Deutsche Bank

Annual Financial Statements and Management Report of Deutsche Bank AG 2009

Passion to Perform

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Management Report

Our Organization

Headquartered in Frankfurt am Main, Germany, Deutsche Bank Group is the largest bank in Germany, and one of the leading financial institutions in Europe and the world with total group assets of € 1,501 billion as of December 31, 2009. As of year-end 2009, Deutsche Bank Group operates in 72 countries. The bank offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

Deutsche Bank Group is organized into the Group Divisions Corporate and Investment Bank (CIB), Private Clients and Asset Management (PCAM) and Corporate Investments (CI). Deutsche Bank AG as the parent company of the group is organized in the same structure, but, compared to the group, has a different business focus. Deutsche Bank AG operates via its German unit comprising the branch office Frankfurt am Main which combines its domestic branches as well as 60 foreign branches.

CIB is further subdivided into the Divisions Corporate Banking & Securities (CB&S), and Global Transaction Banking (GTB). CB&S includes the divisions Global Markets and Corporate Finance, which globally carry out the securities origination, sales and trading businesses as well as the mergers and acquisitions advisory and corporate finance businesses. GTB includes product offerings in trade finance, cash management and trust & securities services for financial institutions and other companies.

PCAM is further subdivided into the Divisions Asset and Wealth Management (AWM) and Private & Business Clients (PBC). AWM consists of Private Wealth Management (PWM), and Asset Management (AM). PWM offers its products globally to high net worth clients and ultra high net worth individuals, their families and selected institutions. PWM offers its demanding clients an integrated approach to wealth management, including succession planning and philanthropic advisory services. The AM business is primarily conducted by subsidiaries of Deutsche Bank AG, which benefits from the AM business performance via services rendered, profit pooling agreements and dividends. PBC offers retail clients as well as small and medium sized companies a variety of products including accounts, loan and deposit services as well as investment advice.

The Corporate Investments manages our global principal investments. The business activity is therefore almost completely conducted outside the parent company.

Economic Performance in 2009

As a consequence of the global financial and economic crisis, the global economy recorded negative growth in 2009 for the first time since World War II. The contraction on an annual average was primarily due to weakness in the winter of 2008/09. In Asia, particularly in China, and in parts of Latin America business activity rebounded first, with GDP in the major industrial countries starting to expand again from mid-year. The recovery has been somewhat more dynamic in the US than in Japan or the euro area. The US economy experienced a contraction of 2.4 % on an annual average. The downturn was more pronounced in Japan and the euro area, with negative growth of 5 % and just under 4 %, respectively. In Germany, a slump in exports and investment activity led to a 5 % contraction of GDP. The upturn that started during the summer has lost some of its momentum in the final quarter.

Government guarantees for financial institutions in nearly all major economies and injections of liquidity by central banks noticeably reduced tensions in the money and capital markets in the course of the year. The Federal Reserve upheld a target corridor of 0 % to 0.25 % for its Fed funds rate in 2009. The ECB reduced its key rate from 2.5 % at the beginning of 2009 in four steps to a record low of 1 % by mid-May. The yields of ten-year government bonds had plunged to record lows in late 2008 and early 2009. In January, US Treasuries were yielding 2.2 %, while German Bunds yielded 2.9 %. By May, an improved economic outlook had boosted yields to nearly 4 % in the US and 3.75 % in Germany. By December, yields had fallen again slightly before worries over ballooning government debt stopped this trend. Spreads on euro-area government bonds widened during the year, in some cases substantially. After bottoming out in early March, global equity markets rallied. Driven initially by improving economic prospects and later by stabilizing earnings forecasts for 2010, the S&P 500 and the DAX gained around 21 % in the course of 2009. Compared to their March lows, the indices were up by no less than 60 %.

The global financial crisis dominated the global banking sector in 2009 for the third year in a row. Following the market disruptions, write downs and short-term stabilization measures of 2008, the focus shifted to adjustments in banks' business models and to discussions about fundamental revisions to the regulatory and supervisory framework for the financial industry.

Following the uncertainty about the solvency of financial institutions and the depth of the global recession at the beginning of the year, financial markets gradually began to stabilize in the spring, thanks to the unprecedented support measures for the financial sector and the real economy. The sharp increase in the funding requirements of industrial nations in light of large public sector deficits boosted the issuance and trading business of investment banks. Large corporations also issued an increasing amount of new debt as well as equity, as the risk appetite of investors recovered in step with the wider economy and the financial sector stabilized. By contrast, revenues from mergers and acquisitions continued to fall after an already weak 2008.

The volume of outstanding loans to business and private clients declined in many countries. Against the backdrop of a sharp contraction in economic output, demand for loans for investment purposes, consumer credit and mortgages declined, while banks tightened their lending standards. In the second half of the year, an improved macroeconomic outlook indicated a moderate improvement in the demand for credit. At the same time, loan losses in Europe and the US reached new historic highs, owing to overcapacities in some industrial sectors, a sharp increase in the number of corporate and personal bankruptcies and a marked rise in unemployment in many countries.

To combat the impact of the global financial and economic crisis, a series of major initiatives for reforming the national and international financial market architecture were launched. Supervisory authorities in many countries increased their focus on monitoring overall risk in the financial system (so-called “macroprudential supervision”) and intensified the supervision of large multinational banks. The Basel Committee on Banking Supervision issued proposals for considerably higher (and higher-quality) capital levels, a better liquidity and refinancing position as well as the establishment of countercyclical buffers with the aim of improving the resilience of financial institutions in economically difficult times.

Summary of Business Performance

Deutsche Bank AG recorded in 2009 a net profit of € 1.2 billion after a prior year net loss of € 2.2 billion, mainly attributable to the strongly improved income from financial transactions.

Net revenues comprising net interest income, net commission income and income from financial transactions, increased by € 9.3 billion to € 16.1 billion. The improvement of results is mainly attributable to financial transactions. The bank increased the income from financial transactions, especially in the first half 2009 in the FX, money market and rates business, as margins widened and customer activity increased. In addition, the non-recurrence of losses caused by credit-related mark-downs helped to strongly improve the income from financial transactions by € 9.8 billion in total.

Total administrative expenses increased by € 2.0 billion to € 11.4 billion. This development was mainly caused by staff expenses, up by € 1.3 billion mainly attributable to variable compensation reflecting the increase in net revenues.

The balance of other operating income/expenses resulted in net expense of € 2.0 billion (2008: net income of € 182 million). Higher operating expenses were attributable mainly to charges of € 316 million from a legal settlement with Huntsman Corp. and of € 200 million related to our offer to repurchase certain products from private investors. Last year’s other operating income included a profit of € 1.5 billion from the merger of subsidiaries with Deutsche Bank AG as a non-recurring effect.

In 2009, total cost of risk provisioning, consisting of changes in credit related risk provisions and result of securities of the liquidity reserve, decreased by € 1.0 billion to € 1.9 billion. Credit related risk provisions went up, mainly driven by certain positions in reclassified assets. The reclassification was applied to certain positions in trading loans, which are accounted at amortized cost after reclassification. In addition, a risk provisioning of € 575 million was set up related to a loan to a consolidated special purpose company which holds "The Cosmopolitan Resort and Casino". This increase was overcompensated by the non-recurrence of prior year losses caused by the valuation and sale of securities of the liquidity reserve, mainly attributable to the bank's own shares.

The net non-operating result including taxes decreased by € 2.8 billion to € 455 million due to non-recurrence of the release of the fund for general banking risks in an amount of € 3.5 billion. This was partly compensated by a significant reduction of write-downs of affiliated companies compared to prior year.

The level of capital and reserves (excluding distributable profit) increased slightly by € 1.4 billion to € 22.0 billion, due to a capital increase related to the acquisition of a minority interest in Deutsche Postbank AG and an additional allocation of profits to retained earnings.

The bank was able to expand its solid capital position and maintain its stable funding and liquidity base. The Bank continues to hold ample strategic cash reserves. The balance sheet volume decreased significantly due to lower market values of derivatives caused by lower volatilities observed in the markets.

The Management Board and the Supervisory Board will propose to the General Meeting a dividend payment of 75 euro cents per share.

Income Statement

Decrease net interest income

Net interest income decreased by € 697 million, or 8.6 %, to € 7.4 billion. This development was mainly attributable to a decrease in current income by € 3.7 billion to € 3.4 billion. The reduction in current income is mainly attributable to significantly lower income from profit-transfer and similar agreements and from investments in affiliated companies.

As a partly compensating effect, the remaining net interest income increased by € 3.0 billion. This was mainly caused by lower swap interest expenses.

Increased net commission income

Net commission income of € 5.0 billion, which was up by € 215 million, or 4.5 %, compared to the previous year. The main contribution resulted from net underwriting fees from debt and equity securities, which rose by € 342 million to € 553 million. A decline in net brokerage fees in the securities business by € 138 million to

€ 644 million was offset by an increase in commission income from other services rendered. A decrease in the fee income in the mergers and acquisitions business (M&A) by € 164 million to € 153 million reflected the decline by 41 % in the global M&A fee pool compared to the previous year according to *Dealogic*.

Recovery of profits in net result from financial transactions

The bank's trading businesses benefitted from the continued recovery of markets in the money and capital markets. The bank reported for 2009 a positive net result from financial transactions in an amount of € 3.6 billion, after a trading loss of € 6.2 billion in 2008. This development was caused by better operative results and lower losses from valuations and sales as in prior year. Those businesses who suffered most in the prior year recorded the highest improvements, namely Global Markets Equity, Global Credit Trading and Equity Proprietary Trading.

However, the Global Credit Trading net result from financial transactions is still negative. This is mainly caused by losses on positions of former proprietary credit trading unit and valuation adjustments related to exposure with monoline insurers. Additional charges of approximately € 350 million related to Ocala Funding LLC, a commercial paper vehicle in the US.

The Global Finance and Foreign Exchange (GFFX) trading businesses were able to sustain prior years high revenue levels and contributed a significant component to the net results from financial transactions.

Higher staff expenses and operating costs

Staff expenses rose by € 1.3 billion to € 6.0 billion, primarily owing to the increase in performance-related compensation which reflects the turnaround in the trading businesses. Compulsory social security contri-butions increased accordingly by an amount of € 0.3 billion. The compensation expenses included € 225 million in respect of the bank payroll tax announced by the U.K. government.

The number of employees decreased by 2,124 (net) to 28,753.

The table below gives a geographical breakdown of our staff.

	Dec 31, 2009	Dec 31, 2008	Change
Germany	12,156	12,317	(161)
Europe excl. Germany	8,232	9,207	(975)
Americas	1,806	2,027	(221)
Africa/Asia/Australia	6,559	7,326	(767)
Total	**28,753**	**30,877**	**(2,124)**

The decrease in headcount was largely attributable to branches in the United Kingdom, Singapore, India and Germany. New branches were opened abroad in Abu Dhabi, Dublin and in four Cities in India.

Other administrative expenses (excluding depreciation on tangible and intangible assets) went up by € 664 million to € 5.1 billion. This increase was primarily attributable to higher costs for services rendered between group companies which increased by € 469 million to € 1.8 billion. The remaining development was mainly attributable to increases in rental expenses and cost of deposit protection. The biggest decreases were recorded for costs for temporary personnel and travel expenses.

Depreciation, amortization and write-downs of tangible and intangible assets amounted to € 252 million in 2009 (2008: € 257 million).

Other operating income/expenses

The balance of other operating income/expenses resulted in net expense of € 2.0 billion (2008: net income of € 182 million). This years' other operating expenses consisted, as in the prior year, primarily of losses on loans held for sale. In addition, expenses included charges of € 316 million from a legal settlement with Huntsman Corp. and of € 200 million related to our offer to repurchase certain products from private investors. Last years' other operating income included a profit of € 1.5 billion from the merger of subsidiaries with Deutsche Bank AG.

Net risk provisioning decreased

In 2009, total cost of risk provisioning, consisting of changes in credit related risk provisions and result of securities of the liquidity reserve, decreased by € 1.0 billion to € 1.9 billion. Credit related risk provisions went up, mainly driven by certain positions in reclassified assets. The reclassification was applied to certain positions in trading loans, which are accounted at amortized cost after reclassification. In addition, a risk provisioning of € 575 million was set up related to a loan to a consolidated special purpose company which holds “The Cosmopolitan Resort and Casino”. This increase was overcompensated by the non-recurrence of prior year losses caused by the valuation and sale of securities of the liquidity reserve, mainly attributable to the bank's own shares.

Other income/expenses

The net result of other income and expenses totaled minus € 307 million (2008: minus € 1.6 billion). The reduction of the loss is due to the non-recurrence of prior year large write-downs of and value adjustments to participating interests, investments in affiliated companies and securities treated as fixed assets, in particular regarding entities in North America. This years' result is mainly caused by additional value adjustments to investments in foreign affiliated companies in Asia and Europe after being offset against income pursuant to Section 340c (2) German Commercial Code (HGB).

Taxes

Income tax benefit amounted to € 762 million in 2009. This income tax benefit is caused mainly by Deutsche Bank AG's foreign branches. Their deferred tax benefit amounted to € 700 million in the reporting period. In addition the bank closed a number of tax audits which contributed to income tax benefit by reducing the tax risk provisioning.

Net profit

The Bank reported a net profit of € 1.2 billion for 2009, which was primarily attributable to the recovery of net results from financial transactions.

Proposed appropriation of profit: dividend increase to 75 euro cents

After the allocation of € 580 million to revenue reserves and release of reserves for own shares in an amount of € 199 million, the Bank's distributable profit amounts to € 793 million as of December 31, 2009. The Bank will propose to the Annual General Meeting that this distributable profit be appropriated to pay a dividend of 75 euro cents per share. The remaining profit of € 328 million will be carried forward.

From the income statement of Deutsche Bank AG.

			Change	
in € m.	**2009**	**2008**	**in € m.**	**in %**
Interest income[1]	17,999	35,155	(17,156)	(48.8)
Current income[2]	3,456	7,120	(3,664)	(51.5)
Total interest income	21,455	42,275	(20,820)	(49.2)
Interest expenses	14,030	34,153	(20,123)	(58.9)
Net interest income	**7,425**	**8,122**	**(697)**	**(8.6)**
Commission income	6,656	6,361	+ 295	+ 4.6
Commission expenses	1,610	1,530	+ 80	+ 5.2
Net commission income	**5,046**	**4,831**	**+ 215**	**+ 4.5**
Net result from financial transactions	**3,598**	**(6,201)**	**+ 9,799**	
Wages and salaries	4,732	3,743	+ 989	+ 26.4
Compulsory social security contributions[3]	1,292	958	+ 334	+ 34.9
Staff expenses	6,024	4,701	+ 1,323	+ 28.1
Other administrative expenses[4]	5,366	4,702	+ 664	+ 14.1
Administrative expenses	**11,390**	**9,403**	**+ 1,987**	**+ 21.1**
Balance of other operating income/expenses	**(2,049)**	**182**	**(2,231)**	
Risk provisioning	**1,912**	**2,938**	**(1,026)**	**(34.9)**
Operating profit	**718**	**(5,407)**	**+ 6,125**	
Balance of other income/expenses	**(307)**	**(1,565)**	**+ 1,258**	**(80.4)**
Income from release of the fund for general banking risks	**–**	**3,475**	**(3,475)**	
Net income (loss) before taxes	**411**	**(3,497)**	**+ 3,908**	
Taxes	(762)	(1,312)	+ 550	(41.9)
Net income (loss)	**1,173**	**(2,185)**	**+ 3,358**	
Profit carried forward from the previous year	1	113	(112)	(99.1)
	1,174	(2,072)	+ 3,246	
Withdrawal from revenue reserves	**199**	**2,382**	**(2,183)**	**(91.6)**
– from reserve for own shares	199	2,382	(2,183)	(91.6)
– from other revenue reserves	–	–	–	
Allocations to revenue reserves	**580**	**–**	**+ 580**	
− to reserve for own shares	–	–	–	
− to other revenue reserves	580	–	+ 580	
Distributable profit	**793**	**310**	**+ 483**	

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

Balance Sheet

Total assets of Deutsche Bank AG amounted to € 1,538.6 billion on December 31, 2009. The decrease in volume of € 712.0 billion, or 31.6 %, was primarily attributable to lower positive and negative fair values of derivative financial instruments, driven by the market conditions. These fair values are reported on a gross basis in other assets and other liabilities.

