde, Volkswagen, Puma, E.ON, and Deutsche Post have made the decision to participate in our partnership banking program. The cooperation with Daimler AG is particularly noteworthy, thanks to which we were able to welcome about 60,000 Daimler employees as new clients in 2008. In all, we are cooperating with over 100 partner companies in this area, and we have gained about 150,000 new customers in this manner.

Since 2007, there has been a sales cooperation with Immobilienverband Deutschland (IVD). With over 6,000 IVD real estate consultants, Deutsche Bank PGK thus has access to over 50% of the buyers and sellers of real estate marketed in Germany. The goal of the cooperation is the intensification of existing, and establishment of new, feeder contacts, particularly in the area of construction financing.

In the context of the planned strategic participation of Deutsche Bank in the Deutsche Postbank AG (Postbank), both parties agreed in September 2008 to cooperate in the future in selected business fields. Products especially oriented towards private clients by Deutsche Bank PGK and Postbank, who together have the largest branch network in Germany, complement one another outstandingly well in complementary sales channels and client groups, offering attractive options for the mutual sale of financial products. This includes the sale of real estate financing and investment products. There is extensive earnings potential for both partners in this cooperation. On the cost side, we want to implement shared sourcing potentials with Postbank by bundling purchasing volumes.

3. Differentiated growth using our holdings

Since the start of 2007, Berlin has been the largest location for private and business client business in Deutsche Bank Group's German home market. With the acquisition of the Berliner Bank, we permanently strengthened the PBC division. In addition to 60 more branches in Berlin, about 340,000 customers and 1,165 employees, the Berliner Bank brought with it a well-penetrated market. The regional engagement of the Berliner Bank in Berlin – such as the dedication to saving the Kaiser-Wilhelm Memorial Church as a monument known well outside the boundary of the city, or the support of over 30 social and cultural projects in the context of the "Initiative plus" volunteer program – are evidence of the extreme sense of responsibility felt by Berliner Bank as a corporate citizen of the capital. As a regionally active institution, the Berliner Bank as a consulting unit particularly stands for up-and-coming and affluent private clients and for mid-sized companies in the region. The Berliner Bank's business model is closely associated with the economic development of the region. The company clientele thus is clearly focused on the so-called "growth clusters" of media and the creative economy as well as on science. With its regional and industry competence built up over nearly six decades, Berliner Bank is a preferred partner and advisor to well-known Berlin companies and has access to significant opinion leaders and multipliers in the city. The Berliner Bank is increasingly extending its product range with products from Deutsche Bank PGK and its partners. In sales, effective structures have been prepared to make the high-quality product offering of Deutsche Bank Group access to private and business clients. This was continued in 2008, particularly apparent through:

- Success in placement in the area of funds and certificates from DWS and X-Markets,
- The successful expansion of sales cooperation with the Zurich Group as an exclusive partner of the Deutsche Bank Group in the insurance area, with smart pension solutions, and
- The growing demand for capital market products to securitize financing and currency strategies, as well as the use of global options in transaction banking and trade finance by corporate clients.

Mature products – such as the BB MAGIC account for private clients that offers numerous add-on services, as well as a travel booking service – were retained and further developed. More services and more performance, such as participation in the Cash Group, for example, contribute to increased client satisfaction. The Berliner Bank's second full fiscal year as part of the Deutsche Bank Group and as a component of the PBC growth strategy was also successful.

Due to sales growth, particular in the deposit area, and consistent cost management, and despite the difficult financial market situation, Berliner Bank achieved annual earnings of €11 million.

Our nearly 100% subsidiary, Deutsche Bank PBC Spólka Akcyjna, Warsaw, Poland, allows us to continue to utilize significant growth opportunities in Poland, a country with a young and dynamic demographic structure. At of the end of the 2008 fiscal year, our subsidiary provided a total of 120 db kredyt shops and 77 branches. After explosive growth nearly doubled the number of existing and newly opened db kredyt shops in comparison with the previous year, we are confident that Deutsche Bank PBC Spólka Akcyjna will prevail in that market segment, despite tough competition, and will become one of the biggest providers on the Polish market within a few years. Uncomplicated credit and comprehensive credit solutions are offered in the context of our growth strategy, as is credit refinancing. The new product line will also be offered through brokers, agents, and direct sales. We will also consistently continue to implement our growth strategy.

C. Business development

1. Trends in the three dimensions of clients, employees, and shareholders

In our business with private and business clients, in 2008 we have successfully continued the path taken in previous years, using targeted product, performance, and cost management to lay the groundwork for balanced growth in the three dimensions of client, employee, and shareholder, and – in particular due to outstanding customer acquisition performance – we have experienced permanent organic growth. In particular our client and employee retention values remained strong and stable despite the global financial crisis, confirming that we are on the right path to becoming the best bank in all three dimensions. In view of the difficult market environment, we were satisfied with the yearly results we obtained, even though they fell slightly.

1.1 Consistent focus on our clients

With sales activities oriented towards client needs in combination with attractive products and conditions, as well as with our employees' high level of engagement, Deutsche Bank PGK was able to win a net number of 241,000 new customers in these stormy market times. In our home market of Germany, this means that we grew another 3% from 8.4 million clients at the end of 2007 to a total of 8.7 million clients. As in the previous year, two new client acquisition measures are particularly noteworthy: the fixed interest savings actions, and the TopKredit consumer financing product.

Our goal is to achieve outstanding results and to question convention in order to provide our clients with superior solutions. The focus of our offering is a consistently high service and advising quality that we provide to our eight target client groups through Personal Banking, Private Banking, and Business Banking sales channels. Consulting particularly strives for transparency and clarification in order to make clear to the client both the earnings opportunities and the risk of loss. New private and business client campaigns, such as "Trust advice," are oriented towards clients' temporary need for security and the currently weak market environment. Values such as trust, partnership and stability are projected to our clients. The business model for Deutsche Bank PGK and PBC is characterized by excellent financial solutions at a fair price for private and business needs. Good knowledge of our markets and access to the global network of products and services of the Deutsche Bank Group make it possible for us to offer our clients tailor-made financial solutions.

An elementary component of our overall consulting approach is db Finanz & VermögensPlanung, based on the client's individual personal situation. This provides clients with a complete overview of their financial situation, including the resulting opportunities and options. Based on this analysis, our experts can provide our clients with personal solutions adapted to the client's stage in life and taking into consideration both business and private needs, since financial success is the sum of correct decisions.

The need for security and orientation is not just a temporary one, but will be current for a long time. In Business Banking, we have therefore started a "Health care consulting" growth initiative. Selected senior client consultants were prepared for this task by means of corresponding qualification measures. Equipped with well-founded industry know-how, health care-specific consulting documentation and tailor-made product offers, our health care consultants will address this target client group more intensively in the future. The "Active family businesses" initiative was also founded in order to bundle resources and establish a consultant for family businesses to significantly build our competence in this target group that is rich with potential.

People's basic need for pensions and financial security has grown stronger. The primary focus is on a broader formulation of the product mix. This includes not only the existing successful Rürup and Riester products, but also the particular establishment of disability and health care insurance offerings to support the growing need for pension and security in the population. In the insurance area, we are cooperating with the Zurich Group. Especially in pensions, we demonstrated in 2008 that we can meet the needs of our clients with the best products and best consulting. The quality of our performance can be seen in, among other places, the awards for "Best pension consulting" (independent enterprise consultant Qualiance, 07/2008) and "Best bank for retirement plans" (Deutsches Institut für Service-Quality, 06/2008).

Our undivided attention continues to be on increasing client satisfaction and client retention. The most important task of our sales service center (VSC), and of the Quality Management and Client Retention Management units, is to orient its activities towards optimization of the client/employee relationship for the best possible quality of consulting and service. Despite great challenges, including the implementation of a modern, powerful complaint recording and processing platform for client concerns and development of an optimized measurement and control system in the fourth quarter of 2008, the satisfaction and retention of our clients and our employees could be kept at a high level.

1.2 Employees and mobile financial consultants as success factor

With outstanding engagement and high motivation, in the 2008 fiscal year and in an increasingly difficult market environment, our employees contributed significantly to the continuation of establishing our market share in the private and business client segment. Business and personal competence, experience, and particularly motivation are the keys to optimum consulting and advising demanding clients. For this reason, we continually invest in the qualifications and personal development of our employees. First-class training and continuing education opportunities, modern instruments for personal guidance and a variety of career opportunities, as well as performance- based pay and the success of the company: These are the requirements for making and keeping an employer attractive, especially for employees who strive for personal responsibility and performance in their careers.

Deutsche Bank PGK ascribes great importance to the training of young people. The number of trainees at Deutsche Bank PGK in December 2008 totaled 1,311. In addition to career training, we also offer employees the opportunity to study in parallel with their careers and give college graduates, in the context of trainee programs, the option of entering their careers and/or continuing their education in parallel with their work activities. Both the development of our business and the demographic trends in Germany make these measures absolutely essential. Employees showing high potential also participated in a variety of talent programs in 2008. An example of this is the "Perspektive XXL" training program, which focuses on banking sales staff with above-average sales and performance. The goal of the program is to support young talent and to facilitate their rapid business and personal education so that they can quickly enter demanding consulting positions.

Our talent management, however, does not only address young employees, but rather identifies all employees, from hourly workers to management, who have above-average performance and the corresponding potential. Retaining this talent in our company is essential to our long-term success. Two hundred twenty-three employees from the highest salary ranks who have demonstrated their development potential in the past through outstanding performance, participated in the "Professionals Program." The "Leadership Program" in the reported year was open to 57 employees in the non-scale wage area with management responsibilities, who developed their perspectives in a larger range of responsibilities. Furthermore, we continue to develop the PBC career model both for talents in client careers and also in back-office careers. This has allowed us to broaden our career range and to offer high-performing employees for whom a management career is not an option an equally interesting outlook. Our management has the opportunity to participate in "Management Sparring" to support their development in management qualifications. This is a professional form of management coaching tailored to individual needs and has been offered successfully for several years. Management feedback – in which a moderator compares the self-assessment of the manager to external assessments by all direct employees and then discusses them in a moderated team discussion – has also proved useful.

In view of the increasing burden and longer working lifetimes, Deutsche Bank PGK ascribes great importance to the preservation and support of the health and well-being of its employees. We value a uniform process that provides not only different social services in case of illness, but also prevents illness by offering preventive measures. The bank therefore offers, not just to management but since 2008 to all employees in Germany after their 40th birthday, the option of receiving an exclusive medical check-up every three years, including individual consulting in physical health, fitness, and nutrition. After the age of 50, the check-up can even be attended every two years.

The quarterly employee poll taken in the past few years has become firmly established as an instrument for guidance and control. Intensive work with the polling results has led to a significant increase in employee retention.

Based on our strong competitive position and our long-term successful business model, we can offer our employees attractive positions and a good development outlook, achieving permanent values and long-term growth together with our employees: Our staffing level at the end of 2008, at 13,799, is slightly higher than the previous year's level of 13,652.

1.3 Stable returns for shareholders of Deutsche Bank

Despite the very difficult market environment in 2008 with a drastic fall in the stock markets, massive loss of value – in particular in innovative financial products in investment banking – and a partly weakened interbank money market, Deutsche Bank PGK still succeeded in making an important and stable contribution in 2008 to the total results of the Deutsche Bank Group: The payable profit earned of €669 million was about €50 million below the previous year's level of €719 million.

The Return on Equity fell slightly from the previous year's level 25.0%. The cost/income ratio, at 67.8%, was kept nearly stable.

2. Results of our business activities

In the 2008 crisis, it was clear that the private client business creates stability and that its volume business on the deposit and credit side forms a center of stability from which interest earnings flow continually. The margins earned provide a comparatively stable contribution to the results of the bank. We therefore consider our estimate confirmed that the German model of the universal bank, which bundles business with private and business clients, with corresponding product diversification under a single roof, is a good one. Deutsche Bank PGK has not only a pure securities business, but also a strong deposit business, which in 2008 brought in more incoming and new clients than ever before. We have not only our stationary network, but also mobile sales, which had an extremely successful year in 2008 and expanded our branch business to an outstanding extent. Over the course of business activities in 2008, we demonstrated that even in the extremely difficult market environment and under continuing competitive pressure, we could further cement our leading position in 2008. We will continue to drive the establishment of this position in the years to come.

No events of particular importance occurred after the conclusion of the fiscal year.

2.1 Increase in interest revenue from client business

Interest income improved over the fiscal year in both volume and income by €64 million, to €1.895 billion. The earnings from the deposit business rose slightly, since the very successful acquisition of client money with the products db FestzinsSparen and db Geldmarktsparen also led to significant incoming liquidity over the course of the year, particularly in the difficult fourth quarter, with a net of €10.7 billion. Deutsche Bank PGK thus proved to be an important source of liquidity for the Deutsche Bank Group in the tense financial market situation. The significant drop in the final quarter of 2008, however, resulted in a fall in margin and earnings, so that part of the added earnings due to the volume were compensated for.

The credit business was also a stable earner in the past year. While the consumer finance business was particularly characterized by volume expansion in dbPrivate Kredit, and the credit business for business clients led to increased earnings due to margins, construction finance could not quite equal the success of the previous year, due to falling margins.

In addition to the effects of client business, positive effects in derivative transactions concluded for interest security especially provided a significant contribution to interest earnings trends.

Current income from shares and other variable-interest securities, participation, and shares in associated companies rose slightly in 2008 by €1 million to €78 million. Earnings from holdings in affiliated companies for the first time included a profit dividend from the 2007 fiscal year of the Berliner Bank AG & Co. KG in the amount of €22 million. The payment of yields from our investment fund shares from Outside Funding of pension obligations in 2008, at €52 million, was €21 million lower than in the previous year.

Yields from profit-transfer agreements in 2008 rose by €1 million to €8 million.

If interest income is examined for the 2008 fiscal year according to the Credits and Deposits product segments, expanded business on the credit side in personal credit and special-purpose instruments ensured compensation for slightly falling volumes in construction financing. The margin in the credit business was stable in comparison with the previous year. In the deposit business, the db FestzinsSparen and db GeldmarktSparen savings accounts were largely responsible for the increased volume and thus also for the improvement in interest earnings. Success in obtaining client deposits led, however, to a reduction in margin in savings products.

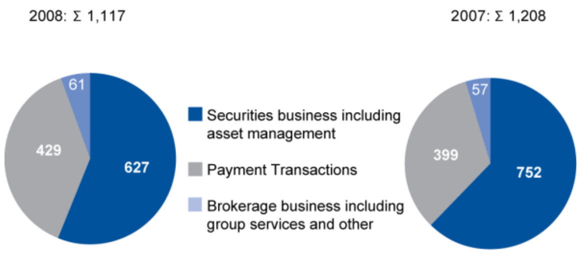
2.2 Commission results burdened by stock market crash

The 2008 fiscal year was one of the most difficult stock exchange years we have ever faced. The financial crisis had a negative effect on nearly every class of security. Net commission income fell accordingly by €91 million (-7,5%) to €1.117 billion. Results were primarily characterized by a significant drop in earnings from the securities business, which was weakened by decreased expenditures for financial consultants. On the other hand, the slight increase from domestic payment traffic was satisfying.

Net commission earnings from the securities business, in comparison with the previous peak year of 2007, fell by 16.6% to €627 million (including earnings from asset management), but at a share of 56%, was still the most significant earnings driver in the commission-dependent business areas.

Financial market crisis weakens commission income

Commission income (in millions of EUR)



Business with funds, stocks, annuities, and certificates fell in 2008 by €119 million in comparison with the previous year, to €545 million.

Investment funds business (including ongoing brokerage fees), with a contribution of €399 million, represented the largest portion of the securities business even though it could not reach its level from the previous year (€466 million). In the context of the introduction of compensation tax as of January 1, 2009, at the start of 2008 we still anticipated significant activity in the investment fund business for the year as a whole, but particularly for the last quarter of 2008. Due to the difficult capital market situation, however, this effect did not occur. We were still able to achieve some placement success with new, innovative products that had partial securitization or a defensive asset strategy. Some of these solutions were active and sold throughout the year.

In the area of closed funds, business in 2008 initially matched the success of the previous year in terms of both volume and the number of new placements. Particularly in the first quarter, but also well into the first half, record sales months were recorded. Market leadership in the placement of closed funds was assured, according to absolute sales volume. However, business with closed funds also could not escape the global financial crisis, and a drop of €7 million (-15%) was registered in this product segment in the end, to €39 million.

Business with certificates and structured products saw an earnings contribution in 2008 of €61 million (-37.4%). The significant drop in earnings, besides the general market trends, was primarily due to the introduction of compensation tax as of 2009 in the context of corporate tax reform.

Trends in product segments in the securities area

Securities commission income (in millions of EUR)

Due to uncertainty in the financial markets, however, our clients tended to move some securities volume into deposit volume with attractive interest rates. In all, however, the volume shrank to a net €0.6 billion. Due to market trends, securities account volume fell 25% to €40 billion. At €32.5 million, therefore, the income from the securities business was slightly under the figure from the previous year.

Within our membership products, in the context of the introduction of the compensation tax, there was a modernization and tightening up of the product line. In particular the asset strategies for more risk-averse clients were converted to a fully new investment approach. One successful placement was the innovative product PrivatMandat Comfort Garant, with the second-largest inflow of capital in the entire German fund market. The volume in membership business, due to the negative trends on the stock market, still fell by €1.8 billion (-25%).

The contribution to income of domestic and foreign payment traffic again exceeded the high level of the previous year, and at €429 million in 2008 continued to represent the second largest income source in commission-based business. The number of new clients with account relationships in 2008 was a satisfactory 2.4% above the high level of the previous year. In particular, it was possible to further increase the sales of higher-quality models. The Junge Konto, with a 23.1% share of new business, continues to be a strong driver. The trend in private account products shows that the advantages of our account model and the associated value-added services are appreciated by the clients.

The brokerage business had an overall slightly positive trend, with €15 million in balance. The following components are noteworthy: brokered insurance contracts, construction savings contracts, and construction finance. Brokerage earnings were supported by lower costs for our mobile financial consultants.

In 2008, pension consulting was a focus for sales activities. The idea that legally-mandated pensions cannot guarantee an individual's accustomed lifestyle in old age is one that is shared by more and more people. The reduction of the pension gap requires the structured establishment of different pension components. Pension consulting is thus a life-long advisory process for us. We meet this obligation by offering regular pension checkups, comprehensive consulting for our clients, and appropriate product offerings.

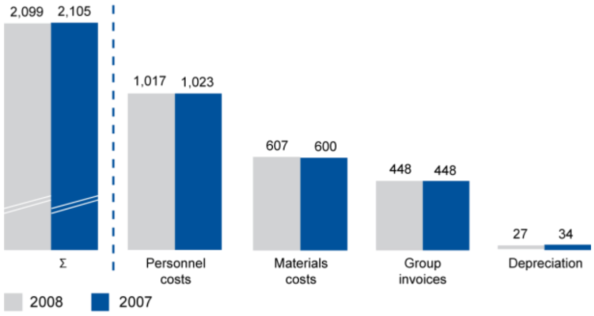
Life and retirement insurance continue to be the carrying pillar in brokered insurance; however, the brokering of residual credit insurance has expanded significantly. Our particularly successful product line db FörderRente Premium became db FondsRente Premium in August 2008, and in 2009 will round out the product line as a direct insurance and basic pension. In all, the insurance business suffered a slight drop, however, by €3 million to €215 million (-1.4%).

2.3 General administrative costs fell

Cost management could be substantially improved in 2008. Based on a clear responsibility structure for organizational units and fixed definition of cost categories, it was possible to react in a timely manner to the challenges posed by the macroeconomic context of the second half. The expansion of reporting and analysis of cost center areas and cost types allowed an increase in cost transparency for management and/or the various responsible parties, as well as in the efficiency of cost management.

Administrative expenses fall slightly

General administrative costs including depreciation of fixed assets (in millions of EUR)



In this context, other administrative costs, at €2.072 billion, could be maintained at the level of the previous year (+€0.6 million). Personnel costs fell by €6 million to €1.017 billion. The decrease in wages and salaries by €24 million to €751 million is primarily due to a reduction in bonus and settlement payments by total of €38 million, while ongoing salary payments rose by €14 million. The reduction in bonuses is a consequence of the drop in earnings in 2008 for both Deutsche Bank PGK and for the entire Deutsche Bank Group. The moderate rise in ongoing salary payments largely reflects scale and non-scale wage increases. Social security contributions and expenditure for pension schemes and support rose by €18 million to €266 million. The characteristic here was the elimination of the favorable effect in the previous year of the adjustment of pension provisions in the context of the rising legal age of retirement.

Other administrative costs, at €1.055 billion due to slightly higher materials expenditures, rose by €7 million in comparison with the previous year. Here, expenses for office space and other business expenses rose in comparison with the previous year. The cause was moderately higher expenses for office space with indexed rents, and contractual cost increases for power. Due to increased levels of client deposits, higher expenses for the deposit insurance fund must be considered. This cost increase, however, could be largely compensated for, since expenditures in IT, communications, and marketing and representation could be reduced. Group-internal invoices, at €448 million, were at the same level as the previous year.

Depreciation of office and business equipment fell by €7 million in comparison with the previous year, to €27 million. This largely resulted from lower depreciations on IT hardware and office furniture.

2.4 Risk provisioning reduced

Depreciations and adjustments on receivables and certain securities, as well as input into provisions in the credit business, were reduced in accordance with the calculation permitted in § 340f Para. 3 of HGB by €17 million (-6%) in comparison with the previous year to €286 million, and resulted primarily from the fall in depreciation on investment funds shares used to cover the pension obligation in the context of outside funding. In contrast, there was an increased in risk costs from the credit business, primarily driven by growth in high-margin but high-risk consumer credit business. In construction finance, on the other hand, risk costs could again be significantly reduced with a constant credit volume. The primary cause of this, in addition to strict risk management, was particularly the early monitoring of clients in arrears. The credit volume of commercial credit remained constant over the course of the year. The trend towards sinking risk costs for commercial credit could not be continued in 2008; rather, we saw increased provisions and a higher need for write-offs.

2.5 Other success and cost components

Other operational earnings fell in 2008 by €21 million in comparison with the previous year, to €17 million. Other operational costs rose by €25 million to €55 million. Characteristic for this drop in results was the elimination of the favorable effect of the previous year (trade tax allocation payment and profit taken from the sale of an office building in Lübeck).

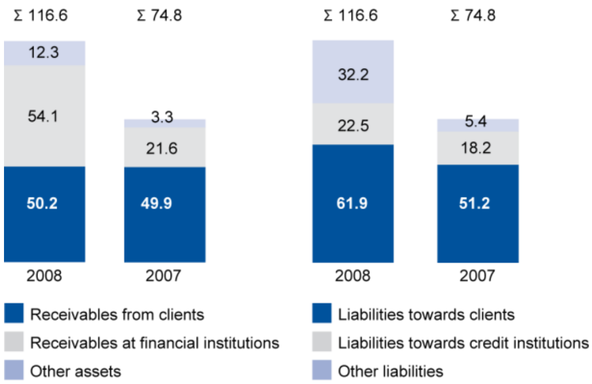
The other operational earnings and costs also include the costs for incorrect processing and damage claim payments and/or earnings from incorrect processing and credits from the resolution of provisions, costs for All-Risk Insurance and corrections from interest and provision costs from previous years.

3. The balance sheet trend

As of December 31, 2008, the balance sheet for Deutsche Bank PGK grew significantly in comparison with the previous year's closing date, by €41.8 billion, or 56%, to €116.6 billion. This increase resulted in large part from new savings deposits in the context of the Festzinsspar campaign pursued actively for months, as well as cash assets of norisbank and Berliner Bank from liquidity excesses from the acquisition of their deposits. Two securitization transactions, "Zugspitze 2008-1" (€28 billion) and "Rhoen 2008-1" (€4 billion), also led to corresponding growth in the balance sheet total.