Total credit extended

The decrease by € 9.0 billion in total credit extended (excluding reverse repos and receivables arising from securities lending and securities spot deals) from prior year continued with a decrease by € 68.8 billion, or 19.6 %, to € 282.2 billion in 2009. Credit totaling € 224.5 billion (decrease of € 36.8 billion) was extended to corporate and institutional customers, while loans to private and business clients reached to € 5.9 billion (down by € 5.3 billion). Both decreases are mainly attributable to the foreign branches of the bank. Loans to banks, which are reported under total credit extended, decreased by € 28.0 billion to € 41.7 billion.

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

			Change	
in € bn.	Dec 31, 2009	Dec 31, 2008	in € bn.	in %
Claims on customers	**240.5**	**281.3**	**(40.8)**	**(14.5)**
with a residual period of				
up to 5 years[1]	219.7	253.7	(34.0)	(13.4)
over 5 years	20.8	27.6	(6.8)	(24.6)
Loans to banks	**41.7**	**69.7**	**(28.0)**	**(40.2)**
with a residual period of				
up to 5 years[1]	33.5	55.6	(22.1)	(39.7)
over 5 years	8.2	14.1	(5.9)	(41.8)
Total	**282.2**	**351.0**	**(68.8)**	**(19.6)**

1 Including those repayable on demand and those with an indefinite period.

Receivables from banks (excluding loans) went up by € 17.8 billion to € 190.0 billion, primarily as a result of the increase in reverse repos.

The total volume of reverse repos – including transactions with customers – increased by € 7.8 billion to € 115.9 billion.

Liabilities to banks decreased by € 20.8 billion to € 346.9 billion primarily as a result of lower short-term time deposits. They included deposits from subsidiaries which grew by € 15.4 billion to € 119.3 billion.

Securities

Holdings of securities increased slightly; thereof holdings of bonds and other fixed-income securities up by € 3.6 billion to € 144.8 billion, while holdings of equity shares and other variable-yield securities grew by € 13.7 billion to € 82.2 billion. The increase in equity positions is mainly attributable to trading positions recorded in foreign branches. The uptrend reflects the development of the international stock markets.

Participating interests

The shareholdings reported as participating interests increased by € 164 million to € 3.1 billion. Additions to the portfolio of participating interests amounted to € 407 million, while sales and other disposals totaled € 243 million.

Investments in affiliated companies

Investments in affiliated companies increased by € 5.1 billion to € 42.2 billion. Additions to the portfolio of investments in affiliated companies amounted to € 15.6 billion, while sales and other disposals totaled € 10.5 billion.

The net increase mainly relates to a contribution of plan assets formerly held by the bank to a subsidiary set up to hold the plan assets. In addition, the capital of foreign subsidiaries was increased to strengthen the capital base.

Own shares

The Annual General Meeting on May 26, 2009 adopted a resolution to launch a further share buyback program, which allows up to 10 % of our outstanding shares to be repurchased by October 31, 2010. This resolution was utilized since July 2009 mainly for share compensation plans. The Bank now sold most of its own shares that were purchased under previous stock buyback programs. The Bank held a total of 0.6 million of its own shares on December 31, 2009 (December 31, 2008: 8.2 million).

Customer deposits

Customer deposits decreased by € 45.6 billion, or 12.1 %, to € 331.2 billion.

This decrease was attributable to deposits repayable on demand, which declined by € 25.3 billion, and to term time deposits, which decreased by € 21.4 billion equally. By contrast, saving deposits continued to grow by € 1.1 billion to € 9.4 billion. Customer deposits included reverse repos of € 38.1 billion (increase of € 4.7 billion compared to prior year).

Liabilities in certificate form increased by net € 5.7 billion to € 186.4 billion. While the volume of bonds and notes decreased by € 13.1 billion, higher volume of money market instruments (up by € 4.0 billion) and other liabilities in certificate form (up by € 14.8 billion) did slightly overcompensate this development.

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

in € bn.	Dec 31, 2009	Dec 31, 2008	Change in € bn.	Change in %
Liabilities to banks	**346.9**	**367.7**	**(20.8)**	**(5.7)**
repayable on demand	229.3	199.2	+ 30.1	+ 15.1
with agreed period or notice period	117.6	168.5	(50.9)	(30.2)
Liabilities to customers	**331.2**	**376.9**	**(45.7)**	**(12.1)**
savings deposits	9.4	8.3	+ 1.1	+ 13.3
other liabilities				
repayable on demand	200.6	225.9	(25.3)	(11.2)
with agreed period or notice period	121.2	142.7	(21.5)	(15.1)
Liabilities in certificate form	**186.4**	**180.7**	**+ 5.7**	**+ 3.2**
bonds and notes issued	41.9	55.0	(13.1)	(23.8)
other liabilities in certificate form	144.5	125.7	+ 18.8	+ 15.0
thereof: money market instruments	13.5	9.5	+ 4.0	+ 42.1

Subordinated liabilities increased slightly by € 0.7 billion to € 17.7 billion.

Capital and reserves

The capital and reserves of Deutsche Bank AG (including its distributable profit of € 0.8 billion) amounted to € 22.8 billion. An amount of € 0.6 billion was allocated to other revenue reserves whereas an amount of € 0.2 billion was released from the reserve for the bank's own shares following its reduction of holdings of own shares. In March 2009, the bank's capital was increased by € 1.0 billion in connection with the investment in Deutsche Postbank AG. This capital increase excluded our shareholders' pre-emptive rights.

The Bank has utilized the option available under Section 2a of the German Banking Act (KWG) with respect to its regulatory capital and now only calculates this capital base for the Deutsche Bank Group (see pages 34 to 36).

Events after the Reporting Date

The acquisition of the Sal. Oppenheim Group closes in the first quarter 2010 and is implemented via various execution agreements which, in accordance with definitions provided in IAS 28, resulted in the Group having significant influence over the Sal. Oppenheim Group already at year end 2009. As all significant legal and regulatory approvals have been obtained by January 29, 2010, the recognition date was set for that date and accordingly, the Group commenced consolidation of the Sal. Oppenheim Group in the first quarter 2010.

For detailed information, we refer to Note [34] to the consolidated financial statements.

Compensation Report

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

Principles of the Compensation System for Management Board Members

The Supervisory Board as a whole is responsible for the compensation framework, including the main contract elements, for the members of the Management Board on the recommendation of the Chairman's Committee of the Supervisory Board and reviews the compensation framework, including the main contract elements, regularly. It also determines the total compensation and its composition for the members of the Management Board on the recommendation of the Chairman's Committee of the Supervisory Board.

In respect of the 2009 financial year, the members of the Management Board received compensation for their service on the Management Board totaling € 38,978,972 (2008: € 4,476,684). This aggregate compensation consisted of the following components and for the 2009 financial year was primarily performance-related.

in €[1]	2009	2008
Non-performance-related components:		
Base salary	5,950,000	3,950,000
Other benefits	849,346	526,684
Performance-related (variable) components:		
without long-term incentives (non-deferred)[2]	9,587,269	–
with long-term incentives (deferred)	22,592,357	–
Total compensation	**38,978,972**	**4,476,684**

1 Compensation figures relate to Management Board members active in the respective financial year for their service on the Management Board.
2 Immediately paid out.

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

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

The members of the Management Board receive a base salary which is reviewed at regular intervals. The base salary is disbursed in monthly installments. Other benefits comprise taxable reimbursements of expenses and the monetary value of non-cash benefits such as company cars and driver services, insurance premiums, expenses for company-related social functions and security measures, including payments, if applicable, of taxes on these benefits.

Performance-Related Components. The performance-related components comprised for the year 2009 a bonus payment, a mid-term incentive ("MTI") and, for the Management Board members responsible for the CIB Group Division, a division-related compensation component ("division incentive"). The annual bonus payment, which was based on a target amount, was driven primarily by the achievement of our planned return on equity. The MTI (also based on a target amount) was based on the ratio between our total shareholder return and the corresponding average figure for a selected group of comparable companies for a rolling two year period. The division incentive considered the performance of the CIB Group Division (for example, net income before tax), also in relation to peers and set targets, as well as the risk aspects and individual performance.

Components with Long-Term Incentives. The variable compensation components that the members of the Management Board received for 2009 (bonus, MTI and (if applicable) division incentive) were deferred to a much higher proportion than in previous years, constituting for each member of the Management Board more than 60 % of his variable compensation. These deferrals were granted as restricted incentive awards and as restricted equity awards. Both deferred compensation elements have a long-term incentive effect and are subject to forfeiture. Forfeiture will take place in defined cases, for example, in the event of non-achievement of defined parameters, breach of policy or financial impairment.

Restricted incentive awards were distributed under the DB Restricted Incentive Plan. Their ultimate value will depend on, among other things, return on equity developments during the next three years (2010 – 2012). The awards are divided into three equal tranches which vest in early 2011, 2012 and 2013.

Restricted equity awards were distributed under the DB Equity Plan. Their ultimate value will depend on, among other things, the price of Deutsche Bank shares upon their delivery. Subject to the above-mentioned conditions, a part of the shares from these rights will vest in nine equal tranches, the last of which will be delivered in November 2013, and a significant portion of the rights will vest only in November 2013, i.e., after almost four years. In February 2010, members of the Management Board were granted a total of 405,349 shares in the form of restricted equity awards under the DB Equity Plan for their performance in 2009 (2008: 0).

For further information on our DB Restricted Incentive Plan and DB Equity Plan see Notes [31] and [32] to the consolidated financial statements.

The Supervisory Board reviews the compensation framework for the members of the Management Board on a regular basis and develops it further as appropriate. Due to revised legal and regulatory requirements, which have been newly implemented through the end of last year, the Supervisory Board recently decided to review the compensation framework and to re-design it for the future – without changing the total target amount – considering and incorporating the following aspects:

The main focus of the further-developed framework is to align the compensation of the members of the Management Board with the sustainable and long-term leadership and development of the company, to constitute an adequate combination of fixed and variable compensation components, to establish an even more comprehensive assessment basis for the variable compensation, to grant large portions of the variable compensation on a deferred basis, to subject already granted variable compensation components to possible forfeiture in case of defined events as well as to continue to combine the interest of the members of the Management Board with the interest of the company by their long-term investment in the company.

To provide further for the appropriate mix of fixed and variable compensation, in the future base salaries will be increased to € 1,150,000 per year for an ordinary Management Board member and to € 1,650,000 per year for Dr. Ackermann. Target bonus numbers will be reduced accordingly.

To achieve a multi-year basis of assessment, the bonus will be calculated in the future based on two equally weighted factors, which are designed as follows. The first factor depends on our two year average return on equity in comparison to our internal plan. The second factor is driven by our two year average return on equity (with the exception for the 2010 financial year for which only our 2010 return on equity will be considered). In addition, the calculated amount may be increased or reduced by up to 50 % at the discretion of the Supervisory Board depending on individual performance and other considerations. The part of the bonus that relates to the respective factor will not be paid if pre-defined targets are not met. Any bonus will, as a rule, be in part deferred.

As further part of the variable compensation the MTI will be replaced by a Long-Term Performance Award ("LTPA"), which is a compensation element with long-term incentive effect. The LTPA, which is based on a target number, reflects, for a rolling three year period, the ratio between our total shareholder return and the corresponding average figure for a selected group of comparable companies. If the average calculated for Deutsche Bank is less than a specific threshold value in comparison with the selected group of companies, no LTPA payment will be made. Any payout of the LTPA will, as a rule, be predominantly deferred.

The division incentive will continue to apply to Management Board members with responsibility for the CIB Group Division. Such division incentive will consider the performance of the CIB Group Division (e.g. net income before tax), also in relation to peers and the set targets, as well as the risk aspects of the business and individual performance.

In general, more than 60 % of the sum of all variable compensation elements (bonus, LTPA and (if applicable) division incentive) will be deferred. Any deferred amount may be granted in cash and/or in equity or equity-linked compensation instruments. As a further general rule more than 50 % of the deferred amount will be settled in equity or equity-linked compensation. The bonus deferral will in general be delivered in restricted incentive awards, whereas the LTPA and division incentive deferrals will as a rule be delivered in restricted equity awards or equity-linked compensation. Restricted incentive awards will be granted in three equal tranches and will vest starting one year after grant over a period of three years in total. Restricted equity awards will be granted to vest in several tranches starting one year after grant, the last of which will be delivered after almost four years. The value of those awards or equity-linked compensation instruments will be subject to share price performance.

Any deferred award will be subject to forfeiture based on group performance and individual behavior and performance, to reflect and safeguard the risk orientation of the compensation. The members of the Management Board will not be allowed to restrict or suspend the risk orientation by hedging or other countermeasures. Even in case of extraordinary developments the total compensation including all variable components may be limited to a maximum amount.

A payment of variable compensation elements will not take place, if the payment is prohibited or restricted by the German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht") in accordance with existing statutory requirements.

The members of the Management Board will still receive in the future the above-mentioned other benefits and are entitled – with the exception of members of the Management Board which receive a division incentive – to the pension benefits described below.

Our Management Board members have and will have a share holding requirement. They are required to keep during their membership on the Management Board 45 % of the Deutsche Bank shares which have been delivered or will be delivered to them during their membership on the Management Board since 2008. If the share-based components of the variable compensation exceed 50 % of the variable compensation in a given year, the requirement will not apply to the portion exceeding 50 %.

In the course of developing the compensation structure further as well as defining the variable components for the financial year 2009, the Supervisory Board was advised by an external independent consultant.

Management Board Compensation

The Management Board members received the following compensation components for their service on the Management Board for the years 2009 and to the extent applicable 2008. All Management Board members active in 2008 have irrevocably waived any entitlements to payment of variable compensation for the 2008 financial year.