Significant growth in balance sheet total driven by acquisition of deposits

Assets and liabilities (in billions of EUR)



Our business with client deposits is the backbone of our refinancing, performs important functions in obtaining new clients and asset volumes, and serves as a draw for investment business. With the drop in the prime rate in October 2008, the European Central Bank (ECB) ended the cycle of rising interest rates that lent us an interest rate advantage on the daily money and capital market due to our internal valuation of deposits. We were able to utilize this successfully to obtain of new funds – particularly using FestzinsSparen and GeldmarktSparen. In the last quarter, the ECB dropped the prime rate three times at a historically unique speed, in all by 1.75 percentage points, to 2.5%. This forced us to adjust the offer on interest rates for fixed term deposits and FestzinsSparen. Starting in September, to counter savers' great uncertainty caused by the financial market crisis with respect to the security of their deposits, we showed the financial strength of the Deutsche Bank Group and facts regarding deposit insurance. The unlimited declaration of guarantee issued by the German government for savings deposits also relieved the tension. Client deposit volume therefore rose sharply in 2008 as well, by means of targeted acquisition measures – also and especially in the primary phase of uncertainty in the fourth quarter – rising by €10.7 billion (+20.8%) to €61.9 billion. Characteristic of this process was primarily the dynamic increase in savings deposits with agreed notice periods of more than three months by €10.3 billion due to the attractive fresh money initiative db FestzinsSparen. Here, clients and selected non-clients were offered particularly advantageous terms for new deposits. Members of our cooperation partner ADAC were also persuaded by attractive savings products. Moreover, the volume of other client deposits with agreed periods of maturity as well as demand deposits could be kept at the level of the previous year. This growth in volume is interest-rate-driven and also due to systematic marketing activities and sales success.

In the 2008 fiscal year, the our bank's credit business managed well in a market environment characterized by the financial market crisis and high competitive pressure. Details in the credit business:

Although economic growth was slowed in Germany due to the crisis, and the overall market in consumer credit stagnated, the credit volume of personal credit in the reported year, in contrast with the market trend, expanded by another €400 million, to a total of €4.7 billion. As in previous years, the driver here was db PrivatKredit, in which the client's advantage can be increased by a so-called "payment holiday" – once a year, the client can skip one payment– or by adjusting the payment in the first six months. Moreover, the client can also distribute repayment into up to eight repayment tranches depending on individual needs. Another success factor was the new positive trend in db DispoKredit claims seen for the first time in years, which, with +17% volume growth, lay far above the market average.

The sales financing and credit business also showed growth and could be made even more profitable. Commercial credit grew by 0.8% to a total volume of €3.5 billion. Core products in commercial financing are db BusinessKreditlinie and db InvestitionsDarlehen. Additional product innovations introduced in 2008 increased the attractiveness of these financing instruments for our business clients, because as a partner for midsized companies we can deliver tailor-fit solutions. The db Kompaktkredit Business, for example, up to €50,000 combines a simplified credit decision and central processing with the advantages of the core products listed above. The online credit application introduced in 2008 for business clients is thus the logical next step for this innovative product, since then forming an integral component of the PBC business client portals. By creating a competence center for foreign currency loans, another improvement in quality could be achieved in this special segment. Consulting support by means of electronic interest and payment plans was also extended to commercial loans.

In the construction finance business, the aggressive price war in the market continued. Our margins stayed strong, holding stable at a high level in the first half of the year, and even rising at the end of the year. Our sales initiatives, pursued throughout the year with different top offers for construction financing, such as long-term low-rate construction financing with an attractive, guaranteed interest rate, proved to be performance drivers. In comparison at the end of the year, the volume of €35.2 billion had stabilized at nearly the level of the previous year.

In the securitizing transactions mentioned earlier, there was a bundling of German construction finance credits sold as a true sale to special purpose companies to be consolidated in the Deutsche Bank Group according to IFRS, whereby the securities issued by the special purpose companies were purchased by Deutsche Bank PGK. This left the entire credit risk with Deutsche Bank PGK, creating a strategic liquidity reserve for the Deutsche Bank Group. This made it possible for Deutsche Bank PGK to generate additional income by lending securities to Deutsche Bank AG. In contrast, the SMART 2007-1 transaction concluded by Deutsche Bank PGK in 2007, due to the changed regulatory environment with the implementation of Basel II at the end of January 2008, and the two MBS transactions, HAUS 2000-2 and HAUS 2003-1, were terminated effective April or December 2008.

Additional information about balance sheet items can be found in the Appendix.

D. Risk management

1. Organization of risk management

Risk management at Deutsche Bank PGK includes the identification, measurement, control, and monitoring of the risks associated with banking business and is integrated into the group-wide risk management of Deutsche Bank AG. The structure of the system for measurement and control of risk is largely based on group-wide specifications.

Framework conditions were defined and differentiated by risk type, describing details on handling risk.

Among the most important tasks of risk management and control at Deutsche Bank PGK are:

- Control of risks in bank portfolios in accordance with the business strategies and risk principles determined by the Group Risk Committee of Deutsche Bank AG and the Board of Directors of Deutsche Bank PGK,
- Development and introduction of tailored risk control systems,
- Risk identification and preparation of quality-controlled, timely information about the risk profile,
- Regular checking of business transactions and the

associated risk positions to optimize risk-adjusted yields on economic capital in use, and
- Monitoring of limits in the area of credit, market, and operational risks.

For the monitoring and control of risks, we use Deutsche Bank group-compliant risk control instruments. In addition to sensitivity analyses, stress testing, and value-at-risk calculations, portfolio analysis is performed using process and risk costs, and the portfolio is optimized from the ROE point of view. The monitoring of risk capacity for Deutsche Bank PGK is integrated into group-wide risk management. The aggregated total bank risk (measured as economic capital) is compared to the available risk coverage and various risk-type-specific and global stress and scenario analyses performed. This ensures that unexpected losses in the group are detected and covered early.

2. Typical risk categories

The significant risks to which Deutsche Bank PGK is exposed are bank operational risks and the risks from general business activity.

2.1 Bank operational risks

Bank operational risks are taken consciously by banks in the context of performance control. Due to the structure of our business, we are exposed to market and liquidity risks in the context of our business activities and credit extended. Of these, credit risk is – from a capital requirements point of view – by far the largest risk category. Operational risks and market risks are present to a much smaller extent.

2.1.1 Credit risks

Credit risk describes the danger of partial or complete omission of contractually promised payment on the part of a lender. Credit risk management (market consequence function) and sales (market function) are completely separate from the standpoints of both organization and responsibility.

The significant task of credit risk management include:

- Working out and ensuring adequate credit standards and guidelines,
- Development of credit strategies and monitoring of their implementation,
- Development and implementation of rating procedures,
- Ongoing monitoring and control of the credit portfolio and portfolio structure,
- Establishment of a uniform competence structure and its regular auditing, and
- Competent decision on credits and the formation of appropriate risk securitization.

In addition to central credit risk management, at the regional level, there are four credit risk management units whose organizational structure from the standpoint of regional control of the credit portfolio is primarily oriented towards the main processes of credit decision and problem credit management. To optimize credit processes and processing, management of problem credit units is largely standardized.

We have differentiated credit processes that are tailored to the specific characteristics and needs of client and product segments. These take into consideration different access channels, such as IFC, call center, Internet, and mobile sales.

Credit decision rules and workflows are recorded in detailed credit process descriptions and guidelines. Credit rating and credit decisions are largely carried out using a standardized, systematic rating process that is binding in the sales and credit risk management units. For evaluation of risk, the bank uses automated rating procedures for most of its credit products, in which quantitative factors (e.g. financial analysis, account behavior, external figures) are taken into consideration. The client risk is calculated as a client failure probability using statistical principles on objective credit application data. Securities are included in the calculation of the expected losses (to reduce risk). The engagement risk is shown in the form of the expected loss proportion. Even with the high unit counts typical for our business, quick credit decisions are provided at a constant high level of quality.

Furthermore, workflows are supported effectively by the IT system in all phases of credit handling. The fully automated networking of sales and credit risk management units was further extended. Both consulting and decision and processing are supported by the "KreditManager" system using an integrated approach.

Credit monitoring is supported by the system. This includes a behavior scoring system, dunning letters, and monitoring of compliance with regulations. There are also extensive analysis tools for monitoring and controlling the credit portfolio. Problem engagements are identified based on standardized criteria and sent to problem credit monitoring units. These engagements are sent to a special IT system for efficient processing and risk monitoring.

In 2008, our familiar business policy was continued with respect to a broad distribution of risk in the credit portfolio. IT-supported risk early detection systems that directly identify potentially problematic engagements permitted continued consistent, timely risk management. In addition to intensive efforts to continue building our credit business with private and business clients, our attention in 2008 remained focused primarily on continued optimization of our processes in combination with the handling of problem credit and in the recovery area.

Deutsche Bank PGK uses a standardized mechanical procedure to identify adjustment and write-offs for homogeneous portfolios. In this context, we divide the greater part of our credit portfolio into multiple homogeneous subportfolios according to credit type and client group. About 96% of our entire credit portfolios fall into these homogeneous subportfolios. Based on historical data, the adjustment needs required are determined for each payment delay category in each subportfolio. The adjustment of a homogeneous credit is modeled and posted mechanically in the IT system using fixed individual adjustment rates depending on each payment delay. The fixed adjustment rate to be calculated is omitted from the first payment delay classes according to the procedure. Write-offs and partial write-offs of credit from the homogeneous subportfolios are performed according to the achievement of centrally specified criteria.

Credits in the non-homogeneous portfolio are primarily larger credit facilities or specific credit types such as credits by bank guarantee, collateralized credit, and credits to unions, political parties, public budgets, and non-commercial organizations. These credits are regularly subjected to individual audits. For risk provisioning in the non-homogeneous portfolio, individual adjustments are performed for acutely default-endangered credit. To cover latent risk in credit in the non-homogeneous portfolio not in danger of default, a fixed adjustment is carried out according to the expected loss method (EL).

The risk provisioning provided for the past fiscal year was sufficiently capable of handling all detectable address failure risks for the credit business of €268 million. The high quality of the credit portfolio can also be seen from the fact that only 5.5% of credits – according to the internal rating procedure of the bank – have a rating lower than iB–.

2.1.2 Market risks

The term "market risk" generally denotes the possibility of sudden loss of value caused by unforeseen changes in market price.

The market risk of Deutsche Bank PGK, as a non-trading book institution – due to its business structure – is largely restricted to interest rate change risk that occurs due to client assets and liabilities. Value-at-risk figures and sensitivities are used to measure risk acceptance.

Control of market risk is the responsibility of the Asset and Liability Management department of Deutsche Bank PGK. Future interest and capital cash flow at Deutsche Bank PGK is modeled on a daily basis using an IT system for asset and liability control and subjected to mark-to-market valuation. This forms the basis for the measurement and limitation of interest rate change risk, based on the value-at-risk procedure. The risk figure "value at risk" gives the potential loss in the sense of minimization of cash value of the portfolio of Deutsche Bank PGK due to future market interest rate changes that, assuming normal market movements, will not be exceeded for a holding period of one day, to a probability of 99%. The value at risk, in combination with sensitivities, is a significant figure for the evaluation of the risk position and an important component of early risk detection. The value at risk is calculated daily based on current interest rates using the system for asset/liability control, and is reported to Risk Management. The average utilization of the value at risk limit (€2.0 million) over the reported year was 40.9%. The minimum and maximum value of the value at risk, at €400,000 and €1.5 million respectively, stayed within a narrow range despite the very volatile overall market. On the balance sheet closing day, the value at risk was € 1.1 million. To securitize interest change risk, group-internal interest swaps, options on interest swaps, caps, forward-rate agreements, and market-traded interest futures are all used. Details on derivative positions can be seen in the Appendix.

The market risks from our investment fund shares held as insolvency security for pension obligations are globally monitored by the HR Liability Risk Committee. The effects of market events on the value of the trust assets and on the parameters that are the basis for valuation of the pension obligation according to international guidelines are seen as a valuation unit under group aspects. The investment strategy in investment funds is continually examined in the context of the asset allocation guidelines applicable throughout the Deutsche Bank Group by a committee on which Deutsche Bank PGK is represented by the head of the Asset and Liability Management Department, and reworked if necessary. In the context of a two-sided trust agreement, company and employee trustees work together to monitor compliance with the agreements and trends of the assets.