Members of the Management Board in €		Non-performance-related components: Base salary	Non-performance-related components: Other benefits	Performance-related components: without long-term incentives (non-deferred)[1]	Performance-related components: with long-term incentives (deferred)[2]: Restricted incentive award	Performance-related components: with long-term incentives (deferred)[2]: Restricted equity award	Total compensation
Dr. Josef Ackermann	2009	1,150,000	154,030	1,575,000	1,925,000	4,747,500	9,551,530
	2008	1,150,000	239,586	–	–	–	1,389,586
Dr. Hugo Bänziger	2009	800,000	51,388	1,231,425	268,575	1,657,500	4,008,888
	2008	800,000	62,160	–	–	–	862,160
Michael Cohrs[3]	2009	600,000	39,661	905,428	130,210	1,546,575	3,221,874
	2008	–	–	–	–	–	–
Jürgen Fitschen[3]	2009	600,000	131,111	923,569	201,431	1,243,125	3,099,236
	2008	–	–	–	–	–	–
Anshuman Jain[3]	2009	600,000	52,697	1,565,428	691,210	4,884,525	7,793,860
	2008	–	–	–	–	–	–
Stefan Krause[4]	2009	800,000	58,267	1,231,425	268,575	1,657,500	4,015,767
	2008	600,000	107,306	–	–	–	707,306
Hermann-Josef Lamberti	2009	800,000	102,123	1,231,425	268,575	1,657,500	4,059,623
	2008	800,000	92,893	–	–	–	892,893
Rainer Neske[3]	2009	600,000	260,069	923,569	201,431	1,243,125	3,228,194
	2008	–	–	–	–	–	–

1 Immediately paid out.
2 Long-term incentives include restricted incentive awards and restricted equity awards granted for the respective year. The number of shares in the form of restricted equity awards granted in 2010 for the year 2009 to each member of the Management Board was determined by dividing the respective Euro amounts by € 45.978, the average Xetra closing price of the DB share during the last ten trading days prior to February 1, 2010. As a result, the number of share awards to each member was as follows: Dr. Ackermann: 103,255, Dr. Bänziger: 36,049, Mr. Cohrs: 33,637, Mr. Fitschen: 27,037, Mr. Jain: 106,236, Mr. Krause: 36,049, Mr. Lamberti: 36,049, and Mr. Neske: 27,037.
3 Member of the Management Board since April 1, 2009.
4 Member of the Management Board since April 1, 2008.

Management Board members did not receive any compensation for mandates on boards of our subsidiaries.

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

The following table shows the service costs for the years ended December 31, 2009 and December 31, 2008 and the balance of the pension accounts at the respective dates.

Members of the Management Board[1] in €		Service costs	Balance of pension accounts
Dr. Josef Ackermann	2009	318,006	4,459,769
	2008	317,893	4,098,838
Dr. Hugo Bänziger	2009	405,530	1,583,668
	2008	429,167	1,379,668
Jürgen Fitschen[2]	2009	62,984	60,000
	2008	–	–
Stefan Krause[3]	2009	407,171	492,000
	2008	100,691	216,000
Hermann-Josef Lamberti	2009	260,217	4,302,174
	2008	273,192	4,166,174
Rainer Neske[2]	2009	114,385	225,000
	2008	–	–

1 Other members of the Management Board do not participate in the Management Board pension plan.
2 Member of the Management Board since April 1, 2009.
3 Member of the Management Board since April 1, 2008.

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

If a Management Board member, whose appointment was in effect at the beginning of 2008, leaves office, he is entitled, for a period of six months, to a transition payment. Exceptions to this arrangement exist where, for instance, the Management Board member gives cause for summary dismissal. The transition payment a Management Board member would have received over this six months period, if he had left on December 31, 2009 or on December 31, 2008, was for Dr. Ackermann € 2,825,000 and for each of Dr. Bänziger and Mr. Lamberti € 1,150,000.

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

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

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

Management Board Share Ownership

As of February 19, 2010 and February 27, 2009, respectively, the members of our Management Board held the following numbers of our shares and share awards.

Members of the Management Board		Number of shares	Number of share awards[1]
Dr. Josef Ackermann	2010	355,474	197,260
	2009	334,577	133,789
Dr. Hugo Bänziger	2010	36,116	89,402
	2009	24,101	77,441
Michael Cohrs[2]	2010	144,537	268,708
	2009	–	–
Jürgen Fitschen[2]	2010	98,339	86,747
	2009	–	–
Anshuman Jain[2]	2010	338,717	433,046
	2009	–	–
Stefan Krause	2010	–	36,049
	2009	–	–
Hermann-Josef Lamberti	2010	97,740	78,190
	2009	88,373	59,973
Rainer Neske[2]	2010	42,547	75,395
	2009	–	–
Total	**2010**	**1,113,470**	**1,264,797[3]**
Total	2009	447,051	271,203

1 Including the share awards Dr. Bänziger, Mr. Cohrs, Mr. Fitschen, Mr. Jain and Mr. Neske received in connection with their employment by us prior to their appointment as member of the Management Board. The share awards listed in the table have different vesting and allocation dates. The last share awards will mature and be allocated in November 2013.

2 This person was not a member of the Management Board as of February 27, 2009.

3 Thereof 138,405 vested.

The members of our Management Board held an aggregate of 1,113,470 of our shares on February 19, 2010, amounting to approximately 0.18 % of our shares issued on that date. They held an aggregate of 447,051 of our shares on February 27, 2009, amounting to approximately 0.08 % of our shares issued on that date.

The number of shares delivered to the members of the Management Board in 2009 from deferred compensation awards granted in prior years amounted to 633,531.

In 2009, compensation expense for long-term incentive components of compensation granted for their service in prior years on the Management Board was € 2,013,402 for Dr. Ackermann, € 810,967 for Dr. Bänziger, and € 902,559 for Mr. Lamberti. Mr. Cohrs, Mr. Fitschen, Mr. Jain and Mr. Neske joined the Management Board only in April 2009 and no expense was therefore recognized for long-term incentives granted for their service on the Management Board in 2009. In 2008, the corresponding compensation expense for these components was € 3,368,011 for Dr. Ackermann, € 1,103,939 for Dr. Bänziger and € 1,509,798 for Mr. Lamberti. Mr. Krause joined the Management Board only in April 2008 and no expense was therefore recognized for long-term incentives granted for his service on the Management Board in 2009 and 2008.

For more information on share awards in the table above granted under the share plans, see Note [31] to the consolidated financial statements.

Principles of the Compensation System for Supervisory Board Members

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

The following provisions apply to the 2009 financial year: compensation consists of a fixed compensation of € 60,000 per year and a dividend-based bonus of € 100 per year for every full or fractional € 0.01 increment by which the dividend we distribute to our shareholders exceeds € 1.00 per share. The members of the Supervisory Board also receive annual remuneration linked to our long-term profits in the amount of € 100 each for each € 0.01 by which the average earnings per share (diluted), reported in our financial statements in accordance with the accounting principles to be applied in each case on the basis of the net income figures for the three previous financial years, exceed the amount of € 4.00.

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

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

The members of the Nomination Committee, which has been newly formed after the Annual General Meeting 2008, waived all remuneration, including the meeting fee, for such Nomination Committee work for 2009 and the following years, as in the previous years.

Supervisory Board Compensation for Fiscal Year 2009

We compensate our Supervisory Board members after the end of each fiscal year. In January 2010, we paid each Supervisory Board member the fixed portion of their remuneration for their services in 2009 and their meeting fees. In addition, we will pay each Supervisory Board member a remuneration linked to our long-term performance as well as a dividend-based bonus, as defined in our Articles of Association, for their services in 2009. Assuming that the Annual General Meeting in May 2010 approves the proposed dividend of € 0.75 per share, the Supervisory Board will receive a total remuneration of € 2,561,316 (2008: € 2,478,500).

Corporate Governance Statement according to Section 289a HGB

The entire Corporate Governance Statement is available on our website under http://www.deutsche-bank.de/ir/en/content/corporate_governance_reports.htm.

Other Information

Information pursuant to Section 289 (4) of the German Commercial Code and Explanatory Report

Structure of the Share Capital

As of December 31, 2009, Deutsche Bank's issued share capital amounted to € 1,589,399,078.40 consisting of 620,859,015 ordinary shares without par value. The shares are fully paid up and in registered form. Each share confers one vote.

Restrictions on Voting Rights or the Transfer of Shares

Under Section 136 of the German Stock Corporation Act (AktG) the voting right of the affected shares is excluded by law. As far as the bank held own shares as of December 31, 2009 in its portfolio according to Section 71b AktG no rights could be exercised. We are not aware of any other restrictions on voting rights or the transfer of shares.

Shareholdings which Exceed 10 % of the Voting Rights

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

Shares with Special Control Rights

Shares which confer special control rights have not been issued.

System of Control of any Employee Share Scheme where the Control Rights are not Exercised Directly by the Employees

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

Rules Governing the Appointment and Replacement of Members of the Management Board

Pursuant to the German Stock Corporation Act (Section 84) and the Articles of Association of Deutsche Bank (Section 6) the members of the Management Board are appointed by the Supervisory Board. The number of Management Board members is determined by the Supervisory Board. According to the articles of Association, the Management Board has at least three members. The Supervisory Board may appoint one member of the Management Board as Chairperson of the Management Board. Members of the Management Board may be appointed for a maximum term of up to five years. They may be re-appointed or have their term extended for one or more terms of up to a maximum of five years each. The German Co-Determination Act (Mitbestimmungsgesetz; Section 31) requires a majority of at least two thirds of the members of the Supervisory Board to appoint members of the Management Board. If such majority is not achieved, the Mediation Committee shall give, within one month, a recommendation for the appointment to the Management Board. The Supervisory Board will then appoint the members of the Management Board with the majority of its members. If such appointment fails, the Chairperson of the Supervisory Board shall have two votes in a new vote. If a required member of the Management Board has not been appointed, the Local Court (Amtsgericht) in Frankfurt am Main shall, in urgent cases, make the necessary appointments upon motion by any party concerned (Section 85 AktG).

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

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

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

Rules Governing the Amendment of the Articles of Association

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

Powers of the Management Board to Issue or Buy Back Shares

Deutsche Bank's share capital may be increased by issuing new shares for cash and in some circumstances for noncash consideration. As of December 31, 2009, Deutsche Bank had authorized but unissued capital of € 485,480,000 which may be issued at various dates through April 30, 2014 as follows. Further details are governed by Section 4 of the Articles of Association.

Authorized capital	Expiration date
€ 30,600,000	April 30, 2012
€ 140,000,000[1]	April 30, 2013
€ 314,880,000	April 30, 2014

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

The Annual General Meeting on May 26, 2009 authorized the Management Board to increase the share capital by up to a total of € 128,000,000 against cash payment and by up to a total of € 176,640,000 against cash payment or contributions-in-kind. This additional authorized capital has been approved in a court proceeding on February 2010 pursuant to Section 246a of the Stock Corporation Act and will expire on April 30, 2014.

The Annual General Meeting on May 29, 2008 authorized the Management Board to issue once or more than once, bearer or registered participatory notes with bearer warrants and/or convertible participatory notes, bonds with warrants, and/or convertible bonds on or before April 30, 2013. For this purpose share capital was increased conditionally by up to € 150,000,000. This conditional capital became effective upon entry into the Commercial Register on June 25, 2009.

The Annual General Meeting on May 26, 2009 authorized the Management Board to issue once or more than once, bearer or registered participatory notes with bearer warrants and/or convertible participatory notes, bonds with warrants, and/or convertible bonds on or before April 30, 2014. For this purpose share capital was increased conditionally by up to € 256,000,000. This conditional capital became effective upon entry into the Commercial Register on September 9, 2009.

The Annual General Meeting of May 26, 2009 authorized the Management Board pursuant to Section 71 (1) No. 7 of the Stock Corporation Act to buy and sell, for the purpose of securities trading, own shares of Deutsche Bank AG on or before October 31, 2010, at prices which do not exceed or fall short of the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a compareable successor system on the Frankfurt Stock Exchange) on the respective three preceding stock exchange trading days by more than 10 %. In this context, the shares acquired for this purpose may not, at the end of any day, exceed 5 % of the share capital of Deutsche Bank AG.

The Annual General Meeting of May 26, 2009 authorized the Management Board pursuant to Section 71 (1) No. 8 of the Stock Corporation Act to buy, on or before October 31, 2010, own shares of Deutsche Bank AG in a total volume of up to 10 % of the present share capital. Together with own shares acquired for trading purposes and/or for other reasons and which are from time to time in the company's possession or attributable to the company pursuant to Sections 71a et seq. of the Stock Corporation Act, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the company's share capital. The own shares may be bought through the stock exchange or by means of a public purchase offer to all shareholders. The countervalue for the purchase of shares (excluding ancillary purchase costs) through the stock exchange may not be more than 10 % higher or lower than the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the obligation to purchase. In the case of a public purchase offer, it may not be more than 10 % higher or lower than the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the day of publication of the offer. If the volume of shares offered in a public purchase offer exceeds the planned buyback volume, acceptance must be in proportion to the shares offered in each case. The preferred acceptance of small quantities of up to 50 of the company's shares offered for purchase per shareholder may be provided for.

The Management Board has also been authorized to dispose of the purchased shares and of any shares purchased on the basis of previous authorizations pursuant to Section 71 (1) No. 8 of the Stock Corporation Act in a way other than through the stock exchange or by an offer to all shareholders, provided this is done against contribution-in-kind and excluding shareholders' pre-emptive rights for the purpose of acquiring companies or shareholdings in companies. In addition, the Management Board has been authorized, in case it disposes of such own shares by offer to all shareholders, to grant to the holders of the option rights, convertible bonds and convertible participatory rights issued by the company and its affiliated companies pre-emptive rights to the extent to which they would be entitled to such rights if they exercised their option and/or conversion rights. Shareholders' pre-emptive rights are excluded for these cases and to this extent.

The Management Board has also been authorized with the exclusion of shareholders' pre-emptive rights to use such own shares to issue staff shares to employees and retired employees of the company and its affiliated companies or to use them to service option rights on shares of the company and/or rights or duties to purchase shares of the company granted to employees or members of executive or non-executive management bodies of the company and of affiliated companies.

Furthermore, the Management Board has been authorized with the exclusion of shareholders' pre-emptive rights to sell such own shares to third parties against cash payment if the purchase price is not substantially lower than the price of the shares on the stock exchange at the time of sale. Use may only be made of this authorization if it has been ensured that the number of shares sold on the basis of this authorization does not exceed 10 % of the company's share capital at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of Section 186 (3) sentence 4 Stock Corporation Act, are to be included in the maximum limit of 10 % of the share capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bond or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of Section 186 (3) sentence 4 Stock Corporation Act.

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

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

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

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

Significant Agreements which Take Effect, Alter or Terminate upon a Change of Control of the Company Following a Takeover Bid

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

Agreements for Compensation in Case of a Takeover Bid

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

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

Internal Control over Financial Reporting

General

Management of Deutsche Bank AG is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR"). Our internal control over financial reporting is a process designed under the supervision of our Chairman of the Management Board and our Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's annual financial statements for external reporting purposes in accordance with HGB. ICOFR includes our disclosure controls and procedures to prevent misstatements.

Risks in financial reporting

The main risks in financial reporting are that either financial statements are not fairly presented due to inadvertent or intentional errors (fraud) or the publication of financial statements is delayed. These risks may reduce investor confidence or cause reputational damage and may have legal consequences including banking regulatory intervention. A lack of fair presentation arises when one or more financial statement amounts or disclosures contain misstatements (or omissions) that are material. Misstatements could be deemed material if they could individually or collectively, influence economic decisions that users make on the basis of the financial statements.

To address those risks of financial reporting, management of the Group has established ICOFR to provide reasonable but not absolute assurance against misstatements. The design of the ICOFR is based on the internal control framework established in Internal control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system. As a result in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence – assets and liabilities exist and transactions have occurred.
- Completeness – all transactions are recorded, account balances are included in the financial statements.
- Valuation – assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
- Rights and Obligations and ownership – rights and obligations are appropriately recorded as assets and liabilities.
- Presentation and disclosures – classification, disclosure and presentation of financial reporting is appropriate.
- Safeguarding of assets – unauthorized acquisitions, use or disposition of assets is prevented or detected in a timely manner.

However, any internal control system, including ICOFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all error and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected.

Organization of Internal Control

Functions involved in internal control

As the books and records form the basis of the financial statements, controls within the system of ICOFR are performed by all business functions and the respective infrastructure functions with an involvement in assuring the reliability of those books and records. As a result, the operation of ICOFR involves a large number of staff based mainly in the following functions: Finance, Group Technology and Operations, Legal, Risk and Capital and Tax.

Finance is responsible for the periodic preparation of the financial statements and operates independently from the businesses. Within Finance, different departments have control responsibilities which contribute to the overall preparation process:

- Finance specialists for businesses or entities – responsible for assuring the quality of financial data by performing validation and control. They are in close contact with business, infrastructure and legal entity management and employ their specific knowledge to address financial reporting issues arising on products and transactions, as well as validating reserving and other judgmental adjustments. They also provide oversight of the performance of controls over individual transactions and balances. Entity and business related specialists add the perspective of legal entities to the business view and sign-off on the financial reporting of their entities.
- Finance-Group – responsible for Group-wide activities which include the preparation of group financial and management information, forecasting and planning, risk reporting. Finance-Group set the reporting timetables, perform the consolidation and aggregation processes, effect the elimination entries for inter and intra group activities, control the access and adjustment processes, compile the Group financial statements, consider and incorporate comments as to content and presentation made by senior management, SOx and Disclosure Steering Committee members and external advisors.

— Accounting Policy and Advisory Group (“APAG”) – responsible for developing the Group’s interpretation of international accounting standards and their consistent application within the Group. APAG provides accounting advice and consulting services to Finance and the wider business, and ensures the timely resolution of corporate and transaction-specific accounting issues.
— Global Valuation Oversight Group (“GVO”) and business aligned valuation specialists – responsible for developing policies and minimum standards for valuation, and provides related implementation guidance when undertaking valuation control work. This is in addition to challenging and validating valuation control results, and acting as the single point of contact for valuation topics with external third parties (such as regulators and auditors).

The operation of ICOFR is also importantly supported by Group Technology and Operations, Legal Risk and Capital and Group Tax. Although these functions are not directly involved in the financial preparation process, they significantly contribute to the overall control of financial information:

— Group Technology and Operations (“GTO”) – responsible for confirming transactions with counterparties, performing reconciliations both internally and externally of financial information between systems, depots and exchanges. GTO also undertake all transaction settlement activity on behalf of the Group and perform reconciliations of nostro account balances.
— Legal Risk and Capital (“LRC”) – through their responsibility for developing policies and minimum standards for managing credit and operational risks, LRC identifies and assesses the adequacy of credit and operational provisions.
— Group Tax – responsible to produce complete and correct income tax related financial data together with Finance, covering the assessment and planning of current and deferred income taxes and the collection of tax related information. Group Tax monitors the income tax charge and controls the provisioning for tax risks.

Controls to minimize the risk of financial statement misstatement

The system of ICOFR consists of a large number of internal controls and procedures to minimize the risk of misstatement of the financial statements. Such controls will include those which:

— are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties,
— operate on a periodic basis such as those which are performed as part of the annual financial statement compilation process.
— are preventative or detective in nature.
— have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item.

— feature automated and/or manual components. Automated controls are typically control activities embedded within a control process such as application enforced segregation of duty controls, automated data interfaces ensuring completeness and accuracy of inputs, or reconciliations which match data sources and highlight exceptions. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

The resulting combination of individual controls encompasses all of the following aspects of ICOFR:

— Accounting policy – design and implementation. To ensure the globally consistent recording and reporting of the Group’s business activities in accordance with authorized accounting policies.
— Reference data. Controls over reference data in relation to the general ledger, on and off-balance sheet and product reference data.
— Transaction approval, capture and confirmation. Controls to ensure the completeness and accuracy of recorded transactions and that they are appropriately authorized. Controls include transaction confirmations which are sent to and received from counterparties to ensure that trade details are corroborated.
— Reconciliation controls, both externally and internally. Inter-system reconciliations are performed between relevant systems for all trades, transactions, positions or relevant parameters. External reconciliations include nostro account, depot and exchange reconciliations.
— Valuation including Independent Price Verification process (“IPV”). Finance performs valuation controls (“VC”) at least monthly, in order to gain comfort as to the reasonableness of the front office valuation. The results of the VC processes are independently reviewed by the Global Valuation Oversight Group. The results of the VC process are assessed on a monthly basis by the Valuation Control Oversight Committee. Business aligned valuation specialists focus on valuation approaches and methodologies for various asset classes and perform IPV for complex derivatives and structured products.
— Taxation. Controls to ensure tax calculations are reasonable and approved and that tax balances are appropriately recorded in the financial statements.
— Reserving and judgmental adjustment. Controls include processes to ensure reserving and judgmental adjustments are authorized and are reported in accordance with the approved accounting policies.
— Balance Sheet Substantiation. The substantiation of balance sheet accounts involves determining the integrity of the general ledger account balances based on supporting evidence.
— Financial Statement disclosure and presentation. The preparation and certification of disclosure checklists. Final review and sign-off of the Financial Statements by Senior Finance Management. The Financial Statements and the Management Report are – after approval of the Management Board – subject to review of the Supervisory Board and its Audit Committee.

The above controls are performed for primary GAAP IFRS and apply to HGB accordingly. In addition to these controls specific HGB related controls are implemented that include:

— Intra-company elimination. Inter-branch reconciliation and elimination are performed for HGB specific balances.
— Analytical review. Review of revaluation and reclassification items between IFRS and HGB on branch and parent company level.

Measuring effectiveness of internal control

Each year, management of Deutsche Bank AG undertakes a formal evaluation of the adequacy and effectiveness of ICOFR. This evaluation incorporates an assessment of the effectiveness of the control environment as well as the detailed controls taking into account:

— The financial misstatement risk of the relevant financial statement item, considering such factors as materiality and the susceptibility of the particular financial statement item to misstatement;
— The susceptibility of the control to failure, considering such factors as the degree of automation, complexity, risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the operation of the system of ICOFR is effective. The evidence itself is generated from procedures integrated with the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of management's evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings. Such information sources include:

— Group Audit reports
— Reports on audits carried out by or on behalf of regulatory authorities
— External Auditor reports
— Reports commissioned to evaluate the effectiveness of outsourced processes to third parties

The result of management testing and the information from other sources lead to the conclusion of management that ICOFR is appropriately designed and operating effectively.

In addition, Group Audit provides assurance over the design and operating effectiveness of ICOFR by performing periodic and ad-hoc risk-based audits. Reports are produced summarizing the results from each audit performed which are distributed to the responsible managers for the activities concerned. These reports, together with the evidence generated by specific further procedures that Group Audit performs for the purpose provide evidence to support the annual evaluation by management of the overall operating effectiveness of the ICOFR.

Risk Report

Risk and Capital Management

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

Types of risk

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

The risks of Deutsche Bank AG within the Group network

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

— The Group's internal structure according to Group Divisions follows its customers' needs. The external legal structure is determined by local legislation and therefore does not necessarily follow the internal structure. For example, local legislation can determine whether the Group's business in a certain country is conducted by a branch of Deutsche Bank AG or by a separate subsidiary. However, the management has to monitor the risks in the bank's business – irrespective of whether it is transacted by a branch or a subsidiary.
— Adequate risk monitoring and management requires knowledge of the extent to which the Group's profit situation depends on the development of certain risk factors, i.e. on the creditworthiness of individual customers or securities issuers or on movements in market prices. The respective exposures therefore need to be analyzed across legal entities. Especially for the credit risk attached to a borrower, it is fairly irrelevant whether the credit exposure to a company is spread over several Group companies or concentrated on Deutsche Bank AG. Separate monitoring of the risk affecting Deutsche Bank AG alone would neglect the potential hazard facing the Group and, indirectly, Deutsche Bank AG – as the parent – if the company became insolvent.
— Individual risk factors are sometimes correlated, and in some cases they are independent of each other. If estimates of the nature and extent of this correlation are available, the Group's management can greatly reduce the overall risk by diversifying its businesses across customer groups, issuers and countries. The risk correlation is also independent of the Group's legal and divisional structure. The management can therefore only optimize the risk-mitigating effects of diversification if it manages them Group-wide and across legal entities.

Risk management of Deutsche Bank AG within the Group network

For the reasons mentioned, the identification, monitoring and management of all risks in Deutsche Bank AG are integrated into the Group-wide risk management process. Deutsche Bank AG complies with all legal and regulatory requirements. For a more detailed discussion about the risk management within the Group network see the Group's risk report in the Group's Annual Report.

Risk management organization

The Management Board provides overall risk and capital management oversight for the consolidated Group as a whole. The Chief Risk Officer, who is a member of the Management Board, is responsible for the credit, market, operational, liquidity, legal, business and reputational risk management as well as capital management activities within the consolidated Group. He also heads the integrated legal, risk & capital function. Two functional committees, which are both chaired by the Chief Risk Officer, are central to the legal, risk & capital function.

— The Risk Executive Committee is responsible for management and control of the aforementioned risks across the consolidated Group. To fulfill this mandate, the Risk Executive Committee is supported by sub-committees that are responsible for dedicated areas of risk management, including several policy committees and the Group Reputational Risk Committee.
— The responsibilities of the Capital and Risk Committee include risk profile and capital planning, capital capacity monitoring and optimization of funding

Risk management tools

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

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

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

Information on the types of Risk

The following sections provide information on the types of risk.

Credit risk

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

Credit risk also occurs when the bank underwrites large commitments with the intention to sell down or distribute most of the risk to third parties. These commitments include the undertaking to fund bank loans and to provide bridge loans for the issuance of public bonds.

We define our credit exposure by taking into account all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations. Credit limits set forth maximum credit exposures we are willing to assume over specified periods. They relate to products, conditions of the exposure and other factors. Credit limits are established by the Credit Risk Management function via the execution of assigned credit authorities. Ongoing active monitoring and management of credit risk positions is an integral part of our credit risk management. Monitoring tasks are primarily performed by the divisional risk units in close cooperation with our portfolio management function. We regularly agree on collateral to be received from customers in contracts that are subject to credit risk. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it does not replace the necessity of high quality underwriting standards

Market risk

Market Risk can arise from adverse changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility. Deutsche Bank assumes market risk in both trading and nontrading activities. The bank uses a combination of risk sensitivities, value-at-risk, stress testing and economic capital metrics to manage market risks and establish limits. Economic capital is the metric that is used to describe and aggregate all market risks, both in trading and nontrading portfolios. The trading market risk of the Group is managed by the Risk Executive Committee and those responsible for market risk management in the Group Divisions. The Group uses a comprehensive risk limit structure by Business Division and region which is determined mainly by Market Risk Management. The Capital and Risk Committee supervises the nontrading asset activities and is supported in this function by dedicated teams managing these risks.

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

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

We derive the scenarios from historically observed severe shocks in those risk factors, augmented by subjective assessments where only limited historical data are available, or where market developments are viewed to make historical data a poor indicator of possible future market scenarios. During the course of 2009 the EC stress tests were recalibrated to reflect the extreme market moves observed in the latter part of 2008. This included extension of the assumed holding periods on credit positions, and significant increases to the shocks applied to equity indices and credit spreads, especially for securitized products.

Operational risk

Operational Risk is the potential for incurring losses in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships. Operational Risk Management is an independent risk management function within Deutsche Bank. The Global Head of Operational Risk Management is a member of the Risk Executive Committee and reports to the Chief Risk Officer. The Operational Risk Management Committee, which is a permanent sub-committee of the Risk Executive Committee, is the main decision making committee for all operational risk matters. While the day-to-day operational risk management lies with our business divisions and infrastructure functions, the Operational Risk Management function manages the cross divisional and cross regional operational risk and ensures a consistent application of the operational risk management strategy across the bank. Based on this Business Partnership Model, we ensure close monitoring and high awareness of operational risk.

We manage operational risk based on a Group-wide consistent framework that enables us to determine our operational risk profile in comparison to our risk appetite and systematically identify operational risk themes to define risk mitigating measures and priorities. We calculate and measure the economic and regulatory capital for operational risk using the internal Advanced Measurement Approach methodology. Economic capital is derived from the 99.98 % quantile and allocated to the businesses and used in performance measurement and resource allocation, providing an incentive to manage operational risk, optimizing economic capital utilization. The regulatory capital operational risk applies the 99.9 % quantile and is calculated globally across all businesses.

Liquidity risk

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

Reputational risk

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

Business risk

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

Figures prescribed by the regulatory authority

With the 7th KWG-amendment coming into effect at the beginning of 2007 the bank made use of the option codified in Section 2a (6) KWG to be exempted from the calculation of the solvency (also referred to as "capital adequacy") and other regulatory requirements for the Deutsche Bank AG. The regulatory assessment of the capital adequacy and hence the risk-bearing capacity is carried out at Deutsche Bank Group level. Beginning in 2008, Deutsche Bank calculated and published consolidated capital ratios pursuant to the KWG and the Solvency regulation ("Solvabilitätsverordnung") for the Deutsche Bank Group of institutions, which adopted the revised capital framework of the Basel Committee from 2004 ("Basel II") into German law. The capital ratios represent principal measures to assess the solvency of a credit institution and are defined as the regulatory capital divided by the risk-weighted assets ("RWA").

Risk-weighted assets

The risk-weighted assets comprise the total of credit, market and operational risks calculated according to the Solvency regulation. In the calculation of the risk-weighted assets the Group uses BaFin approved internal models for all three risk types. More than 90 % of the Group's exposure relating to asset and off-balance sheet credit risks is measured using internal rating models under the so-called advanced internal ratings based approach ("advanced IRBA"). The Group's market risk component is a multiple of its value-at-risk figure, which is calculated for regulatory purposes based on the Group's internal models. For operational risk calculations, the bank uses the Advanced Measurement Approach ("AMA").