2.1.3 Liquidity risks

The control of liquidity risk is the also responsibility of the asset and liability management division of Deutsche Bank PGK. Taking the special inventory behavior of the deposit and credit business of Deutsche Bank PGK into consideration, it is ensured in advance that payable obligations can be fulfilled at any time. To securitize payment obligations, as of December 31, 2008, there was a term-limited credit commitment on the part of Deutsche Bank AG in the amount of €7.5 billion.

As of December 31, 2008, the liquidity figures per Principle II were at 1.45; on average over the 2008 fiscal year, they were at 1.37. The requirements for the liquidity figures were met during the entire fiscal year.

There were also large holdings in ECB-capable securities from the two securitizing transactions concluded in the reported year that were able to be used as strategic liquidity reserves.

2.2 General commercial risk

There are operational and general business risks inevitably associated with the banking business.

2.2.1 Operational risks

Operational risks (OR) includes the potential occurrence of loss in connection with employees, project management, contract specifications and documentation, technology, infrastructure, material assets, external influences, and client relationships. Costs and earnings in this context during the reported year came to a net sum of € 23 million.

In the context of regulatory requirements (Basel II), a comprehensive framework has been established in a timely manner. In addition to the function of Operational Risk Officers there is also an Operational Risk Policy that regulates the tasks and responsibilities in all areas of responsibility. Here, the basic principle applies that each business management bears the responsibility for the perception and control of operational risks. For the case of potential or existing risk, there is a progressive information hierarchy that reaches up to the Board of Directors.

The monitoring of operational risk is carried out using an incident reporting system in which all events are decentrally recorded and centrally evaluated. This permits current knowledge to be gained pertaining to existing or potential risk factors that contribute to reducing operational risks using target measures. There is also a history of several years of modeling the volatility of operational risk and providing differentiation between "expected losses" and "HILF" processes (high-impact, low-frequency) in the sense of Basel II. However, based on our OR management activities, we assume that large HILF events will continue to be avoided in the future. In the context of OR monitoring, moreover, timely correction of defects determined by review is monitored centrally (audit tracking). Regular reporting (the Operational Risk Report) to the board of directors with quality figures and statements rounds out the control process.

In the context of management of operational risk ("operational excellence"), error sources and weaknesses in business operations are regularly analyzed (e.g. based on loss data and review reports).

The discovery of systematic process weaknesses flows directly into central process control, while error sources detected in sales are recorded during periodic training of all IFC leaders.

Moreover, there is a standardized approval process for new products. In the context of this process, the early involvement of the required business departments within the bank ensures that new products can be adequately modeled and/or processed in the posting and handling processes.

The business processing for Deutsche Bank PGK is carried out in the context of group strategy based on business supply contracts with different group-internal and external service providers. In the business supply contracts, internal control processes and the authority to issue instructions are contractually agreed upon by Deutsche Bank PGK. Moreover, the standards required by BaFin for the outsourcing of business activities and functions are implemented in an outsourcing policy binding for all areas of responsibility. Compliance with these standards is ensured in the context of an outsourcing monitoring system.

Coordination of crisis management is provided together with the Corporate Security department of Deutsche Bank AG. The existing planning for Business Continuity Management is regularly examined and adapted to new emergency scenarios as needed, taking into consideration the experience of the Deutsche Bank Group.

Furthermore, since 2005, the economic capital for operational risk has already been calculated based on a Basel II-compliant calculation model (Advanced Management Approach). This has been assigned to the associated sales structures according to cause. In 2008, the BaFin approved the AMA model for the Deutsche Bank Group.

Risks endangering inventory and risks that can detectably influence the asset, financial, or deposit situation of the bank are no longer observable and, against the background of the control measures taken, are not expected. In connection with the processes of the money supplier group Heros from 2006, our continued claims associated with the insolvency of Heros GmbH value services account (i.K.) and against the managers are covered by insurance.

In all, the implementation of a systematic and effective operational risk management is running according to plan. The measures taken in 2008 for the establishment of an appropriate OR framework in the PBC companies "Berliner Bank" and "norisbank" will remain the focus of activity of operational risk management in 2009.

2.2.2 General business risk

General business risk is the uncertainty in the course of events based on changed context in business operations such as the market environment, client behavior, and technological change. When conditions change, these risks require fast action and adjustment to the new situation in order to avoid economic disadvantage.

In combination with Deutsche Bank AG, we set up a business risk model with which the economic effects on the forecast results of the bank can be quantified under difficult market conditions. Based on operational planning, the effects of a crisis situation on the pre-tax results can be simulated. The calculation of business risk is based on a group-wide definition of a scenario model that assumes potentially sinking profits and a disproportionate reduction in costs. The risk is that the total profits calculated in the scenario may fall below the total costs calculated in the scenario. For Deutsche Bank PGK, the total results modeled in the scenario exceed the total costs for 2008, so there is no business risk.

3. Banking oversight-relevant shareholders' equity

The balance equity consisting of subscribed capital and capital reserves is, as in the previous year, unchanged as of December 31, 2008, in the amount of €2.6663 billion.

A new addition to § 2a of the 7th edition of KWG permits subordinate institutions to omit compliance with the requirements of § 10 of KWG if the requirements listed in § 2a of KWG are met. The intent of this is to utilize the option to simplify reporting on the part of the subordinate institution to the BaFin and the Deutsche Bundesbank, as well as to provide certification of compliance with requirements. On this basis, Deutsche Bank PGK is no longer obligated to meet the requirements of Principle I. Compliance and monitoring takes place at the level of the institutional group.

According to a voluntary pro-forma calculation, liable equity capital pursuant to the KWG was €3.0766 billion as of December 31, 2008. This includes €2.6645 billion in core capital and €442.9 million in supplemental capital. For the core capital, intangible assets with a book value of €1.8 million are accounted for as withdrawal posts. The drop in supplemental capital (previous year €453.1 million) resulted from the maturity of two subordinate promissory notes bonds with a nominal value of €25.6 million.

E. Outlook

1. Economic outlook for the banking industry

In 2009, banks around the world are facing one of the most difficult years in recent history. The mutually reinforcing effects of the global financial crisis and the equally rapid collapse of the real economy are expected to lead both to a difficult environment for the capital market business and to higher losses in the credit business of the traditional private and business client segment.

While the earnings situation in 2009 for the investment banking sector should stabilize at a relatively low level in comparison with previous years, and the need for write-offs should be lower due to reduced valuation, in 2009 and 2010 we can expect continued significant losses from the credit business. Credit failure rates have significantly increased from their low points in 2005 and 2006, but in a historical perspective they have hardly moved above the long-term average in most segments. The growing number of credit failures will have a significant influence on the earnings situation of the banks, increasingly affecting even those institutions that are primarily active in the private business and mid-sized area.

The massive interest rate cuts by the central banks will have a clearly positive effect on margin trends in new credit business and will contribute to an improvement in interest income in this year and the next. However, this will probably not compensate for the sharp increase in credit failures. The credit volume is still growing in many segments of the market, but over the course of 2009 it should continue to lose momentum, and in the large industrial nations it should shrink on absolute terms, at least temporarily.

At the same time, the commissions business will slow down, since the massive losses in the capital markets have resulted in decreased client activity, which will continue to be the case as far as we can tell. In addition to the loss of trust in the financial sector and in the greater part of the established asset categories that could not escape the global financial crisis and suffered significant losses in value, in 2009 there will be additional fundamental uncertainties: In the recession, due to increasing unemployment, the asset behavior of private investors will be more conservative. The tendency towards investment and thus the need for financing by companies falls, so that not only the demand for credit but also for services associated with the issuing of outside and internal capital should drop, including consulting for mergers and acquisitions.

2. Further establishing our leading market position in Germany

Deutsche Bank PGK has started a comprehensive and permanent stabilization program to be ideally prepared for the changed economic environment. This includes, for example, comprehensive cost management, during which we will consistently save on non-core business topics, strengthen cost consciousness in the organization, and initiate numerous immediate measures to reduce costs.

However, it is precisely these difficult market situations that demonstrate who has the power to continue growing. Despite the extraordinarily difficult economic environment, in 2009 and 2010 we will hold to the planned growth agenda in order to establish the basis for permanent, balanced, and profitable growth in the three dimensions of client, employee, and shareholder.

To continue on the successful path of previous years, cement market leadership in the home market of Germany, and establish our strong position in European core markets, the PBC Division laid out a comprehensive Global Growth program in 2008 which focuses our business model even more on the client. Deutsche Bank PGK in Germany plays a central role in this initiative.

In the client dimension, we want to continue the "Making clients fans" success story and drive client retention above the high levels already achieved in 2008. Our main task in the next few years will be to stabilize client relationships and start new ones, to win back lost trust, and to orient ourselves better to the expectations of our clients. We assume that clients will change their investment policies in view of their experiences and losses in 2008: They will turn to simpler, more understandable products, even if this will be associated with lower yields. To this extent, we will have to place far more importance on transparency than in the past. Transparency applies to the functioning of products as well as to their pricing. Moreover, clients will have an even higher need than ever for high-quality consulting that stands for competence and quality, so that client discussions will gain intensity in terms of both content and time. Thinking for the long term, concentrating on individual clients, taking time: These will mark high-quality consulting.

In Germany, we will therefore invest specifically in our consulting business. To do this, we will significantly expand our coverage area by opening 150 additional branches by 2012. We will also augment our consulting team by hiring a total of 1,250 new consultants, especially in consulting-intensive areas with business clients and affluent private clients. Through planned investment in new employees and locations, the Bank will bundle forces and bring its offering even closer to its clients.

The growth program also includes efficiency measures with the goal of bundling administrative activities and processes in the area of banking services, making them more efficient.

With the growth program, we want to continue to expand our number of clients. Moreover, the cost/earnings ratio in this area should be reduced to the usual European level. We thus want to make a significant increase in earnings before taxes in the shareholder dimension.

The second leg of our PBC growth agenda in Germany is the planned strategic holdings in Postbank. Integration of Deutsche Bank PGK will result from the cooperation with Postbank already announced in September 2008, which will be established in 2009. The motto of the cooperation is for each to benefit from the strengths of the other in order to gain shared earnings and cost synergies over time.

The third field of activity in Germany will be the further development of our subsidiary Berliner Bank in order to significantly increase its past contribution to earnings. We will also continue to invest in opportunity-rich growth initiatives in a timely manner, such as BankAmiz, our special target group offering for Turkish clients.

In Poland, the task is to continue to drive the consistent implementation of growth strategy and permanently expand the market presence of Deutsche Bank PBC S.A. To this end, we will continue to invest in the local branch network, and expand profitable business fields such as consumer credit.

But balanced growth also includes continued investment in our employees. That happens with intensive qualification and also by specific new hires in sales. We wanted to establish a permanently high standard in employee satisfaction, which continued to rise in 2008. We are convinced that stable employee retention makes a decisive contribution to our growth goals.

At the same time, we also see significant business risk for 2009, resulting from the outlined scenario for trends in the economic environment. We can therefore provide no expected value for earnings in 2009 from today's standpoint. We also reserve the right to adjust our outlined growth strategy in 2009 depending on the situation, once new trends in the development of capital markets and the real economy can be discerned.

In Germany, we assume increasing risk in the credit business, with correspondingly higher needs for value adjustments. While influences on the construction financing business can only be expected with increasing payment delays towards the end of 2009 (and thus possibly growing risk costs in 2010), for the segment of consumer finance – and here, particularly in the area of lower income classes – due to increasing part-time employment and/or increasing unemployment and burdens on freely available household income, we expect a direct increase in credit rating risks. In the area of business products, export-dependent companies in particular, including suppliers, will be disproportionately affected by the comparatively strong EUR/USD exchange rate and the drop in demand from overseas; moreover, corresponding effects can be expected on industries dependent on private consumers. In all, for 2009 we expect an increase in corporate insolvency and clearly higher risk costs for the product portfolio of business products.

Despite the currently very difficult market situation, we are convinced that our business model puts us in a very good position. We will thus hold unwaveringly to our position in the premium segment with our promise to provide the "Best service and best client experience."

With the experience of the last few decades, a clear strategy, a well-stocked toolbox to implement it, and motivated employees, we are confident that we can be the first stop our clients' for private client business, even in the next few years. Our actions will be determined by the vision of being the best bank in the dimensions of client, employee, and shareholder for private and business clients in Germany.

Frankfurt am Main, Germany, February 26, 2009

Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft

Board of Directors

Rainer Neske

Andreas Arndt

Guido Heuveldop

Dr. Christian Ricken

Hanns-Peter Storr

Frank Strauß

Non-binding translation

2008 annual financial statement for Deutsche Bank Privat- und Geschäftskunden AG

Balance sheet for Deutsche Bank Privat- und Geschäftskunden AG as of December 31, 2008

Assets		EUR	12.31.2008 EUR	12.31.2007 TEUR
1.	**Cash reserves**			
	Cash holdings		919,546,220	829,590
2.	**Debt instruments in public positions and bills of exchange permitted for refinancing at central banks**			
	Bills of exchange		0.00	0
	including: refinanceable at the Deutschen Bundesbank 0 EUR			
3.	**Receivables at financial institutions**			
	a) payable daily	3.729.038.373,13		2.906.531
	b) other receivables	50,361,325,776.46		18,726,737
			54,090,364,149.59	21,633,268
4.	**Receivables from clients**		50,234,499,265.86	49,900,141
	including: secured by collateral 22,102,887,889.54			
	communal credit 213,946,764.52			
5.	**Bonds and other fixed-interest securities**		8,804,247,346.27	26,178
	Bonds from other issuers 8,804,247,346.27			
	including: lendable at the Deutschen Bundesbank 0			26,178
6.	**Shares and other non-fixed-interest securities**		1,020,478,057.00	1,009,976
7.	**Holdings**		7,945,958.84	9,989
	including: credit institutions 1,084,175.90			
8.	**Shares in affiliated companies**		966,516,159.29	965,629
	including: credit institutions 938,573,407.87			
9.	**Trust assets**		2.352.214,01	2.670
	including: Trust credits 2,352,241.01			
10.	**Intangible assets**		1,569,050.00	2,280
11.	**Tangible assets**		216,454,058.00	211,488
12.	**Other assets**		274,667,053.71	140,087
13.	**Prepayments and accrued income**		38,704,516.09	52,756
Total assets			**116,577,344,048.33**	**74,784,052**

Liabilities side			12.31.2008	12.31.2007
		EUR	EUR	TEUR
1.	**Liabilities relating to financial institutions**			
	a) payable daily	1,260,917,452.31		1,755,109
	b) with agreed duration or notice period	21,252,810,732.72		16,475,318
			22,513,728,185.03	18,230,426
2.	**Liabilities relating to clients**			
a)	Savings deposits			
	aa) with agreed notice period of three months	14,597,248,792.34		14,473,005
	ab) with agreed notice period of more than three months	25,848,279,111.81		15,551,809
			40,445,527,904.15	30,024,814
b)	Other liabilities			
	ba) payable daily	14,835,068,908.21		14,658,644
	bb) with agreed duration or notice period	6,566,420,583.31		6,496,365
			21,401,489,491.52	21,155,009
			61,847,017,395.67	51,179,823
3.	**Securitized liabilities**			
	Issued debentures		56,446.55	133,875
4.	**Trust liabilities**		2,352,214.01	2,670
	including: Trust credits 2,352,214.01			
5.	**Other liabilities**		27,299,475,489.69	230,088
6.	**Prepayments and accrued income**		183,244,097.86	261,420
7.	**Provisions**			
	a) Provisions for pensions and similar obligations	863,596,290.55		809,953
	b) Tax reserves	0.00		511
	c) Other provisions	306,800,407.07		348,649
			1,170,396,697.62	1,159,113
8.	**Subordinated liabilities**		894,760,792.09	920,325
9.	**Equity capital**			
	a) Subscribed capital	550,000,000.00		550,000
	b) Capital reserves	2,116,312,729.81		2,116,313
			2,666,312,729.81	2,666,313
Total liabilities			**116,577,344,048.33**	**74,784,052**
1.	**Contingent liabilities**			
	Liabilities on guaranties and warranty contracts		365,355,201.35	396,163
2.	**Other obligations**			
	Irrevocable loan commitments		3,748,964,357.51	3,672,135

Income statement for Deutsche Bank Privat- und Geschäftskunden AG for the period from January 1 through December 31, 2008

		Expenses	2008		2007
		EUR	EUR	EUR	TEUR
1.	**Interest expenses**			3,194,046,233.07	1,544,377
2.	**Provision expenses**			371,844,070.05	384,013
3.	**General administrative costs**				
a)	Personnel costs				
	aa) Wages and salaries	750,943,783.63			775,422
	for pension and				
	for support	265,570,220.09			247,351
	including:		1,016,514,003.72		1,022,773
	for retirement plans 101,414,445.83 EUR (previous year 85,340 TEUR)				
b)	Other administrative costs		1,055,232,618.49		1,048,372
				2,071,746,622.21	2,071,145
4.	**Depreciation and adjustments on intangible assets and tangible assets**			27,269,334.14	34,312
5.	**Other operating expenditure**			54,776,664.52	29,980
6.	**Write-offs and value adjustments to receivables and certain securities, and input into provisions in the credit business**			285,528,530.09	302,666
7.	**Expenses from participations, holdings in affiliated companies and securities treated as assets**			6,754,649.97	0
8.	**Taxes on income and yield**			-1,150,186.51	4,408
9.	**Profits transferred based on profit-transfer agreements**			668,994,139.04	718,775
10.	**Annual net income**			0.00	0
Total expenditures				**6,679,810,056.58**	**5,089,676**

		Earnings EUR	2008 EUR	2007 TEUR
1.	**Interest received from**			
	a) Credit and money market transactions	4,532,156,736.28		3,371,548
	b) Fixed-interest securities and government ledger bonds	557,071,928.53		3,807
			5,089,228,664.81	3,375,354
2.	**Ongoing earnings from**			
	a) Shares and other non-fixed-interest securities	52,227,194.36		72,936
	b) Holdings	2,073,790.20		1,573
	c) Shares in affiliated companies	23,663,665.05		2,390
			77,964,649.61	76,900
3.	**Earnings from profit-transfer agreements**		7,549,843.60	6,636
4.	**Commission earnings**		1,488,404,182.38	1,591,738
5.	**Earnings from revaluation of holdings and shares in affiliated companies**		0.00	1,216
6.	**Other operating income**		16,662,716.18	37,831
Total income			**6.679.810.056.58**	**5,089,676**

Appendix

A. Preliminary remarks

During the fiscal year, Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft (Deutsche Bank PGK) carried out two true-sale securitizations. Credits were sold in a volume of about €32 billion to two "Special Purpose Vehicles" (SPVs) – "Zugspitze 2008-1 GmbH" and "Rhoen 2008-1 GmbH" – to be consolidated in the Deutsche Bank Group according to international Financial Regulations (IFRS). The debenture bonds issued by these SPVs were purchased by Deutsche Bank PGK and assigned to assets. Since no risk transfer takes place in the context of the transaction, the sold credits continue to appear on the balance sheet of Deutsche Bank PGK, which led in 2008 to a significant increase in the balance sheet total. To comply with the issuing obligations, a special liability appears on the balance sheet. To neutralize the interest change risks resulting from the transactions, an interest-rate swap was concluded with each of the SPVs. The ECB-capable securities tranches of one of the two transactions was lent in the context of a securities loan to Deutsche Bank Aktiengesellchaft (Deutsche Bank AG) for payment.

In connection with the law taking effect on January 1, 2007, concerning the implementation of the new banking guidelines (§ 2a Para. 1 of KWG) and the new capital adequacy guidelines, Deutsche Bank PGK rarely exercises its so-called waiver regulation. There was thus no disclosure to BaFin and the Deutsche Bundesbank regarding regulations and compliance with §§ 10, 13, and 25a Para. 1 Sentence 3 No. 1 of KWG.

B. Legal basis

The year-end results of Deutsche Bank PGK for fiscal year 2008 were structured according to the specifications of the HGB [German Commercial Code] (especially §§ 340ff.) in combination with the Ordinance concerning Invoicing of Credit Institutions and Financial Services Institutions (Rech-KredV) and in compliance with the applicable regulations of the Aktiengesetz (AktG).

C. Balance sheet, valuation, and statement methods

During valuation of the assets and debts listed in the year-end results, the general principles of valuation (§§ 252ff. of HGB), the special regulations for corporations (§§ 279 ff. of HGB) and the specific valuation guidelines applicable for credit institutions (§§ 340e ff. of HGB) were considered.

The cash reserves are valued at their face value. Foreign note and coin holdings are valued at the exchange rates applicable at year end.

Bills of exchange approved for refinancing at the central bank are valued at face value, less the proportional discount.

The statement of claims against credit institutes and clients – less required adjustments – is at face value. Differences between the face value and the issue value are reflected in passive prepayments and accrued income and are resolved proportionally over time.

Provision for general bank risk pursuant to § 340f Para. 1 of HGB was offset by claims against clients.

Securities are basically balanced in compliance with the impairment loss requirement pursuant to § 280 of HGB according to the strict lowest-value principle applicable for current assets, with their cost of procurement or with the lower market values or the lower fair value. Securities assigned to assets are balanced according to the lower-of-cost-or-market principle using continued acquisition costs or, in case of long-term value reduction, at the lower value. The fair value of investment fund shares from outside funding of pension obligations (purchase of investment fund shares as security and fulfillment of pension obligations) and from insolvency security of retirement obligations is determined according to the redemption price less amounts received and not paid, which reflects the proportional value of the special fund. Yields from investment funds – from market gains and proper earnings, less proper expenses – were received until the end of 2005 as current earnings from stocks and other non-fixed-interest securities. Due to a change in balancing methods, as of 2006 earnings from investment funds are only received when there is a dividend resolution.

Deutsche Bank AG has adopted new regulations for commercial pension plans for new hires as of January 1, 2005, and set up "Contribution Plan 2005," which is likewise contractually guaranteed by Deutsche Bank PGK to its own new hires. The fund assets are built up from the contributions for the employees. Based on the valuation unit with pension reserves in the context of this plan, the time value can be determined for valuation of the fund assets.

The investment fund shares are held by Treuinvest e.V., Frankfurt am Main, as asset trustee in its legal possession in the context of insolvency security for pension and partial retirement obligations, based on the economic ownership of the bank but still shown as an asset in the balance sheet post Stocks and other non-fixed-interest securities. The trust fund is subject to access restrictions.

Investment fund shares purchased at the request of employees in the context of the db zeitinvest benefit account system are shown as assets in the balance sheet posts Other assets on the closing date. db zeitinvest is an alternative remuneration scheme for the drawdown of paid longer-term exemptions by employees within the employment relationship based on a works agreement, whereby at the request of the employee, defined payment components are invested in four investment funds with different risk structures. To the same extent, other liabilities towards employees for the payment saved and reserves for the employer portion for social security are posted as liabilities. For insolvency insurance, these investment fund shares are also kept as the legal possession of Treuinvest e.V. as an asset trustee with the restrictions noted above, whereby the economic possession again remains with the bank.

Investments and holdings in affiliated companies are shown at their respective costs of acquisition or – for long-term reductions in value – to the lower value on the closing date.

Fixed assets and immaterial assets acquired by payment are always valued at their cost of procurement or manufacturer, which, insofar as the assets are consumable, are subject to scheduled depreciation according to their useful business life. Unplanned depreciation is carried out for expected value reductions. Low-value business goods are handled according to the changed tax regulations valid as of January 1, 2008.

Liabilities to clients and credit institutions, securitized liabilities, and other liabilities are always posted with their repayment amount. Other liabilities, primarily including issue obligations posted as liabilities during the securitization transactions, are listed at their repayment amount less the amounts defined in the transaction and a discount.

Provisions for pensions and similar obligations, with the exception of "Contribution Plan 2005," are posted in accordance with actuarial principles using the partial value procedure of § 6a of EStG and using a base accounting rate of 6% with the Heubeck standard tables 2005 G. For anniversary payments, the interest rate of 5.5% is used.

In the "Contribution Plan 2005," the bank provides savings contributions and risk contributions for employees on a yearly basis. The savings contributions are invested in fund shares. The reserves for "Contribution Plan 2005" are posted as the sum of the time value of the fund assets and the cash value of the risk supplement on the date of valuation. If this value is lower than the partial value according to § 6a EStG, the reserves are raised to the partial value.