The following table presents the RWA of the Deutsche Bank Group.

in € m.	Dec 31, 2009	Dec 31, 2008
Credit risk	217,003	247,611
Market risk[1]	24,880	23,496
Operational risk	31,593	36,625
Total RWA	**273,476**	**307,732**

1 A multiple of the Group's value-at-risk, calculated with a confidence level of 99 % and a ten-day holding period.

Regulatory Capital

A bank's total regulatory capital, also referred to as "Own Funds", is divided into three tiers: Tier 1, Tier 2 and Tier 3 capital, and the sum of Tier 1 and Tier 2 capital is also referred to as "Regulatory Banking Capital". Total regulatory capital for the Deutsche Bank Group of institutions is as follows.

in € m. (unless stated otherwise)	Dec 31, 2009	Dec 31, 2008
Tier 1 capital	34,406	31,094
thereof: Core Tier 1 capital	23,790	21,472
Tier 2 capital	3,523	6,302
Tier 3 capital	–	–
Total regulatory capital	**37,929**	**37,396**
Tier 1 capital ratio	12.6 %	10.1 %
Core Tier 1 capital ratio	8.7 %	7.0 %
Total capital ratio	13.9 %	12.2 %

The Group's total capital ratio was 13.9 % on December 31, 2009, significantly higher than the 8 % minimum required.

The Group's Tier 1 capital was € 34.4 billion on December 31, 2009 and € 31.1 billion on December 31, 2008. The Tier 1 capital ratio was 12.6 % as of December 31, 2009 and 10.1 % as of December 31, 2008, both exceeding the Group's target ratio of 10 %. Core Tier 1 capital amounted to € 23.8 billion on December 31, 2009 and € 21.5 billion on December 31, 2008 with Core Tier 1 ratio of 8.7 % and 7.0 % respectively.

The Group’s Tier 2 capital was € 3.5 billion on December 31, 2009, and € 6.3 billion on December 31, 2008, amounting to 10 % and 20 % of Tier 1 capital, respectively.

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

As of December 31, 2009, the transitional item amounted to € 462 million. In the Group’s reporting to the German regulatory authorities, the Tier 1 capital, total regulatory capital and the total risk-weighted assets shown above were increased by this amount. Correspondingly, the Group’s Tier 1 and total capital ratios reported to German regulatory authorities including this item were 12.7 % and 14.0 %, respectively, on December 31, 2009.

Failure to meet minimum capital requirements can result in orders to suspend or reduce dividend payments or other profit distributions on regulatory capital and discretionary actions by the BaFin that, if undertaken, could have a direct material effect on the Group’s businesses. The Group complied with the regulatory capital adequacy requirements in 2009.

Outlook

The Global Economy

The outlook for the global economy has improved considerably over the past few months. In the United States, Latin America and the emerging Asian economies, short-term economic indicators have picked up significantly, while the return to growth in Japan and Europe has been less dynamic. After the severe contraction in 2009, the global economy should grow by close to 4 % in 2010, supported by continuing strong stimuli from monetary and fiscal policies. Despite an easing of policy momentum, the pace of growth should slow only marginally in 2011. Nevertheless, growth rates will likely differ substantially by region, as described below.

The American economy passed the trough of recession in the third quarter of 2009. The unemployment rate should start to decline in the course of 2010, thereby underpinning private consumption. With prices in the residential property market trending up again, investment in residential construction should pick up during 2010 for the first time in four years. Fiscal policy is likely to further support the economy, especially in the first half of 2010. Overall, the U.S. economy should witness a comparatively dynamic recovery with average growth of roughly 3.75 % in 2010 after a decline of 2.4 % in 2009. Without relief from energy prices, inflation will probably accelerate to 2 % on an annual average. Underutilized capacity should limit the increase in core inflation to 1.5 %, however, so that the Federal Reserve is unlikely to move hastily in withdrawing monetary stimulus.

In the emerging markets of Asia and Latin America, which were enjoying a relatively favorable fiscal position, governments were able to respond in a resolute manner to the financial crisis. This applies particularly to China, whose dynamic growth is strongly benefiting its Asian neighbors. China's economy is set to expand by some 9 % this year. In Asia, growth should accelerate from 5.5 % in 2009 to 7.75 % in 2010. Latin America is set to expand by around 3.75 % following last year's slump. The recovery in Eastern Europe has been more sluggish; following a plunge of about 5.5 % in 2009, the region is likely to post 2.5 % growth this year.

The eurozone economy emerged from recession in the third quarter of last year. Leading indicators currently suggest that Europe will stage a more moderate recovery than the U.S. in the current year. An increase in the unemployment rate to nearly 10.5 %, combined with only modest wage growth, will tend to curb private consumption despite further fiscal relief. Together with the appreciation of the euro, the surge in unit labor costs in 2009 will weigh on exports. Investment activity will feel the squeeze of significant capacity underutilization. Eurozone GDP is likely to expand by 1.5 % in 2010, after contracting by around 4 % in 2009. Countries such as Spain, Ireland and Greece, which are facing exceptional structural adjustments, will probably see another decline in economic output in 2010. Public sector deficits are expected to widen in 2010 as a result of fiscal stimulus packages and lower revenues. Due to higher energy prices, headline inflation may increase to 1.25 % on an annual average. With core inflation likely to slip below 1 %, the ECB would not be pressured to take immediate action, leaving monetary policy in the eurozone with an expansionary bias.

After the severe contraction in 2009, the German economy should expand by about 2 % in 2010. The unemployment rate is likely to increase only slightly to 8.5 %, largely due to the extension of funding for short-time work schemes. In combination with fiscal relief for households, this should support private consumption. Exports, which collapsed by 20 % in 2009, are expected to rise by 7.5 % in 2010. Investment activity ought to stabilize, not least because of public-sector investment in construction. The pace of economic expansion may lose momentum as the year progresses, resulting in somewhat slower growth in 2011.

Risks for the global economy could result from the precarious situation facing monetary and fiscal policymakers in the wake of the crisis. Staging a smooth exit from highly expansionary policies may be attractive in order to counter the risk of inflation, but will present a huge challenge, given still significant uncertainty over economic fundamentals and over market reactions to specific exit measures. Sovereign risk is likely to be a factor in 2010, as some countries may encounter difficulties in convincing financial markets that they will be able to stabilize their long-term fiscal position and continue to finance the costs of stimulus measures taken. In China and some other emerging markets, government stimulus packages may exceed their targets, creating asset price bubbles in the real estate sector and leading to a general pick-up in inflation. All of these factors may result in turmoil in financial markets, which would in turn dampen the pace of the global economic recovery in 2010 and 2011.

The Banking Industry

The banking industry is likely to slowly progress towards a new form of normality in 2010 and 2011, in an environment of fundamentally changed regulation, with new market structures and altered investor preferences.

Banks have largely digested the losses from the market dislocations and write-downs during the financial crisis. Losses from traditional lending business, which had reached record levels in 2009 in both Europe and the U.S., are likely to stay high in the near future, but could fall significantly over the next two years. Pressure on investment banking revenues are likely as the unprecedented support measures of governments and central banks are gradually withdrawn. Issuance of government and corporate bonds is expected to weaken from its high level of 2009. In financial markets, margins are likely to be lower than in 2009. Corporate demand for merger and acquisition advisory services, and related capital market origination, which reached a cyclical low in 2009, may increase if the economy stabilizes sufficiently. Proposals for tighter regulation may also adversely impact returns from investment banking revenues in the next few years.

Growth prospects in the lending business also appear limited. After the sharp increase in household debt levels in the years preceding the crisis, the de-leveraging process now initiated in several countries – which has become even more urgent due to the higher unemployment – will probably result in relatively weak demand for retail loans for years to come. Corporate loan demand is unlikely to be able to make up for this given the still considerable underutilized capacity in many industrial sectors.

On the asset management side, the recent positive performance may continue if the capital market environment remains relatively favorable. With the increase in uncertainty of late, however, the recovery, which began in the spring of 2009, has slowed. Furthermore, the long-term trend towards privately-funded retirement savings, preventive healthcare and educational expenditure will likely continue to support the investment management business, despite stiff competition from providers both inside and outside the sector.

The banking industry is also likely to be the focus of significant regulatory discussion, as governments and regulators seek to prevent a repeat of the financial crisis. Discussions are already underway, and in some cases concrete proposals exist. Several areas are likely to remain in focus of these discussions: the adequacy and quality of capital, overall and in respect of specific trading book activities; balance sheet leverage; liquidity and funding, including both quantity and quality of bank funding bases; engagement in specific activities, including prop trading and in-house private equity and hedge fund activity; the trading and settlement of derivative instruments; specific taxes or levies on profits or assets; and increased governance of bank executive compensation. However, at the time of writing, most measures are still under discussion and the final version of large parts of current proposals is not only still unknown but also hard to predict. While many changes are unlikely to be officially enacted in the near future, banks can be expected to take early action to conform to any new regulations.

The Deutsche Bank

Deutsche Bank AG as the parent company of the Group defines the strategy and planning for the individual Group Divisions. Deutsche Bank participates in the results of the Group Divisions through own activities and profit distribution from subsidiaries. The following outlook encompasses therefore all Group Divisions and is not limited to the parent company.

During 2009, Deutsche Bank defined the fourth phase of its management agenda, which was launched in 2002. ‘Phase 4’ sets out Deutsche Bank’s strategic priorities for the post-crisis era and takes account both of the changing priorities in the competitive, commercial and regulatory environment, and of the strengths which we have demonstrated throughout the financial crisis, which provide points of leverage and opportunity. ‘Phase 4’ of our management agenda sets out four specific priorities:

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

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

Deutsche Bank will continue to be impacted both by the changing competitive landscape and emerging regulatory developments. With the flight to quality in the post-crisis competitive environment, there are opportunities for Deutsche Bank to capture market share. At the same time, we are mindful of the uncertain regulatory environment. In particular, as described above, capital requirements are likely to increase and there is likely to be increased supervisory scrutiny of risk and liquidity management capabilities. Capital, risk management and balance sheet efficiency will therefore become increasingly important as competitive differentiators for

Deutsche Bank. Deutsche Bank has also already redesigned its compensation model to take account of guidelines issued by the G20 governments, and regulators, including the Fed, FSA and BaFin.

This phase of Deutsche Bank's management agenda is contingent upon certain environmental assumptions, including no further major market dislocations, a normalization of asset valuations, high single-digit growth in the global fee pool, margins stabilizing at levels which remain higher than the pre-crisis period, and modest but positive global GDP growth of at least 2 % during the next two years. Based on these assumptions, we see potential income before income taxes from our core businesses (before Corporate Investments and Consolidations & Adjustments) of € 10 billion and a pre-tax return on average active equity over the period of 25 % for Deutsche Bank Group, as well as a favorable earnings outlook for the parent company. The implications of this outlook for our businesses are detailed below.

Corporate and Investment Banking

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

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

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

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

Deutsche Bank’s Global Transaction Banking (GTB) business will likely be impacted by the environmental challenges outlined above. The sustained momentum of profitable growth and client acquisition in recent years, together with its leading position in major markets, leaves GTB well-placed to attract new clients in challenging conditions. The business is positioned to benefit from expansion into new markets and increased penetration of the client base in existing core markets. The acquisition of parts of ABN AMRO’s corporate and commercial banking activities in the Netherlands would further strengthen GTB’s footprint in Europe by achieving deeper client coverage and complementary product offerings. The business is also well positioned to leverage existing technologies in order to expand its offering to clients, and to penetrate client groups in the lower mid-cap segment. Developments in GTB’s product offering, such as supply chain finance and ‘FX4Cash’, a platform for high-volume, low value foreign exchange payments, contribute favorably to the outlook.

Private Clients and Asset Management

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

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

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

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

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

Our proposition for Private & Business Clients (PBC) is based on a solid business model with a leading position in our home market, Germany, solid positions in other important European markets, and growth options in key Asian countries. With our strong advisory proposition, we should be able to gain market share in Germany via customer acquisition, expansion of our sales force by hiring highly qualified employees and a selective expansion of our branch network. Our cooperation with Deutsche Postbank creates additional optionality to become a clear leader in Germany and to close the gap to leading European retail banks.

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

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

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

Balance Sheet

Assets in € m.				Dec 31, 2009	Dec 31, 2008
Cash reserve					
a) cash on hand			24		18
b) balances with central banks			24,988		29,851
thereof: with Deutsche Bundesbank	20,485				(24,594)
				25,012	29,869
Debt instruments of public-sector entities and bills of exchange eligible for refinancing at central banks					
a) Treasury bills, discountable Treasury notes and similar debt instruments of public-sector entities			1,660		1,006
thereof: eligible for refinancing at Deutsche Bundesbank	644				(238)
b) bills of exchange			0		1
thereof: eligible for refinancing at Deutsche Bundesbank	–				(–)
				1,660	1,007
Receivables from banks					
a) repayable on demand			131,589		120,673
b) other receivables			100,129		121,195
				231,718	241,868
thereof: reverse repos	56,363				(37,916)
Receivables from customers				357,558	405,850
thereof: secured by mortgage charges	9,501				(3,878)
loans to or guaranteed by public-sector entities	7,995				(8,105)
reverse repos	59,569				(70,176)
Bonds and other fixed-income securities					
a) money market instruments					
aa) of public-sector issuers		4,256			2,248
ab) of other issuers		11,218			7,120
thereof: eligible as collateral for Deutsche Bundesbank advances	9,223				(9)
			15,474		9,368
b) bonds and notes					
ba) of public-sector issuers		36,968			34,541
thereof: eligible as collateral for Deutsche Bundesbank advances	18,113				(10,385)
bb) of other issuers		86,427			93,984
thereof: eligible as collateral for Deutsche Bundesbank advances	35,629				(31,638)
			123,395		128,525
c) own debt instruments			5,946		3,358
nominal amount	5,296				3,785
				144,815	141,251
Equity shares and other variable-yield securities				82,175	68,468
Participating interests				3,128	2,964
thereof: in banks	637				(502)
in financial services institutions	29				(112)
Investments in affiliated companies				42,212	37,071
thereof: in banks	8,682				(6,106)
in financial services institutions	1,263				(1,495)
Assets held in trust				882	757
thereof: loans on a trust basis	78				(291)
Intangible assets				417	406
Tangible assets				909	892
Own shares (notional par value € 2 m.)				28	227
Sundry assets				644,287	1,317,648
Tax deferral				2,380	1,477
Prepaid expenses				1,442	910
Total assets				**1,538,623**	**2,250,665**

Liabilities and Shareholders' Equity in € m.				Dec 31, 2009	Dec 31, 2008
Liabilities to banks					
a) repayable on demand			229,242		199,235
b) with agreed period or notice period			117,614		168,458
				346,856	367,693
thereof:					
repos	26,729				(20,234)
Liabilities to customers					
a) savings deposits					
aa) with agreed notice period of three months		5,281			3,402
ab) with agreed notice period of more than three months		4,171			4,936
			9,452		8,338
b) other liabilities					
ba) repayable on demand		200,566			225,899
bb) with agreed period or notice period		121,221			142,643
			321,787		368,542
				331,239	376,880
thereof:					
repos	38,119				(33,433)
Liabilities in certificate form					
a) bonds in issue			41,892		54,974
b) other liabilities in certificate form			144,521		125,709
				186,413	180,683
thereof:					
money market instruments	13,532				(9,514)
own acceptances and promissory notes in circulation	305				(169)
Liabilities held in trust				882	757
thereof: loans on a trust basis	78				(291)
Sundry liabilities				622,125	1,276,950
Deferred income				889	968
Provisions					
a) provisions for pensions and similar obligations			3,311		3,190
b) provisions for taxes			1,141		1,162
c) other provisions			5,321		4,402
				9,773	8,754
Subordinated liabilities				17,682	17,038
Fund for general banking risks				–	–
Capital and reserves					
a) subscribed capital			1,589		1,461
conditional capital € 406 m. (Dec 31, 2008: € 154 m.)					
b) capital reserve			15,921		15,091
c) revenue reserves					
ca) statutory reserve		13			13
cb) reserve for own shares		28			227
cc) other revenue reserves		4,420			3,840
			4,461		4,080
d) distributable profit			793		310
				22,764	20,942
Total liabilities and shareholders' equity				**1,538,623**	**2,250,665**
Contingent liabilities					
a) contingent liabilities from rediscounted bills of exchange			–		0
b) liabilities from guarantees and indemnity agreements (see also page 60)			56,871		52,836
c) liability arising from the provision of collateral for third-party liabilities			42		55
				56,913	52,891
Other obligations					
a) repurchase obligations under agreements to sell securities with an option to repurchase them			–		–
b) placement and underwriting obligations			–		–
c) irrevocable credit commitments			104,725		113,321
				104,725	113,321