Reserves for contingent liabilities and the threat of loss from pending transactions are calculated according to the principles of reasonable business judgment in the amount of the anticipated requirement.

Provision for risk in the credit business includes value adjustments and reserves for all detectable credit rating and country risks, latent failure risks, and provision for general bank risks.

The value adjustment method for the greater part of the credit portfolio is based on a standardized mechanical single-value adjustment procedure. The credit portfolio is divided into a homogeneous and a non-homogeneous portion, whereby a distinction is made in the homogeneous portfolio between multiple subportfolio groups. The decisive criterion for the standardized single-value adjustment calculation is the performance loss depending on the days a credit or contractually agreed payment stream is overdue or that an approved credit line is overdrawn for line products. If the days late exceed a defined limit, depending on the homogeneous subportfolio group, a full or partial write-off is performed on the security value. Using this value adjustment method based on a statistical model and past data, the objectivization of value adjustment can be achieved. As of December 31, 2008, about 96% of the total client credit volume of Deutsche Bank PGK was assigned to the homogeneous portfolio.

The remaining credits – including claims against credit institutions – are classified as non-homogeneous, since they are not comparable due to their size, complexity, or low unit count. These credits continue to be subject to single-case consideration and are individually adjusted as needed.

Latent credit risk is handled in the form of fixed-value adjustments. The calculation of the fixed adjustment for the non-homogeneous credit portfolio is oriented towards the expected loss if the claim fails (expected-loss method). In the homogeneous credit portfolio, value adjustments are classified as fixed adjustments insofar as the delay in the payment stream is less than 90 days.

Value adjustments are also carried out for all detectable country risks. The transfer risk for credits to creditors in foreign states (country risks) is valued based on a Deutsche Bank group-wide rating system that takes into consideration the economic, political, and regional situation.

There is also a provision for general banking risk pursuant to § 340f. Para. 1 of HGB. The option in § 340 f. Para. 3 of HGB (closing of expenses and yields from certain posts) is exercised.

The market risk position of Deutsche Bank PGK is largely limited to interest rate change risks. The bank has no trade holdings and thus meets the requirements for recognition as a non-trade book institution. The interest rate change risks especially induced by client business are securitized using derivative financial transactions in the form of interest rate swaps, forward rate agreements, swaptions, caps, and financial futures. In the balance sheet, the delimited accrued interest from the interest rate swaps is closed under the "Claims against credit institutions" post. The option premiums paid for swaptions purchased are shown under "Other assets" until the option matures, and after the maturity date, it is distributed into the active invoice delimitation posts and costs distributed over the lifetime of the underlying swaps. The option premiums paid for caps purchased are also shown under "Other assets." The premium for expiration of a suboption (caplet) is distributed over the securitization period of the caplet. Liabilities from futures transactions (variation margin received) is posted under "Other liabilities." Cross-currency swaps are concluded for securitization of interest risks from US dollar demand deposits.

Forward foreign currency transactions are then carried out by Deutsche Bank PGK on the client's behalf. These are securitized by Deutsche Bank PGK on the same day using back-to-back transactions with Deutsche Bank AG. For forward foreign currency transactions, as for other foreign currency derivatives, special coverage is defined according to § 340h of HGB. For forward foreign currency transactions on the client's behalf and the associated back-to-back transactions, these lead to cash-value collection of the fixed margin at the conclusion of the contract. The realized and unrealized profits resulting from this contract trade are shown in provision results.

Contingent liabilities are shown after deduction of risk provision.

D. Currency conversion

Currency conversion in the year-end report of Deutsche Bank PGK is carried out according to the principles specified in § 340h of HGB, as well as those in statement 3/1995 issued by the Banking Committee of the Institute of Business Auditors.

E. Notes on individual items in the balance sheet and income statement

I. Balance sheet as of December 31, 2008

1. Assets

The claims payable daily (€3.7 billion) in Claims against credit institutions include claims against Deutsche Bank AG (€3.4 billion) – primarily from invoice accounts – and against norisbank GmbH (€300 million).

Of other claims against credit institutions (€50.4 billion), €24.2 billion are on assets at Deutsche Bank AG for liquidity disposition, claims from security lending transactions (€18.1 billion), and credits to Deutsche Bank AG for optimization of the hedge strategy in the Deutsche Bank Group (€4.3 billion). Other notable claims include those against the group companies Deutsche Bank Bauspar-AG (€1.4 billion), Deutsche Bank Societá per Azioni (Deutsche Bank S.p.A.), Milan (€700 million), norisbank GmbH (€500 million), Deutsche Bank PBC Spólka Akcyjna (Deutsche Bank PBC S.A.), Warsaw (€600 million), and Berliner Bank AG & Co. KG (€500 million). The position also includes securitized claims in the amount of €75 million. These include Berliner Bank AG & Co. KG at €60.0 million (subordinate) and Deutsche Bank Bauspar-AG at €15.0 million (subordinate). There are also subordinate claims against Deutsche Bank AG branch Colombo at €8.8 million. Subordinate claims are only satisfied in the case of liquidation or insolvency of the debtor after satisfaction of all other non-subordinate creditors. Subordinate status cannot be limited and the period cannot be shortened.

Receivables from clients break down as follows:

	In millions of EUR	
Type of credit business	**12.31.2008**	**12.31.2007**
Construction financing	35,170	35,672
Commercial loans	3,534	3,563
Personal loans	4,657	4,287
Other loans	6,873	6,378
Total	**50,234**	**49,900**

Claims against credit institutions include €54.0791 billion (€75 million of which is securitized) and claims against clients include €48.5 million against affiliated companies or companies with which there is a holding relationship. As of December 31, 2008, under consideration of valuation regulations, the book value of market-traded debenture bonds and other fixed-interest securities resulting from two securitization transactions carried out in 2008 was €8.8042 billion, with €105.3 million omitted from interest limitations. The item includes market-traded debenture bonds of €2.4555 billion and subordinate debenture bonds of €6.3487 billion. Write-offs of €7.6 million were carried out on these securities based on the failures defined in the context of those securitization transactions. The bond of Eurohypo AG that was issued on December 31, 2007, with a balance value of €26.2 million matured in 2008.

The balance sheet post Stocks and other non-fixed-interest securities (€1.0205 billion) includes shares in non-market-traded investment funds of Deutschen Asset Management Investmentgesellschaft mbH that may only be used for the fulfillment of pension obligations (€1.014 billion) and partial retirement obligations (€6.5 million) to employees and pensioners. Dividends from the investment funds were reinvested in the 2008 fiscal year. Fund shares in the amount of €25.3 million were used again in the 2008 fiscal year for the satisfaction of pension claims.

The trends in assets of the Deutsche Bank PGK during the 2008 fiscal year are as follows:

Financial assets (in millions of EUR)	Version 12.31.2007	Changes	Version 12.31.2008
Fixed asset securities	0	8,804.2	8,804.2
Holdings	10.0	-2.1	7.9
Shares in affiliated companies	965,6	0,9	966,5
Total	975.6	8,803.0	9,778.6

Fixed asset securities are balanced at book value; the value on the closing date was €8.7718 billion. When calculating this value, changes in the liquidity spread made since initiation of the transaction due to long-term holding intent, and the credit spread due to consideration already made of credit risk in the risk provision, are not included.

For securities in the amount of €6.3487 billion with a value of €6.3151 billion, there is no write-off of the lower value, since the value reduction due to monthly interest adjustment on securities is considered merely temporary.

Fixed assets In millions	**Procurement costs**			**Revaluation/write-offs and adjustments**			**Book value**	
	As of: 1.1.2008	Additions	Disposals	As of: 1.1.2008	Current Year	Disposals	As of: 12.31.2008	As at: 12.31.2007
Fixtures and fittings	450.3	31.8	11.2	238.8	26.6	11.0	216.5	211.5
Intangible assets	6.5	0.4	0.9	4.2	0.6	0.4	1.6	2.3
Total	**456.8**	**32.2**	**12.1**	**243.0**	**27.2**	**11.4**	**218.1**	**213.8**

The balance sheet item Shares in affiliated companies includes:

Shares in affiliated companies Name and headquarters of company	Share in capital in %	Currency EUR/PLN	Equity capital 2008 in thousands	Result 2008 in thousands
Credit Institutions:				
Berliner Bank AG & Co. KG, Berlin	100.00	EUR	213,195	11,195
Berliner Bank Beteiligungs AG, Berlin	100.00	EUR	1,013	3
Deutsche Bank PBC Spólka Akcyjna, Warsaw, Poland	99.95	PLN	1,054,612	63,512
Other companies:				
KEBA Gesellschaft für interne Services mbH, Frankfurt am Main2)	100.00	EUR	1,299	1,300
Mainsee 608. V V GmbH, Frankfurt am Main	100.00	EUR	25	- [3]
SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Object Halle II KG, Düsseldorf [1]	99.94	EUR	-9,529	-881
Servicegesellschaft der Deutschen Bank Privat- und Geschäftskunden mbH, Bonn [2) 4]	100.00	EUR	3,093	5,125
TEBA Beteiligungsgesellschaft mbH & Co. Objekt Wasserwerk Oranienburg KG i.L., Waltersdorf [1]	99.79	EUR	80	4,446
Telefon-Servicegesellschaft der Deutschen Bank mbH, Frankfurt am Main [2]	100.00	EUR	2,301	1,125
TESATUR Beteiligungsgesellschaft mbH & Co. Object Halle I KG, Düsseldorf [1]	94.48	EUR	-6,965	-290
TESATUR Beteiligungsgesellschaft mbH & Co. Object Nordhausen I KG, Düsseldorf [1]	94.43	EUR	-1,611	-72
Vertriebsgesellschaft mbH der Deutschen Bank Privat- und Geschäftskunden, Berlin [1]	51.00	EUR	1,047	385

1) Result 2007 2) Profit-transfer agreements 3) Year-end statement 2008 not yet prepared 4) Control agreement

With the purchase agreement of December 18, 2008, Deutsche Bank PGK has purchased 100% of the stock in Mainsee 608. V V GmbH, Frankfurt am Main, at a purchase price of €27,500.00 from FORATIS AG, Bonn.

Deutsche Bank PGK purchased 1,287,758 shares of Deutsche Bank PBC S.A. from minority shareholders during 2008. In all, Deutsche Bank PGK held 581,362,398 shares at the end of the year, increasing its share in the base capital of Deutsche Bank PBC S.A. to 99.95%. To be able to purchase the remaining shares, Deutsche Bank PGK started the process of forced cash buy-out of minority shareholders (squeeze-out) of Deutsche Bank PBC S.A. The squeeze-out process was started on the resolution of the shareholders meeting at the start of December 2007, but could not yet be fully completed. The bank plans to continue the process in 2009.

The balance sheet item Holdings includes:

Holdings: Name and headquarters of company of which share > 20%	Capital interest in %	Equity capital 2007 in TEUR	Result 2007 in TEUR
SOLON Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heizkraftwerk Halle KG i.L., Halle	30.53	15,210	24,038
Immobilien-Vermietungsgesellschaft Schumacher & Co. Objekt Rolandufer KG, Berlin	20.53	-17,686	3,432

SOLON Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heizkraftwerk Halle KG i.L., Halle, has been in liquidation since January 1, 2008.

The shares posted in Saarländischen Investitionskreditbank AG in the amount of €1.0044 million are capable of market trading, but the company is not yet public.

The trust assets and trust liabilities listed in the balance sheet are receivables from customers or liabilities to credit institutions in the amount of €2.4 million each.

The largest single items in Other assets (€274.7 million) include: Upfront payments made for swaps in connection with the security transaction Rhoen 2008-1 (€138.3 million), option premiums paid for swaptions and caps purchased for interest securitization (€73.5 million), DWS and DeAM investment fund shares purchased in the context of the db zeitinvest benefit account system (€26.5 million), and a claim due to repayment of corporation tax credits (€15.1 million).

Prepayments and accrued income under assets (€38.7 million) primarily include delimitations for premiums for mature swaptions and caplets (€18.9 million) and period-appropriate representation of provisions (€13.8 million).

2. Liabilities

Liabilities towards credit institutions fall primarily on companies of the Deutsche Bank Group and special credit institutions from payment of purpose-specific moneys. Liabilities towards Deutsche Bank AG, amount to €7.9 billion, €4.3 billion of which is based on transactions for the optimization of the hedge strategy in the Deutsche Bank Group. There are also liabilities towards Deutsche Bank AG from refinancing transactions of €2.9 billion as well as from security transactions connected with existing client foreign currency requirements. The liability from the profit-transfer agreement of €700 million is also included. Other notable deposits include those for the group companies norisbank GmbH (€5.4 billion), Berliner Bank AG & Co. KG (€3.2 billion), and Deutsche Bank S.p.A., Milan (€700 million). Purpose-specific funds of the KfW bank group amount to €4.6 billion.

Liabilities towards clients apply to the following deposits:

	In millions of EUR	
Type of deposit business	**12.31.2008**	**12.31.2007**
Daily payable deposits	14,835	14,659
Fixed-interest savings with agreed notice period of more than three months	25,585	15,194
Savings deposits with agreed notice period of three months	14,597	14,473
Deposits with agreed duration or notice period	6,566	6,496
Other savings deposits	264	358
Total	**61,847**	**51,180**

Liabilities towards credit institutions include €17.2319 billion and liabilities towards clients include €37.2 million towards affiliated companies or companies with which there is a holding relationship.

Securitized liabilities (€100,000) are residual reserves from mature debenture bonds issued by the former

Deutsche Bank Saar AG, but not yet redeemed by the subscribers. The significant drop in securitized liabilities in comparison with the previous year resulted from the termination of the MBS transaction Haus 2000-2 carried out in 2008.

Other liabilities (€27.2995 billion) consist largely of the following items: Issue obligations for client requirements connected with the securitized transactions "Zugspitze 2008-1" (€23.2291 billion) and "Rhoen 2008-1" (€3.4275 billion). There are continuing liabilities from upfront payments received for swaps connected with the securitized transaction "Zugspitze 2008-1"(€362.5 million), interest income tax and solidarity tax (€135.2 million), liabilities from products and services (€37.0 million), liabilities from db zeitinvest (€22.1 million), and deducted wage tax and insurance contributions (€11.8 million).

The balance sheet items listed above on the liability side include a total of €7.4242 billion in liabilities with a remaining period of over five years.

Prepayments and accrued income under assets list €183.2 million, primarily including limitations from credit processing fees in the amount of €127.1 million and differential amounts pursuant to § 340e Para. 2 Sentence 2 of HGB in the amount of €46.0 million. Furthermore, it includes limitations from commission business of €7.6 million. Other provisions (€306.8 million) primarily include personnel-related provisions (€270.4 million) for final special payments, anniversary bonuses, preretirement and partial retirement payments, social security contributions in the context of the db zeitinvest benefit account system, share-based remuneration programs, and vacation claims outstanding on the date of closing. There are also provisions (€36.4 million) primarily for rental obligations and demolition costs for unused office space in the context of the bundling of our sales network carried out in the previous years, regranting liabilities for provisions from brokered transactions, and risks inherent in the credit business.

With the credit contract of September 1, 1999, Deutsche Bank PGK received a subordinate loan in the amount of €894.8 million from Deutsche Bank AG. With maturity in 2009, this subordinate liability is equipped with the three-month Euribor rate plus usual market margin. The average interest rate for 2008 was approx. 5.2%. The merger of Deutsche Bank Lübeck AG, previously Handelsbank, with Deutsche Bank PGK in the 2003 fiscal year resulted in two subordinate promissory note loans against insurance companies in the total amount of €25.6 million, which matured in 2008.

On subordinate liabilities for fiscal year 2008, interest expenses were incurred in the amount of €48.2 million. Limited interest included here in the amount of €3.4 million are listed under the balance sheet item Other liabilities.

For subordinate borrowing of funds, under no circumstances is there an obligation to early repayment on the part of Deutsche Bank PGK. In the case of liquidation, insolvency, or any other process to avoid insolvency, the claims and interest claims from these liabilities are subordinate to the claims of all creditors of Deutsche Bank PGK that are not also subordinate. The prerequisites of § 10 Para. 5a Sentence 1 of KWG concerning the recognition of subordinate liabilities as supplemental capital in the context of offsetting as liable equity capital are fulfilled.

Equity capital as of December 31, 2008, breaks down into an unchanged €550.0 million in subscribed capital and €2.1163 billion in capital reserves. Subscribed capital is divided into 275 million bearer shares with an arithmetic share of two Euros each.

The exercise of the waiver regulation of § 2a of KWG by Deutsche Bank PGK means that it is no longer subject to single-institution oversight pursuant to § 10 of KWG (Principle I) and is thus free of the obligation to calculate liable equity capital.

According to a voluntary pro-forma calculation, liable equity capital pursuant to the KWG was €3.0766 billion as of December 31, 2008. This includes €2.6645 billion in core capital and €442.9 million in supplemental capital. For the core capital, intangible assets with a book value of €1.8 million are accounted for as withdrawal posts. The drop in supplemental capital (previous year €453.1 million) resulted from the maturity of two subordinate promissory notes bonds with a nominal value of €25.6 million.

Deutsche Bank AG, Frankfurt am Main, is the sole shareholder of Deutsche Bank PGK. Deutsche Bank PGK held none of its own shares during the reporting period or on the date of closing.

For liabilities towards credit institutions of €5.0635 billion and liabilities towards clients of €200,000, assets in the amount of €5.0637 billion were used as collateral. The background of these transactions is the transmission of purpose-specific assets (e.g., credits from the KfW banking group from special sponsorship processes) to our clients, assigning the client claim and the securities for them to the sponsoring institution.

3. Balance sheet remarks

The Contingent liabilities listed under the balance sheet line include €55 million from the placement of securities for third-party liabilities. Deutsche Bank PGK placed a security with a nominal value of €55 million as collateral for a credit line from the KfW banking group to Deutsche Bank PBC S.A., Warsaw, Poland.

The irrevocable loan commitments included in other liabilities resulted primarily from book and currency credits to non-banks as well as an irrevocable loan commitment of €708 million to Berliner Bank AG & Co. KG.

4. Remaining time distribution of selected balance sheet items

Remaining time distribution of claims:

In millions of EUR	12.31.2008	12.31.2007
Other receivables at financial institutions	**50,361**	**18,727**
With a remaining time		
Up to three months	5,511	6,874
More than three months to one year	17,390	5,376
More than one year to five years	5,515	2,852
Over five years	21,945	3,625
Receivables from clients	**50,235**	**49,900**
With a remaining time		
Up to three months (including payable daily)	3,996	3,792
More than three months to one year	2,531	2,429
More than one year to five years	12,137	12,083
Over five years	31,479	31,524
Indeterminate period	92	72

As of December 31, 2008, as in the previous year, other claims against credit institutions do not include credits from construction savings reserve contracts concluded.

Remaining time distribution of liabilities:

In millions of EUR	12.31.2008	12.31.2007
Liabilities to credit institutions with agreed duration or notice period	**21,253**	**16,475**
With a remaining time		
Up to three months	4,458	2,381
More than three months to one year	1,964	1,720
More than one year to five years	7,586	4,609
Over five years	7,245	7,765
Savings deposits with agreed notice period of over three months	**25,848**	**15,552**
With a remaining time		
Up to three months	6,506	6,198
More than three months to one year	17,775	8,345
More than one year to five years	1,551	995
Over five years	16	14
Other liabilities to clients with agreed duration or notice period	**6,566**	**6,496**
With a remaining time		
Up to three months	5,329	5,465
More than three months to one year	798	363
More than one year to five years	276	511
Over five years	163	157
Securitized liabilities	**0.1**	**134**
With a remaining time		
Up to three months	0.1	1
More than three months to a year	0	0
More than a year to five years	0	0
Over five years	0	133

5. Relationships with affiliated companies and companies, in which participating interests are held

Relationships with affiliated companies

In millions of EUR	12.31.2008	12.31.2007
Receivables at financial institutions (not securitized)	54,004	21,523
Receivables at clients (not securitized)	49	53
Subordinate liabilities at financial institutions (securitized)	75	75
Liabilities relating to financial institutions (not securitized)	17,232	13,377
Liabilities relating to clients (not securitized)	37	36
Subordinate liabilities relating to financial institutions (securitized)	895	895

Relationships with companies, in which participating interests are held

In millions of EUR	12.31.2008	12.31.2007
Receivables at financial institutions (not securitized)	0	0
Receivables at clients (not securitized)	0	0
Subordinate liabilities at financial institutions (securitized)	0	0
Liabilities relating to financial institutions (not securitized)	0	0
Liabilities relating to clients (not securitized)	0	0
Subordinate liabilities relating to financial institutions (securitized)	0	0

6. Assets and debt in foreign currency

On the asset side there are fixed assets in the amount of €1.7785 billion, and in the liability items there are debts included in the amount of €1.6913 billion in foreign currency.

II. Income statement for period from January 1 to December 31, 2008

Earnings from interest and interest-like yields (€1.9807 billion) grew in the 2008 fiscal year by €66.2 million in comparison with the previous year. Interest income was influenced both by increased deposit volume and by positive effects from interest securitization transactions. The significant growth in income earnings from fixed-interest securities and debenture bonds, as well as a part of the increased interest costs, resulted from the securities purchased in the context of two securitization transactions and from the balanced issue obligation. Earnings from dividends of investment fund shares held in connection with the outside funding of our pension obligations fell by €20.7 million in 2008, while earnings from holdings in affiliated companies rose, primarily due to the first-time payment of dividends on profit from Berliner Bank AG & Co. KG from the 2007 fiscal year.

Commission income (€1.1166 billion) fell in 2008 by €91.2 million (-8%) in comparison with the previous year. This is largely due to the drop in earnings from securities, by €124.5 million to €627.4 million.

Personnel costs (€1.0165 billion) fell in 2008 by €6.3 million in comparison with the previous year. The reasons for the drop are primarily reduced performance-dependent bonus payments and settlement costs that overcompensated the increase from ongoing pay raises.

Other operational amounts fell by €21.2 million in the 2008 fiscal year to €16.7 million. The drop is largely due to the fact that earnings in 2007 included the payment of a trade tax allocation by Deutsche Bank AG and proceeds from the sale of a building.

Other operational expenses (€54.8 million) rose in the 2008 fiscal year by €24.8 million in comparison with the previous year. Other operational expenses primarily consist of invoices from shares of asset/liability management results in affiliated companies and expenses for incorrect processing and damage compensation.

Write-offs and value adjustments for shares, holdings in affiliated companies and securities treated as assets primarily include write-offs on securities purchased in connection with the "Zugspitze 2008-1" securitization transaction. The write-offs are performed on the basis of the failures in the underlying client portfolio defined in the context of the transaction and are not due to worsening credit ratings on the part of the issuers.

The item Taxes on income and earnings (-€ 1.2 million) primarily includes trade and corporate tax payments for the former Deutsche Bank Lübeck AG, previously Handelsbank, Lübeck (merged into Deutsche Bank PGK in 2003) paid as a result of changed tax statements for the 1995 to 2002 fiscal years.

Due to the existing control and profit-transfer agreement, profit in the amount of €669.0 million was transferred to Deutsche Bank AG.

Note:

In the 2008 fiscal year, in comparison with the previous year, the balance sheet shows the following change in postings:

- Move of liabilities from the contribution plan from liabilities towards clients into Other liabilities (€ 29.0 million, previous year € 24.9 million).

F. Other information

I. Liability situation and other financial obligations

The payment obligations for next year from rent and leasing agreements were €411.8 million as of the date of closing; of that, €293.7 million applied to liabilities to affiliated companies.

Futures transactions not yet carried out on the closing date of the balance sheet primarily include interest rate swaps, cross-currency swaps, forward rate agreements, swaptions, caps, and futures used to securitize the market risk position, as well as client-induced foreign currency transactions for which back-to-back transactions were concluded with Deutsche Bank AG.

From cooperation agreements with different contractual partners, such as Arvato GmbH, there resulted financial obligations in the amount of €55.5 million. The agreed terms of contracts end in the period between December 2009 and February 2012.

From Shares in affiliated companies consisting of TEBA Beteiligungsgesellschaft mbH & Co. Objekt Wasserwerk Oranienburg KG i. L., the SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Halle II KG, the TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Nordhausen I KG, and the TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Halle I KG there is a resumption of liability in the amount of €15.3 million pursuant to § 172 Para. 4 of HGB.