Income Statement

Expenses in € m.			2009	2008
Interest expenses			14,030	34,153
Commission expenses			1,610	1,530
Net loss from financial transactions			–	6,201
Administrative expenses				
a) staff expenses				
aa) wages and salaries	4,732			3,743
ab) compulsory social security contributions and expenses for pensions and other employee benefits	1,292			958
		6,024		4,701
thereof: for pensions	372			(419)
b) other administrative expenses		5,124		4,459
			11,148	9,160
Depreciation, amortization and write-downs of and value adjustments to tangible and intangible assets			252	257
Other operating expenses			2,853	1,941
Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for possible loan losses			1,912	2,938
Write-downs of and value adjustments to participating interests, investments in affiliated companies and securities treated as fixed assets			297	1,551
Expenses from assumption of losses			–	0
Income taxes			(823)	(1,387)
Other taxes, unless reported under other operating expenses			61	75
Net income			1,173	–
Total expenses			**32,513**	**56,419**

		2009	2008
Net income (loss)		1,173	(2,185)
Profit carried forward from the previous year		1	113
		1,174	(2,072)
Withdrawal from revenue reserves			
– from reserve for own shares	199		2,382
– from other revenue reserves	–		–
		199	2,382
Allocations to revenue reserves			
– to reserve for own shares	–		–
– to other revenue reserves	580		–
		580	–
Distributable profit		**793**	**310**

Income in € m.		2009	2008
Interest income from			
a) lending and money market business	13,592		29,517
b) fixed-income securities and government-inscribed debt	4,407		5,638
		17,999	35,155
Current income from			
a) equity shares and other variable-yield securities	1,539		2,616
b) participating interests	66		121
c) investments in affiliated companies	1,171		2,165
		2,776	4,902
Income from profit-pooling, profit-transfer and partial profit-transfer agreements		680	2,218
Commission income		6,656	6,361
Net income from financial transactions		3,598	–
Other operating income		804	2,123
Income from release of the fund for general banking risks		–	3,475
Net loss		–	2,185
Total income		**32,513**	**56,419**

Notes to the Accounts

The annual financial statements of Deutsche Bank AG for the financial year 2009 have been prepared in accordance with the regulations of the Bank Accounting Directives Act (Sections 340 et seq. of the German Commercial Code (HGB), Statutory Order on Banks' Accounts (RechKredV)) and company-law regulations have been complied with. For the sake of clarity, the figures are reported in millions of euros (€).

Basis of Presentation

Accounting policies for:

Receivables

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

Securities

Bonds and other fixed income securities as well as equity shares and other variable-yield securities which are held for trading purposes are accounted for as described in the separate paragraph 'Trading activities'.

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

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

Embedded Derivatives

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

Trading activities

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

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

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

Reclassifications

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

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

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

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

Liabilities

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

Provisions

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

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

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

Risk provisioning

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

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

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

Currency translation

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

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

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

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

Notes to the Balance Sheet

Reclassifications

In the first quarter of 2009 bonds and other fixed-income securities were reclassified with a carrying value of € 2.4 billion at reclassification date from trading portfolio to fixed assets and valued accordingly. In addition, receivables from customers with a carrying value of € 300 million at reclassification date were reclassified. The intrinsic values of the assets exceeded their estimated fair values at reclassification date.

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

The following table shows the carrying values and fair values of assets reclassified in 2008 and 2009.

		Dec 31, 2009	
in € m.	Carrying value at reclassification date	Carrying value[1]	Fair value
Receivables from customers	10,699	10,001	9,659
Bonds and other fixed-income securities – trading	8,919	8,227	6,878
Bonds and other fixed-income securities – liquidity reserve	781	683	566
Total assets reclassified[2]	**20,399**	**18,911**	**17,103**

1 The decline of the carrying values since reclassification was mainly attributable to repayments, credit loss provisions and foreign exchange movements.
2 The balance sheet category and the carrying value at reclassification date of certain assets reclassified in 2008 were corrected within the note.

Securities

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

	listed		unlisted	
in € m.	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Bonds and other fixed-income securities	96,201	103,894	48,614	37,357
Equity shares and other variable-yield securities	70,163	55,655	11,036	7,055
Participating interests	742	452	0	0
Investments in affiliated companies	–	–	–	203

Equity shares and other variable-yield securities (€ 82,175 million) include mutual fund units of € 232 million (December 31, 2008: € 3,441 million) which were transferred to an independent trustee and may only be used to settle pension obligations towards active and former employees in Germany as well as liabilities for pre-retirement part-time employment. A significant part of assets held at the end of 2008 was transferred into an entity which was transferred to the trustee. This entity is disclosed within Investments in affiliated companies.

Bonds and other fixed-income securities include securities of € 93,199 million (December 31, 2008: € 105,705 million) that are held for trading purposes and recognized at fair value. Equity shares and other variable-yield securities include securities of € 80,614 million (December 31, 2008: € 64,268 million) that are held for trading purposes and recognized at fair value.

Bonds and other fixed-income securities held as fixed assets are reported at amortized cost. The corresponding fair value amounted to € 11,144 million as of December 31, 2009. The assets are reported at amortized cost, since the fair value does not reflect the intrinsic value due to the current lack of liquidity in the financial markets and the intrinsic value can be realized in the long term.

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

Fixed Assets

The following schedule shows the changes in fixed assets.

	Acquisition/manufacturing costs			Depreciation/amortization, write-downs and value adjustments			Book values	
in € m.	Balance at Jan 1, 2009	Additions	Disposals	Cumulative	therein current year	therein disposals	Balance at Dec 31, 2009	Balance at Dec 31, 2008
Intangible assets	813	61	27	430	75	27	417	406
Tangible assets	2,192	177	51	1,409	177	55	909	892
land and buildings	270	–	2	41	12	1	227	238
office furniture and equipment	1,922	177	49	1,368	165	54	682	654
			Change					
Participating interests			+ 164				3,128	2,964
Investments in affiliated companies			+ 5,141				42,212	37,071
Bonds and other fixed-income securities			+ 7,795				12,736	4,941
Equity shares and other variable-yield securities			+ 46				120	74

The option to combine financial assets pursuant to Section 34 (3) RechKredV has been utilized. Exchange rate changes at foreign branches resulting from currency translation at closing rates have been recognized in acquisition/manufacturing costs (balance at January 1, 2009) and in cumulative depreciation/amortization, write-downs and value adjustments. Land and buildings with a total book value of € 226 million were used as part of our own activities. In the position Investments in affiliated companies an entity held by an independent trustee is included (€ 3.7 billion) to which securities were transferred in 2009 which may only be used to settle pension obligations in Germany. The change of bonds and other fixed-income securities includes a balance sheet category correction within the fixed assets category for 2008.

Subordinated assets

Subordinated assets are reported as follows.

in € m.	Dec 31, 2009	Dec 31, 2008
Receivables from banks	1,072	1,210
Receivables from customers	200	997
Bonds and other fixed-income securities	2,701	1,360
Equity shares and other variable-yield securities	–	0

Intangible assets

The goodwill reported under intangible assets is amortized over its estimated useful life of between five and 15 years. Its determination is based on economic and organizational factors such as future growth and profit prospects, mode and duration of expected synergies, leveraging customer base and assembled workforce of the acquired business. Software classified as an intangible asset is amortized over its useful life.

Sundry assets

Sundry assets primarily comprise positive fair values of € 630,995 million (December 31, 2008: € 1,298,807 million) from derivative financial instruments held for trading purposes. They also include margin payments on swaps, precious metals holdings, checks, matured bonds and claims on tax refunds from the tax authorities.

Tax deferral

The net deferred tax assets reported pursuant to Section 274 (2) HGB amount to € 2,380 million. They correspond to the future tax benefit arising from the reversal of the differences between commercial law and tax law gains and losses based country-specific income tax rates.

Sundry liabilities

Sundry liabilities primarily comprise negative fair values of € 614,866 million (December 31, 2008: € 1,257,785 million) from derivative financial instruments held for trading purposes. Under this item we also report the value-at-risk adjustment, accrued but not yet matured interest on subordinated liabilities, and translation adjustment losses.

Subordinated liabilities

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

Expenses for all subordinated liabilities totaled € 511 million. Accrued but not yet matured interest of € 318 million included in this figure is reported in sundry liabilities.

The following table shows the material subordinated liabilities.

Currency	Amount	Issuer/type	Interest rate	Maturity
€	1,100,000,000	Deutsche Bank AG, bond of 2003	5.13 %	31.1.2013
€	978,800,000	Deutsche Bank AG, bond of 2004	1.62 %	16.1.2014
€	738,325,000	Deutsche Bank AG, bond of 2005	0.91 %	22.9.2015
€	468,034,000	Deutsche Bank AG, bond of 2004	1.01 %	20.9.2016
€	488,548,000	Deutsche Bank AG, bond of 2005	3.63 %	9.3.2017
€	1,000,000,000	Deutsche Bank AG, registered bond of 2003 (DB Capital Funding LLC IV, Wilmington/USA, issue proceeds passed on to us)	5.33 %	19.9.2023
€	300,000,000	Deutsche Bank AG, registered bond of 2003 (DB Capital Funding LLC V, Wilmington/USA, issue proceeds passed on to us)	6.15 %	2.12.2033
€	900,000,000	Deutsche Bank AG, registered bond of 2005 (DB Capital Funding LLC VI, Wilmington/USA, issue proceeds passed on to us)	4.94 %	28.1.2035
€	300,000,000	Deutsche Bank AG, registered bond of 2005 (DB Capital Finance LLC I, Wilmington/USA, issue proceeds passed on to us)	4.71 %	27.6.2035
€	1,300,001,000	Deutsche Bank Capital Funding Trust XI, Delaware/USA	9.50 %	31.3.2039
€	1,000,001,000	DB Contingent Capital LLC IV, Wilmington/USA, issue proceeds passed on to us	8.00 %	unlimited
GBP	225,000,000	Deutsche Bank AG, bond of 2004	5.25 %	15.12.2015
U.S.$	335,400,000	Deutsche Bank AG, bond of 2004	0.57 %	17.2.2015
U.S.$	778,040,000	Deutsche Bank Financial Inc., Dover/USA, issue proceeds passed on to us	5.38 %	2.3.2015
U.S.$	800,000,000	Deutsche Bank AG, registered bond of 2006 (DB Capital Funding LLC VII, Wilmington/USA, issue proceeds passed on to us)	5.63 %	19.1.2016
U.S.$	225,000,000	DB Capital LLC V, Wilmington/USA, issue proceeds passed on to us	2.05 %	unlimited
U.S.$	318,000,000	DB Capital LLC I, Wilmington/USA, issue proceeds passed on to us	5.03 %	unlimited
U.S.$	600,000,000	Deutsche Bank AG, registered bond of 2006 (DB Capital Funding LLC VIII, Wilmington/USA, issue proceeds passed on to us)	6.38 %	unlimited
U.S.$	650,000,000	DB Capital Funding LLC I, Wilmington/USA, issue proceeds passed on to us	3.25 %	unlimited
U.S.$	800,000,000	DB Contingent Capital LLC II, Wilmington/USA, issue proceeds passed on to us	6.55 %	unlimited
U.S.$	805,000,000	DB Capital Funding LLC X, Wilmington/USA, issue proceeds passed on to us	7.35 %	unlimited
U.S.$	1,150,000,000	DB Capital Funding LLC IX, Wilmington/USA, issue proceeds passed on to us	6.63 %	unlimited
U.S.$	1,265,000,000	DB Contingent Capital LLC V, Wilmington/USA, issue proceeds passed on to us	8.05 %	unlimited
U.S.$	1,975,000,000	DB Contingent Capital LLC III, Wilmington/USA, issue proceeds passed on to us	7.60 %	unlimited

Own shares

In the course of 2009, the bank or its affiliated companies bought 463,502,282 Deutsche Bank shares at prevailing market prices and sold 463,545,289 Deutsche Bank shares at prevailing market prices for trading purposes. The purchase of its own shares was based on the authorizations given by the General Meetings on May 29, 2008 and May 26, 2009 pursuant to Section 71 (1) No. 7 AktG, whose restrictions were complied with for every share purchase and sale. The authorization given on May 29, 2008 expired once the authorization of May 26, 2009 became effective. The average purchase price was € 40.22 and the average selling price was € 40.28 per share. The result was recognized in the operating profit.

The bank's own shares bought and sold for trading purposes during 2009 represented about 75 % of its share capital. The largest holding on any individual day was 0.84 % and the average daily holding 0.06 % of its share capital.

The bank was authorized by the General Meeting resolution of May 26, 2009 to purchase its own shares in a total volume of up to 10 % of the share capital at the time the resolution is taken on or before October 31, 2010 pursuant to Section 71 (1) No. 8 AktG. Together with the bank's own shares purchased for trading purposes and/or for other reasons and which are from time to time in the bank's possession or attributable to it pursuant to Sections 71a et seq. AktG, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the bank's share capital; compliance with these limits was monitored on a timely basis. The own shares may be purchased either through a stock exchange or by means of a public purchase offer to all shareholders. The price for the purchase of shares through a stock exchange may not exceed or fall short by more than 10 % of the average of the share prices (closing auction prices quoted of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the obligation to purchase. In the case of a public purchase offer, it may not exceed or fall short by more than 10 % of the average of the share prices (closing auction prices of the Deutsche Bank shares in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the day of publication of the offer. If the volume of shares offered in a public purchase offer exceeds the planned buyback volume, acceptance must be in proportion to the shares offered in each case. The preferred acceptance of small quantities of up to 50 of the bank's shares offered for purchase per shareholder may be provided for.

The Management Board was authorized to dispose of the purchased shares on the stock exchange, by an offer to all shareholders or against contribution-in-kind and excluding shareholders' pre-emptive rights for the purpose of acquiring companies or shareholdings in companies. In addition, the Management Board was authorized, in case it disposes of such own shares by offer to all shareholders, to grant to the holders of the option rights, convertible bonds and convertible participatory rights issued by the bank and its affiliated companies pre-emptive rights to the extent to which they would be entitled to such rights if they exercised their option and/or conversion rights. Shareholders' pre-emptive rights are excluded for these cases and to this extent. The Management Board was also authorized with the exclusion of shareholders' pre-emptive rights to use such own shares to issue staff shares to employees and retired employees of the bank and its affiliated companies or to use them to service option rights on shares of the bank and/or rights or duties to purchase shares of the bank granted to employees or members of executive or non-executive management bodies of the bank and of affiliated companies.