From holdings in SOLON Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heizkraftwerk Halle KG i.L., TELO Beteiligungsgesellschaft mbH & Co. Objekt Kläranlage Waßmannsdorf, and the Immobilien-Vermietungsgesellschaft Schumacher & Co. Objekt Rolandufer KG there is also a resumption of liability in the amount of €24.7 million pursuant to § 172 Para. 4 of HGB.

The following table – broken down by residual maturity – shows the nominal amounts and market values of derivative finance transactions concluded for the management of interest change rate from client business:

Values In millions EUR		OTC			Market-traded
Residual maturity		**Interest Rate Swaps***	**CCY Swaps**	**Swaptions/Caps**	**Futures**
Up to 1 year	Nominal value	20,963	38	700	11,635
	Market value	111	-2	12	14
1 to 5 years	Nominal value	28,450	212	2,190	0
	Market value	-230	6	33	0
Over 5 years	Nominal value	43,817	0	3,540	0
	Market value	-525	0	57	0
Total	Nominal value	93,230	250	6,430	11,635
	Market value	-644	4	102	14

* Includes EONIA swaps and Forward Rate Agreements

Additional interest rate swaps were concluded in the context of the securitization transactions. These are shown in the following table:

Values In millions EUR		Interest swaps		
Residual maturity		**Zugspitze 2008-1 GmbH**	**Rhoen 2008-1 GmbH**	**Total**
Over 5 years	Nominal value	25,423	3,762	29,185
	Market value	845	153	998
Total	Nominal value	25,423	3,762	29,185
	Market value	845	153	998

For valuation of derivatives, generally recognized methods (discounted cash flow, e.g. for interest rate swaps; single-factor interest structure curve model, e.g. for swaptions) and generally accessible market data are used.

Forward foreign currency transactions are then carried out by Deutsche Bank PGK on the client's behalf. These are securitized by Deutsche Bank PGK on the same day using back-to-back transactions with Deutsche Bank AG. The nominal values of transactions totaled €155.6 million. The market value of the position is €129,000.

II. Information about affiliated companies

100% of the fully paid subscribed capital of €550.0 million is held by Deutsche Bank AG, Frankfurt am Main.

Deutsche Bank PGK is a subsidiary institution in the exempting consolidated financial statement pursuant to § 292a of HGB in combination with Article 5 Para. 2 Sentence 2 of EGHGB of Deutsche Bank AG, Frankfurt am Main, on December 31, 2008. This was prepared according to the International Financial Reporting Standards (IFRS) and can be requested from Deutsche Bank AG. For the explanations of the balancing, valuation, and consolidation methods deviating from German law in the exempting consolidated financial statement, we refer to the Appendix of the Yearly Report of Deutsche Bank AG. Documentation subject to mandatory disclosure is submitted to the operator of the electronic Bundesanzeigers (Federal Gazette) in Bonn. A partial consolidated statement was not prepared by Deutsche Bank PGK.

G. Composition of the organizations and information about the organizations

Members of the Board of Directors

Rainer Neske
Spokesperson

Andreas Arndt

Guido Heuveldop

Ulrich Kissing
until March 31, 2008

Dr. Christian Ricken

Hanns-Peter Storr

Frank Strauß

Members of the Supervisory Board

Hermann-Josef Lamberti Chairman	Member of the Board of Deutsche Bank Aktiengesellschaft
Stefan Rudschäfski Chairman pro tem	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Dr. Hugo Bänziger	Member of the Board of Deutsche Bank Aktiengesellschaft
Udo Behrenwaldt	Supervisory Board
Artur Biehler	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Heiner Birnstiel	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Martin Edelmann	Head of Finance Group, Deutsche Bank Aktiengesellschaft
Jürgen Fitschen	Member of the Group Executive Committee, Deutsche Bank Aktiengesellschaft
Heidrun Förster as of July 25, 2008	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Klaus Funk until July 25, 2008	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Jürgen Hain	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Dr. Stephan Kunze	CEO, DWS Investment GmbH, and Head of DWS Europe
Wolfgang Matis	Head of Global Markets Germany, Deutsche Bank Aktiengesellschaft
Gabriele Platscher until July 25, 2008	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Karin Ruck	Union representative of Deutschen Bankangestelltenverbandes DBV
Rita Schlink as of July 25, 2008	Appointee of Deutschen Bank Privat- und Geschäftskunden Aktiengesellschaft
Rolf Stockem	Union secretary of ver.di Vereinte Dienstleistungsgewerkschaft
Dr. Axel Wieandt until November 14, 2008	Chairman of the Board of Hypo Real Estate Holding AG
Arne Wittig as of November 15, 2008	General Counsel Deutsche Bank Aktiengesellschaft Replacement member from July 25, 2008 to November 14, 2008 Replacement member from July 25, 2008 until November 14, 2008

Committees of the Supervisory Board

Executive committee

Hermann-Josef Lamberti
Chairman

Stefan Rudschäfski*
Chairman pro tem

Dr. Hugo Bänziger

Heiner Birnstiel*
as of July 25, 2008

Gabriele Platscher*
until July 25, 2008

Mediation committee

Hermann-Josef Lamberti
Chairman

Stefan Rudschäfski*
Chairman pro tem

Martin Edelmann

Jürgen Hain*

Balance sheet committee

Hermann-Josef Lamberti
Chairman

Stefan Rudschäfski*
Chairman pro tem

Artur Biehler*

Martin Edelmann

Committee for credit and market risks

Hermann-Josef Lamberti
Chairman

Dr. Hugo Bänziger

Martin Edelmann

Udo Behrenwaldt
Replacement member

Dr. Stephan Kunze
Replacement member

* selected by employees

The total remuneration of the Board of Directors in the 2008 fiscal year was € 6.2 million; there were no stock options in 2008. In the 2007 fiscal year, the value of stock options granted to the Board of Directors was €1.5 million (20,300 options). The members of the supervisory board of Deutsche Bank PGK were granted subscriptions totaling T€101.5 in the 2007 fiscal year; former members of the Board drew pension payments amounting to €0.4 million in the 2008 fiscal year. Reserves for pension obligations towards former members of the Board are kept in the amount of €11.8 million; there are no other liabilities towards former members of the Board or former members of the supervisory committee.

As of December 31, 2007, there were €0.2 million in advances and credits to members of the Board of Directors. Advances and credits in the amount of €1.1 million were granted to members of the supervisory board.

Task description of the committees

Executive committee

The executive committee is responsible for concluding, changing, and canceling the employment and pension contracts of the Board of Directors and for issuing approval for service or works contracts for members of the supervisory committee with Deutsche Bank PGK pursuant to § 114 of AktG. The responsibilities of the executive committee also include legal business of a basic nature between Deutsche Bank PGK and the members of the Board of Directors.

Mediation committee

Pursuant to § 27 Para. 3 of MitbestG, the mediation committee must present the supervisory committee with a draft appointment of members of the Board of Directors within one month after approval if the majority prescribed by § 27 Para. 2 of MitbestG is not achieved in the supervisory committee.

Balance sheet committee

In the meetings of the balance sheet committee, the intrayear business trends and the yearly statement of Deutsche Bank PGK is prepared for the meetings of the overall supervisory committee. The balance sheet committee makes decisions about ordering audits from the business auditor pursuant to § 111 Para. 2 of AktG, and payment of the auditor. The balance sheet committee can determine the focus of audits.

Committee for credit and market risks

According to § 8 Para. 1 of the Articles of Association of the supervisory committee, the committee for credit and market risks is responsible for handling credits that require the approval of the supervisory committee according to law or articles (intercompany loans pursuant to § 15 of KWG). It also reports about credit risk strategy, credit portfolios, credits, and opportunities that are of particular importance due to the associated risks or liabilities or other reasons.

H. Mandates in supervisory committees required by law in large corporations

Boards of Management

Rainer Neske Spokesperson	Zurich Beteiligungs-Aktiengesellschaft (Germany), Frankfurt am Main	Member of the Supervisory Board
Andreas Arndt	Deutsche Bank Portugal S.A., Lisbon, Portugal	Member of the Supervisory Board
	Deutsche Bank Sociedad Anónima Española, Barcelona, Spain	Member of the Executive Board
Guido Heuveldop	Deutsche Bank PBC Spólka Akcyjna, Warsaw, Poland	Chairman of the Supervisory Board since June 19, 2008, Member of the Supervisory Board until June 17, 2008
	Deutsche Bank PBC Spólka Akcyjna, Warsaw, Poland	Member of the Supervisory Board since May 21, 2008
	Deutsche Bank Societá per Azioni, Milan, Italy	Member of the Supervisory Board
	RREEF Investment GmbH, Eschborn	Member of the Supervisory Board
	Servicegesellschaft der Deutschen Bank Privat- und Geschäftskunden mbH, Bonn	Chairman of the Supervisory Board
Dr. Christian Ricken	Deutsche Bank PBC Spólka Akcyjna, Warsaw, Poland	Member of the Supervisory Board since June 17, 2008
Frank Strauß	Deutsche Bank Bauspar-Aktiengeseilschaft, Frankfurt am Main	Chairman of the Supervisory Board

Employees

Dr. Michael Berendes	Deutsche Bank Bauspar-Aktiengesellschaft, Frankfurt am Main	Chairman pro tem of supervisory committee since November 5, 2008 Member of the Supervisory Board since March 25, 2008
	Deutsche Bank PBC Spólka Akcyjna, Warsaw, Poland	Member of the Supervisory Board
Ulrich Christmann	Deutsche Bank Bauspar-Aktiengeseilschaft, Frankfurt am Main	Member of the Supervisory Board Since November 5, 2008
Thomas Klee	Servicegesellschaft der Deutschen Bank Privat- und Geschäftskunden mbH, Bonn	Member of the Supervisory Board
Dr. Hans-Martin Kraus	Servicegesellschaft der Deutschen Bank Privat- und Geschäftskunden mbH, Bonn	Chairman pro tem of supervisory committee since June 27, 2008
Dario Di Muro	Finanza & Futuro Banca Societá per Azioni, Milan	Member of the Executive Board
Jochen Weller	Saarländische Investitionskreditbank Aktiengesellschaft, Saarbrücken	Member of the Supervisory Board

I. Number of employees

Deutsche Bank PGK employed the following employees on average in 2008:

	Male employees	Female employees	Total
Full-time employees	5,000	4,539	9,539
Part-time employees	100	2,802	2,902
Other employees	136	1,180	1,316
Staff	**5,236**	**8,521**	**13,757**

At of the end of the year, the number of employees rose in comparison to the previous year, from 13,652 to 13,799.

Frankfurt am Main, February 29, 2009

Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft

Board of Directors

Rainer Neske

Andreas Arndt

Guido Heuveldop

Dr. Christian Ricken

Hanns-Peter Storr

Frank Strauß

Auditor's report

We have audited the year-end report – comprising the balance sheet, profit and loss accounts as well as appendix – together with the bookkeeping system and the management report of Deutsche Bank Privat- und Geschäftskunden AG for the financial year from January 1 through 31 December 2008. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the bank's Board of Directors. 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 have conducted our year-end audit per §317 HGB [German Commercial Code] with observance to the German guidelines for a regular audit as determined by the Institut der Wirtschaftsprüfer (IDW) [German Institute of Auditors]. These 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 statement 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 bank and expectations as to possible misstatements are taken into account in the determination of audit procedures. Within the framework of the audit the effectiveness of the accounting system is evaluated based on an internal control system as well as documentation for the details in accounting, year-end results, and management report realized based on spot checks. The audit includes assessing the accounting principles used and significant estimates made by the Board of Directors, 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 led to no discrepancies.

Per our evaluation on the basis of the knowledge gained through the audit, the annual financial statement is in accordance with legal regulations and presents an accurate picture of the company's assets, finances and earnings situation in the Deutsche Bank Privat- und Geschäftskunden AG, in accordance with the principles of proper accounting. The management report is consistent with the annual financial statement 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, February 26, 2009

KPMG AG
Audit firm

(formerly KPMG Deutsche Treuhand-Gesellschaft Public limited company audit firm)

Kuppler	Bose
Auditor	Auditor