Furthermore, the Management Board was authorized with the exclusion of shareholders' pre-emptive rights to sell such own shares to third parties against cash payment if the purchase price is not substantially lower than the price of the shares on the stock exchange at the time of the sale. Use may only be made of this authorization if it has been ensured that the number of shares sold on the basis of this authorization does not exceed 10 % of the bank's share capital at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of section 186 (3) sentence 4 AktG, are to be included in the maximum limit of 10 % of the share capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bonds or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of section 186 (3) sentence 4 AktG.

The Management Board was also authorized to retire shares acquired on the basis of this authorization without requiring any further resolution to be adopted by the General Meeting. The authorization for the bank to purchase its own shares, which was given by the General Meeting on May 29, 2008 and was valid until October 31, 2009, expired as soon as the authorization of May 26, 2009 came into effect.

At the end of 2009, Deutsche Bank AG held no own shares pursuant to Section 71 (1) No. 7 AktG. Its holdings pursuant to Section 71 (1) No. 8 AktG amounted to 587,665 shares, or 0.09 % of its share capital. The bank's total holdings of its own shares at the balance sheet date required a reserve for these shares in the amount of their carrying value of € 27,573,804.96. On December 31, 2009, 3,804,043 (end of 2008: 3,544,833) Deutsche Bank shares, i.e. 0.61 % (end of 2008: 0.62 %) of our share capital, were pledged to the bank and its affiliated companies as security for loans.

Changes in subscribed, authorized and conditional capital

The bank's subscribed capital is divided into 620,859,015 registered no-par-value shares. During the year under review, 50,000,000 shares were issued through a capital increase against a contribution-in-kind with an exclusion of pre-emptive rights to acquire 50 million shares of Deutsche Postbank AG.

Excluding holdings of the bank's own shares, the number of shares in issue at December 31, 2009 came to 620,271,350 (end of 2008: 562,706,868). The average number of shares in issue in the year under review was 608,591,083.

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

in €	Subscribed capital	Authorized capital	Conditional capital (yet to be utilized)
Balance as of Dec 31, 2008	**1,461,399,078.40**	**308,600,000.00**	**153,815,098.88**
Use pursuant to the General Meeting resolution of June 1, 2006 for capital increase against contribution-in-kind	128,000,000.00	(128,000,000.00)	
Expiry of the General Meeting resolution of June 2, 2004		(150,000,000.00)	(150,000,000.00)
Increase pursuant to the General Meeting resolution of May 29, 2008		140,000,000.00	150,000,000.00
Increase pursuant to the General Meeting resolution of May 26, 2009		314,880,000.00	256,000,000.00
Expiry of option rights issued to employees of the Deutsche Bank Group under Global Partnership Plans			(2,509,166.08)
Expiry of option rights issued to employees of the Deutsche Bank Group under Global Share Plans			(1,305,932.80)
Balance as of Dec 31, 2009	**1,589,399,078.40**	**485,480,000.00**	**406,000,000.00**

Authorizations given by the General Meeting

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

Authorized capital

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

— by up to a total of € 140,000,000 against cash payments or contributions-in-kind, on one or more occasions on or before April 30, 2013, with pre-emptive rights generally being granted to shareholders; however, pre-emptive rights can be excluded if a capital increase against contributions-in-kind was made for the purpose of acquiring companies or holdings in companies (General Meeting resolution of May 29, 2008). This authorized capital became effective upon its entry into the Commercial Register on June 25, 2009;

— by up to a total of € 314,880,000 against cash payments, on one or more occasions on or before April 30, 2014; Pre-emptive rights are granted to shareholders (General Meeting resolution of May 26, 2009);

— by up to a total of € 128,000,000 against cash payments, on one or more occasions on or before April 30, 2014; shareholders' general pre-emptive rights can be excluded unless the issue price of the new shares is substantially lower than the market price of the already listed shares at the time the issue price is fixed and the shares issued in accordance with section 186 (3) sentence 4 AktG at the time the authorization is utilized do not exceed in total 10 % of the share capital (General Meeting resolution of May 26, 2009). This authorized capital was subject of a law suit (summary proceeding according to Section 246a AktG) which ended February 23, 2010, with the approval by the Higher Regional Court Frankfurt. The entry in the Commercial Register will follow shortly. This authorized capital will become effective upon its entry.

— by up to a total of € 176,640,000 against cash payments or contributions-in-kind, on one or more occasions on or before April 30, 2014, with pre-emptive rights generally being granted to shareholders; however, pre-emptive rights can be excluded if a capital increase against contributions-in-kind was made for the purpose of acquiring companies or holdings in companies (General Meeting resolution of May 26, 2009). This authorized capital was subject of a law suit (summary proceeding according to Section 246a AktG) which ended February 23, 2010, with the approval by the Higher Regional Court Frankfurt. The entry in the Commercial Register will follow shortly. This authorized capital will become effective upon its entry.

In all cases, pre-emptive rights may be excluded for fractional amounts and to grant pre-emptive rights to holders of option rights, convertible bonds and convertible participatory rights.

Conditional capital

The Management Board was authorized by the General Meeting on May 29, 2008 to issue bearer or registered participatory certificates on one or more occasions on or before April 30, 2013 and, instead of or in addition to participatory certificates, to issue warrant-linked bonds and/or convertible bonds for a term of no more than 20 years or with a perpetual maturity on one or more occasions. Bearer warrants may be attached to the participatory certificates, or they may be linked to a conversion right for the bearer. The holders of warrant-linked bonds and convertible bonds may be granted option rights and conversion rights respectively to new shares of Deutsche Bank AG subject to the conditions governing warrant-linked bonds and convertible bonds. The total amount of participatory certificates, warrant-linked bonds and convertible bonds issued under this authorization must not exceed € 9,000,000,000 in total (conditional capital of € 150,000,000). This conditional capital became effective upon its entry into the Commercial Register on June 25, 2009.

The Management Board was authorized by the General Meeting on May 26, 2009 to issue bearer or registered participatory certificates on one or more occasions on or before April 30, 2014 and, instead of or in addition to participatory certificates, to issue warrant-linked bonds and/or convertible bonds for a term of no more than 20 years or with a perpetual maturity on one or more occasions. Bearer warrants may be attached to the participatory certificates, or they may be linked to a conversion right for the bearer. The holders of warrant-linked bonds and convertible bonds may be granted option rights and conversion rights respectively to new shares of Deutsche Bank AG subject to the conditions governing warrant-linked bonds and convertible bonds. The total amount of participatory certificates, warrant-linked bonds and convertible bonds issued under this authorization must not exceed € 9,000,000,000 in total (conditional capital of € 256,000,000).

The conditional capital increase can only be carried out to the extent to which these rights are exercised or holders with an obligation to convert fulfil their conversion obligations.

Changes in capital and reserves

in € m.		
Balance as of Dec 31, 2008		**20,942**
Distribution in 2009		(309)
Profit carried forward		(1)
Capital increase against contribution-in-kind		
− increase in subscribed capital	128	
− allocation to capital reserve	830	958
Revenue reserves		
– withdrawal from reserve for own shares	(199)	
– allocation to other revenue reserves	580	381
Distributable profit for 2009		793
Balance as of Dec 31, 2009		**22,764**

Off-balance sheet transactions

Contingent liabilities

In the normal course of business Deutsche Bank AG enters regularly into guarantees, letters of credit and credit liabilities. Under these contracts Deutsche Bank AG is required to make payments to the beneficiary based on third party's failure to meet its obligations or to perform under an obligation agreement. The maximum potential payment arising from these guarantees and credit liabilities after consideration of cash collateral is as follows.

in € m.	Dec 31, 2009	Dec 31, 2008
Guarantees	40,348	34,517
Letters of credit	4,447	5,328
Credit liabilities	12,076	12,991

The amounts stated above do not represent expected future cash flows as many of these contracts will expire without being drawn. The bank may require collateral to mitigate the credit risk. Cash collateral for contingent liabilities is recorded as liability on the balance sheet.

Irrevocable credit commitments

Irrevocable credit commitments amounted to € 104,725 million as of December 31, 2009 and included commitments of € 93,175 million for loans and discounts in favor of non-banks.

Deutsche Bank AG enters into irrevocable credit commitments to meet the financing needs of its customers. Irrevocable credit commitments represent the undrawn portion of Deutsche Bank's obligation to grant loans which cannot be withdrawn by Deutsche Bank. These commitments are shown with the contractual amount after consideration of cash collateral received. The amounts stated above do not represent expected future cash flows as many of these contracts will expire without being drawn. Even though the irrevocable credit commitments are not recognized on the balance sheet, Deutsche Bank AG considers them in monitoring the credit exposure.

Deutsche Bank AG is engaged in various business activities with certain entities, referred to as special purpose entities (SPEs), which are designed to achieve a specific business purpose. The principal uses of SPEs are to provide clients with access to specific portfolios of assets and risks and to provide market liquidity for clients through securitizing financial assets. Typically, Deutsche Bank AG will benefit by receiving service fees and commissions for the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. SPEs may be established as corporations, trusts or partnerships. While our involvement with these entities can take many different forms, it consists primarily of liquidity facilities, which are accounted as irrevocable credit commitments shown under other obligations below the line of the balance sheet. Deutsche Bank AG provides financial support to SPEs in connection with commercial paper conduit programs, asset securitizations, mutual funds and real estate leasing funds. Such vehicles are critical to the functioning of several significant investor markets, including the mortgage-backed and other asset-backed securities markets, since they offer investors access to specific cash flows and risks created through the securitization process. As of December 31, 2009, Deutsche Bank AG's exposure has not had a material impact on its debt covenants, capital ratios, credit ratings or dividends.

Sundry obligations

Purchase obligations are legally enforceable and binding agreements to purchase goods or services at predefined terms such as minimum quantities or prices. When Deutsche Bank AG enters into such agreements there is the potential risk that terms and conditions of the contract are less favorable than terms and conditions at the time the goods or services are delivered or that related costs are higher than the economic benefit received. As a consequence, Deutsche Bank AG may set aside a provision for onerous contracts in such cases.

Purchase obligations amount to € 1.8 billion for goods and services, which include future payments for, among others, services such as processing, information technology and custody.

Leases are contracts in which the owner of an asset (lessor) grants the right to use this asset to another party (lessee) for a specific period of time in return for regular payments. A leasing contract is classified as Operating Lease if the agreement includes a limited or unlimited right of termination for the lessee. All main risks and benefits linked with the ownership of the asset remain with the lessor, the lessor remains economic owner. Operating leases provide an alternative to ownership as they enable the lessee to benefit from not having its resources invested in the asset. Deutsche Bank AG's existing obligations arising from operating leases involve rental and leasing agreements for buildings, office furniture and equipment. The majority of these are leasing agreements for buildings, where Deutsche Bank AG is the lessee. As of December 31, 2009 payment obligations under rental agreements and leases amounted to € 978 million and had residual maturities of up to 14 years.

Liabilities for possible calls on not fully paid-up shares in public and private limited companies and other shares amounted to € 24 million at the end of 2009. Joint liabilities pursuant to Section 24 of the German Private Limited Companies Act (GmbHG) amounted to € 5 million. Where other joint liabilities exist, the credit rating of the co-partners is impeccable in all cases.

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

Liabilities for possible calls on other shares totaled € 3 million at December 31, 2009.

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

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

Obligations arising from transactions on futures and options exchanges and towards clearing houses for which securities were pledged as collateral amounted to € 14 billion at December 31, 2009.

There are contingent liabilities totaling € 41 million in connection with the resale of the trading company Klöckner & Co. AG, Duisburg.

In December 2009, Deutsche Bank AG signed a definitive agreement to acquire parts of ABN AMRO's corporate and commercial banking activities in the Netherlands for a purchase price of € 0.7 billion. The transaction is subject to approval by ABN AMRO and authorizations of De Nederlandsche Bank, the approval by the European Commission and other regulatory bodies and is expected to be completed in the second quarter 2010.

Declaration of Backing[1]

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

Berliner Bank AG & Co. KG, Berlin

DB Investments (GB) Limited, London

Deutsche Asset Management International GmbH, Frankfurt am Main

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

Deutsche Australia Limited, Sydney

Deutsche Bank A.Ş., Istanbul

Deutsche Bank Americas Holding Corp., Wilmington

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

Deutsche Bank Luxembourg S.A., Luxembourg

Deutsche Bank (Malaysia) Berhad, Kuala Lumpur

Deutsche Bank Polska S.A., Warsaw

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

Deutsche Bank ZRt., Budapest

Deutsche Bank S.A., Buenos Aires

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

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

Deutsche Bank, Sociedad Anónima Española, Barcelona

Deutsche Bank Società per Azioni, Milan

Deutsche Bank (Suisse) S.A., Geneva

Deutsche Futures Singapore Pte Ltd., Singapore

Deutsche Morgan Grenfell Group plc, London

Deutsche Securities Asia Limited, Hong Kong

Deutsche Securities Limited, Hong Kong

DWS Holding & Service GmbH, Frankfurt am Main

DWS Investment GmbH, Frankfurt am Main

DWS Investment S.A., Luxembourg

VAT Deutsche Bank DBU, Kiev

OOO Deutsche Bank, Moscow

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

Maturity structure of receivables

in € m.	Dec 31, 2009	Dec 31, 2008
Other receivables from banks	**100,129**	**121,195**
with a residual period of		
up to three months	55,099	64,359
more than three months and up to one year	17,486	27,236
more than one year and up to five years	13,628	10,386
more than five years	13,916	19,214
Receivables from customers	**357,558**	**405,850**
with a residual period of		
up to three months	274,718	297,731
more than three months and up to one year	24,137	35,526
more than one year and up to five years	35,585	39,366
more than five years	20,789	27,599
with an indefinite period	2,329	5,628

Of the bonds and other fixed-income securities of € 144,815 million, € 33,182 million mature in 2010.

Maturity structure of liabilities

in € m.	Dec 31, 2009	Dec 31, 2008
Liabilities to banks with agreed period or notice period	**117,614**	**168,458**
with a residual period of		
up to three months	49,917	105,114
more than three months and up to one year	17,745	31,206
more than one year and up to five years	21,516	20,782
more than five years	28,436	11,356
Savings deposits with agreed notice period of more than three months	**4,171**	**4,936**
with a residual period of		
up to three months	1,873	1,179
more than three months and up to one year	1,072	3,490
more than one year and up to five years	1,222	263
more than five years	4	4
Other liabilities to customers with agreed period or notice period	**121,221**	**142,643**
with a residual period of		
up to three months	78,630	88,139
more than three months and up to one year	16,981	26,690
more than one year and up to five years	14,222	12,284
more than five years	11,388	15,530
Other liabilities in certificate form	**144,521**	**125,709**
with a residual period of		
up to three months	22,849	17,625
more than three months and up to one year	23,353	17,126
more than one year and up to five years	58,703	56,420
more than five years	39,616	34,538

Of the issued bonds and notes of € 41,892 million, € 9,872 million mature in 2010.

Prepaid expenses and deferred income

Prepaid expenses of € 1,442 million include a balance of € 840 million pursuant to Section 250 (3) HGB. Deferred income of € 889 million contains balances of € 42 million pursuant to Section 340e (2) HGB.

Trust business

	Assets held in trust			Liabilities held in trust	
in € m.	Dec 31, 2009	Dec 31, 2008	in € m.	Dec 31, 2009	Dec 31, 2008
Receivables from banks	–	–	Liabilities to banks	23	0
Receivables from customers	78	291	Liabilities to customers	859	757
Bonds and other fixed-income securities	587	317			
Equity shares and other variable-yield securities	76	29			
Participating interests	40	41			
Sundry assets	101	79			
Total	**882**	**757**	**Total**	**882**	**757**

Information on affiliated, associated and related companies

	Affiliated companies		Associated and related companies	
in € m.	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Receivables from banks	85,573	86,227	9,237	10
Receivables from customers	138,534	152,786	817	982
Bonds and other fixed-income securities	979	54	22	9
Positive fair value of derivatives held for trading purposes (incl. in sundry assets)	40,141	80,189	5,901	2,796[1]
Liabilities to banks	119,284	104,684	15,178	21
Liabilities to customers	87,249	92,171	325	508
Liabilities in certificate form	1,530	9,778	–	–
Subordinated liabilities	11,793	11,076	–	–
Negative fair value of derivatives held for trading purposes (incl. in sundry liabilities)	41,829	83,704	4,035	3,011[1]

1 Prior year numbers were revised.

Shareholdings

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

Assets pledged as collateral

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

in € m.	Dec 31, 2009	Dec 31, 2008
Liabilities to banks	22,091	26,789
Liabilities to customers	598	422

Transactions subject to sale and repurchase agreements

The book value of assets reported on the balance sheet and sold subject to a repurchase agreement in the amount of € 5,236 million related exclusively to securities sold under repo agreements.

Foreign currencies

The total amount of assets denominated in foreign currencies was equivalent to € 743,203 million at the balance sheet date; the total value of liabilities was equivalent to € 670,957 million.

Forward transactions

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

- interest rate-linked transactions
  forward deals linked to debt instruments, forward rate agreements, interest rate swaps, interest futures, option rights in certificate form, option deals and option contracts linked to interest rates and indices;
- exchange rate-linked transactions
  foreign exchange and precious metal forwards, cross-currency swaps, option rights in certificate form, option deals and option contracts linked to foreign exchange and precious metals, foreign exchange and precious metal futures;
- other transactions
  equity forwards and futures, index futures, option rights in certificate form, option deals and option contracts linked to equities and indices.

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

Fair value of derivatives

			Dec 31, 2009
in € m.	Notional amount	Positive fair value	Negative fair value
OTC products			
interest rate-linked transactions	41,188,508	360,977	344,897
exchange rate-linked transactions	4,696,035	88,429	93,994
equity- and index-linked transactions	612,952	36,364	42,622
credit derivatives	3,496,687	126,387	115,357
other transactions	327,921	18,718	18,226
Exchange-traded products			
interest rate-linked transactions[1]	108,575	1	1
exchange rate-linked transactions[1]	433	0	0
equity- and index-linked transactions	269,698	2,274	1,766
other transactions	24,916	72	68
Total	**50,725,725**	**633,222**	**616,931**

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

The positive fair values of € 633,222 million and the negative fair values of € 616,931 million include trading derivatives and derivatives held for hedging purposes. The positive and negative fair values of trading derivatives are reported under sundry assets or sundry liabilities.

Notes to the Income Statement

Income by geographical market

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

in € m.	2009	2008
Germany	13,196	19,260
Europe excl. Germany	11,138	17,474
Americas	4,942	6,337
Africa/Asia/Australia	2,557	5,470
Total	**31,833**	**48,541**

Administrative and agency services provided for third parties

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

Other operating income

Other operating income of € 804 million includes € 357 million from write-ups of loans held for sale.

Other operating expenses

Other operating expenses of € 2,853 million primarily comprise valuation adjustments of € 1,550 million for loans held for sale. Other operating expenses also include a charge of € 316 million from a legal settlement with Huntsman Corp., guarantee expenses of € 140 million and litigation-related expenses of € 106 million.

Other Information

Disclosures according to Section 28 of the Pfandbrief Act

In June 2009 Deutsche Bank AG issued its first Pfandbrief. The following tables show the disclosures required by Section 28 of the Pfandbrief Act. As there was no Pfandbrief issued in 2008, tables are presented without comparatives.

Overall Exposure (Section 28 (1) No. 1 Pfandbrief Act)

Mortgage Pfandbriefe outstanding and cover assets			Dec 31, 2009
in € m.	Nominal value	Net present value	Risk-adjusted net present value
Mortgage Pfandbriefe outstanding	1,000.0	1,044.0	1,029.4
Cover pool	1,610.3	1,769.8	1,742.0
Cover assets	1,575.3	1,731.3	1,703.8
Further cover assets according to Section 4 (1) Pfandbrief Act	35.0	38.5	38.2
Over-Collateralization	**610.3**	**725.8**	**712.6**

All cover assets are receivables from customers which are secured by mortgage charges. The further cover assets are bonds and other fixed income securities as per Pfandbrief Act.

Maturity Profile (Section 28 (1) No. 2 Pfandbrief Act)

Maturity profile					Dec 31, 2009
in € m.	Term > 2 and ≤ 3 years	Term > 3 and ≤ 4 years	Term > 4 and ≤ 5 years	Term > 5 and ≤ 10 years	Total
Maturity structure of outstanding Pfandbriefe	–	–	–	1,000.0	**1,000.0**
Fixed rate terms for cover pool	514.6	72.5	961.7	61.5	**1,610.3**

Share of Derivatives included in the Cover Pool (Section 28 (1) No. 3 Pfandbrief Act).

As of December 31, 2009, there were no derivatives in the cover pool.

Cover Mortgages by Nominal Value (Section 28 (2) No. 1a Pfandbrief Act).

Single cover assets included in the total amount of 1,575.3 were higher than € 5 million each.

Loans used as Cover for Mortgage Pfandbriefe by Region in which Mortgaged Real Estate is based and by Type of Use (Section 28 (2) No. 1b and 1c Pfandbrief Act).

Dec 31, 2009	Residential					Commercial	Total
in € m.	Apartment blocks	Office buildings	Retail buildings	Industrial buildings	Other commercially used buildings	Total	
Germany	**504.0**	480.7	419.1	–	48.3	**948.1**	**1,452.1**
Great Britain	**–**	22.9	10.7	44.9	2.1	**80.6**	**80.6**
Switzerland	**–**	–	–	27.3	–	**27.3**	**27.3**
France	**–**	15.3	–	–	–	**15.3**	**15.3**
Total	**504.0**	**518.9**	**429.8**	**72.2**	**50.4**	**1,071.3**	**1,575.3**

Payments Outstanding on Mortgage Loans used as Cover for Mortgage Pfandbriefe (Section 28 (2) No. 2 Pfandbrief Act)

As of December 31, 2009, there were no payments outstanding by a minimum of 90 days on mortgage loans used as cover for Mortgage Pfandbriefe.

Additional information on Mortgage Loans (Section 28 (2) No. 3 Pfandbrief Act)

At year end 2009 there were no foreclosures pending. In 2009, no foreclosures were performed and Deutsche Bank AG did not take over properties to prevent losses on the mortgages. Furthermore, there were no arrears on interest payable by the mortgagors.

Management Board and Supervisory Board

The total remuneration paid to the Management Board is detailed on pages 12 to 20 of the Compensation Report. Former members of the Management Board of Deutsche Bank AG or their surviving dependents received € 19,849,430 and € 19,741,906 for the years ended December 31, 2009 and 2008, respectively. The Supervisory Board received in addition to a fixed payment (including meeting fees) of € 2,436,000 and € 2,478,500 (excluding value-added tax) for the years ended December 31, 2009 and 2008, respectively. Variable emoluments totaling € 125,316, for the financial year 2008 the Supervisory Board resolved to forgo any variable compensation.

Provisions for pension obligations to former members of the Management Board and their surviving dependents amounted to € 171,135,197 and € 167,420,222 at December 31, 2009 and 2008, respectively.

Loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 8,128,645 and € 2,641,142 and for members of the Supervisory Board of Deutsche Bank AG to € 1,166,445 and € 1,396,955 for the years ended December 31, 2009 and 2008, respectively. Members of the Supervisory Board repaid € 23,883 loans in 2009.

The members of the Management Board and the Supervisory Board are listed on pages 73 and 74.

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

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

As of December 31, 2009 the following shareholders reported a share of at least 3 % in the voting rights each pursuant to Section 21 of the German Securities Trading Act (Wertpapierhandelsgesetz): since April 16, 2009 – AXA S.A., Paris holds 4.64 % Deutsche Bank shares. Since October 17, 2008 – Credit Suisse Group, Zurich holds 3.86 % Deutsche Bank shares (via financial instruments) and since December 1, 2009 – BlackRock, Inc., New York holds 4.72 % Deutsche Bank shares.

Employees

The average number of full-time equivalent staff employed during the reporting year was 28,497 (2008: 29,434), 10,473 of whom were women. Part-time employees are included proportionately in these figures based on their working hours. An average of 17,066 (2008: 17,973) staff members worked at branches outside Germany.

Corporate Governance

The bank has issued the declaration prescribed by Section 161 AktG. The Declaration of Conformity dated January 5, 2010, and all of the previous versions of the Declaration of Conformity are published on Deutsche Bank's website at www.deutsche-bank.com/corporate-governance.

Frankfurt am Main, March 3, 2010

Deutsche Bank Aktiengesellschaft
The Management Board

Josef Ackermann	Hugo Bänziger	Michael Cohrs
Jürgen Fitschen	Anshuman Jain	Stefan Krause
Hermann-Josef Lamberti	Rainer Neske	

Responsibility Statement by the Management Board

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

Frankfurt am Main, March 3, 2010

Josef Ackermann	Hugo Bänziger	Michael Cohrs
Jürgen Fitschen	Anshuman Jain	Stefan Krause
Hermann-Josef Lamberti	Rainer Neske	

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Deutsche Bank AG for the business year from January 1, 2009 to December 31, 2009. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

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

Our audit has not led to any reservations.

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

Frankfurt am Main, March 5, 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Becker
Wirtschaftsprüfer

Bose
Wirtschaftsprüfer

Management Board

Dr. Josef Ackermann
Chairman

Dr. Hugo Bänziger

Michael Cohrs
from April 1, 2009

Jürgen Fitschen
from April 1, 2009

Anshuman Jain
from April 1, 2009

Stefan Krause

Hermann-Josef Lamberti

Rainer Neske
from April 1, 2009

Supervisory Board

Dr. Clemens Börsig
– Chairman,
Frankfurt am Main

Karin Ruck*
– Deputy Chairperson
Deutsche Bank AG,
Bad Soden am Taunus

Wolfgang Böhr*
Deutsche Bank AG,
Dusseldorf

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

Heidrun Förster*
Deutsche Bank Privat- und Geschäftskunden AG,
Berlin

Alfred Herling*
Deutsche Bank AG,
Wuppertal

Gerd Herzberg*
Deputy Chairman of ver.di
Vereinte Dienstleistungsgewerkschaft, Hamburg

Sir Peter Job
London

Prof. Dr. Henning Kagermann
Co-Chief Executive Officer of
SAP AG until May 31, 2009,
Königs Wusterhausen

Martina Klee*
Deutsche Bank AG,
Frankfurt am Main

Suzanne Labarge
Toronto

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

Henriette Mark*
Deutsche Bank AG,
Munich

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

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

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

Marlehn Thieme*
Deutsche Bank AG,
Bad Soden am Taunus

Tilman Todenhöfer
Managing Partner of Robert
Bosch Industrietreuhand KG,
Madrid

Werner Wenning
Chairman of the Management
Board of Bayer AG,
Leverkusen

Leo Wunderlich*
Deutsche Bank AG,
Mannheim

* Elected by our employees in Germany.

Committees

Chairman’s Committee
Dr. Clemens Börsig
– Chairman

Heidrun Förster*

Karin Ruck*

Tilman Todenhöfer

Mediation Committee
Dr. Clemens Börsig
– Chairman

Wolfgang Böhr*

Karin Ruck*

Tilman Todenhöfer

Audit Committee
Dr. Karl-Gerhard Eick
– Chairman

Dr. Clemens Börsig

Sir Peter Job

Henriette Mark*

Karin Ruck*

Marlehn Thieme*

Risk Committee
Dr. Clemens Börsig
– Chairman

Sir Peter Job

Prof. Dr. Henning Kagermann

Suzanne Labarge
– Substitute Member

Dr. Theo Siegert
– Substitute Member

Nomination Committee
Dr. Clemens Börsig
– Chairman

Tilman Todenhöfer

Werner Wenning

* Elected by our employees in Germany.

Advisory Boards

European Advisory Board

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

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

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

Lord John Browne of Madingley
from December 1, 2009
Managing Director and Managing Partner (Europe), Riverstone Holdings LLC;
former Chief Executive Officer, BP, London

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

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

Francis Mer
Former French Minister of Economy, Finance and Industry, Bourg-la-Reine

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

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General Partner of Dr. August Oetker KG, Bielefeld

Eckhard Pfeiffer
Former Chief Executive Officer of Compaq, Kitzbühel

Dr. Bernd Pischetsrieder
Urfahrn

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

Håkan Samuelsson
Chairman of the Management Board of MAN SE until November 23, 2009, Munich

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

Jürgen R. Thumann
Chairman of the Shareholders’ Committee of Heitkamp & Thumann KG, Dusseldorf

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Chairman of the Management Board of Daimler AG and Head of Mercedes-Benz Cars, Stuttgart

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The Honorable Chuck T. Hagel
from May 7, 2009
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former U.S. Senator, (R-NE)

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J. C. Penney, Inc.

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Chairman, Cerberus Capital Management LP;
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Fabio Feldmann
Chief Executive Officer, Fabio Feldmann Consultores; former Executive Secretary, Brazilian Forum on Climate Change

Amory B. Lovins
Chairman & Chief Scientist, Rocky Mountain Institute

Lord Oxburgh
Member of the Advisory Board, Climate Change Capital; former Chairman, Shell

Dr. R. K. Pachauri
Chairman, Intergovernment Panel on Climate Change

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

Professor Robert Socolow
Co-Director, The Carbon Mitigation Initiative; Professor, Princeton University

Professor Dr. Klaus Töpfer
Former German Minister for Environment

Professor Hongren Zhang
Former President, International Union of Geological Science; former Chinese Vice Minister of Geology and Mineral Resources

2010

Apr 27, 2010	Interim Report as of March 31, 2010
May 27, 2010	Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)
May 28, 2010	Dividend payment
Jul 28, 2010	Interim Report as of June 30, 2010
Oct 28, 2010	Interim Report as of September 30, 2010

2011

Feb 3, 2011	Preliminary results for the 2010 financial year
Mar 15, 2011	Annual Report 2010 and Form 20-F
Apr 28, 2011	Interim Report as of March 31, 2011
May 26, 2011	Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)
May 27, 2011	Dividend payment
Jul 27, 2011	Interim Report as of June 30, 2011
Oct 26, 2011	Interim Report as of September 30, 2011