

Annual Review 2007



WINNING IN A WORLD OF CHANGE.



Deutsche Bank



## Our Identity.

We are a leading global investment bank with a strong and profitable private clients franchise. Our businesses are mutually reinforcing. A leader in Germany and Europe, we are powerful and growing in North America, Asia and key emerging markets.

## Our Mission.

We compete to be the leading global provider of financial solutions for demanding clients creating exceptional value for our shareholders and people.

## A Passion to Perform.

This is the way we do business. We pursue excellence, leverage unique insights, deliver innovative solutions and build long-term relationships.

# Deutsche Bank

## The Group at a Glance

	2007	2006
Return on average total shareholders' equity (post tax)	18.0%	20.4%
Pre-tax return on average total shareholders' equity	24.3%	28.0%
Pre-tax return on average active equity <sup>1</sup>	29.2%	32.7%
Basic earnings per share	13.65 €	12.96 €
Diluted earnings per share <sup>2</sup>	13.05 €	11.48 €
Book value per share issued <sup>3</sup>	69.84 €	62.42 €
Book value per basic share outstanding <sup>4</sup>	77.54 €	69.48 €
Cost/income ratio <sup>5</sup>	69.6%	69.7%
Compensation ratio <sup>6</sup>	42.7%	43.9%
Non-compensation ratio <sup>7</sup>	26.9%	25.8%

in € m.	2007	2006
Total revenues	30,745	28,494
Provision for credit losses	612	298
Total noninterest expenses	21,384	19,857
Income before income tax expense	8,749	8,339
Net income	6,510	6,079

in € bn.	Dec 31, 2007	Dec 31, 2006
Total assets	2,020	1,584
Shareholders' equity	37.0	32.8
BIS core capital ratio (Tier 1)	8.6%	8.5%

Number	Dec 31, 2007	Dec 31, 2006
Branches	1,889	1,717
thereof in Germany	989	934
Employees (full-time equivalent)	78,291	68,849
thereof in Germany	27,779	26,401

Long-term rating	Dec 31, 2007	Dec 31, 2006
Moody's Investors Service	Aa1	Aa3
Standard & Poor's	AA	AA-
Fitch Ratings	AA-	AA-

<sup>1</sup>We calculate this adjusted measure of our return on average total shareholders equity to make it easier to compare us to our competitors. We refer to this adjusted measure as our "Pre-tax return on average active equity". However, this is not a measure of performance under IFRS and you should not compare our ratio to other companies' ratios without considering the difference in calculation of the ratios. The item for which we adjust the average shareholders' equity of €35,888 million for 2007 and €29,751 million for 2006 are the average unrealized net gains on assets available for sale/average fair value adjustment on cash flow hedges, net of applicable tax of €3,841 million for 2007 and €2,667 million for 2006 and the average dividend accruals of €2,200 million for 2007 and €1,615 million for 2006. The dividend payment is paid once a year following its approval by the general shareholders' meeting.

<sup>2</sup>Including numerator effect of assumed conversions.

<sup>3</sup>Book value per share issued is defined as shareholders' equity divided by the number of shares issued (both at period end).

<sup>4</sup>Book value per basic share outstanding is defined as shareholders' equity divided by the number of basic shares outstanding (both at period end).

<sup>5</sup>Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.

<sup>6</sup>Compensation and benefits as a percentage of total net interest income before provision for credit losses plus noninterest income.

<sup>7</sup>Non-compensation noninterest expenses, which is defined as total noninterest expenses less compensation and benefits, as a percentage of total net interest income before provision for credit losses plus noninterest income.

# The Deutsche Bank Share

## Useful information on the Deutsche Bank share

### 2007

Change in total return <sup>1</sup>	(8.6)%
Share in equities trading (Xetra and Frankfurt Floor Trading)	8.1%
Average daily trading volume <sup>2</sup>	6.1 million shares
Share price high	€ 118.51
Share price low	€ 81.33
Dividend per share (proposed for 2007)	€ 4.50

### As of December 31, 2007

Issued shares	530,400,100
Outstanding shares	501,065,281
Share capital	€ 1,357,824,256.00
Market capitalization	€ 47.41 billion
Share price <sup>3</sup>	€ 89.40
Weighting in the DAX	5.6%
Weighting in the Dow Jones STOXX 50	1.4%

### Securities identification codes

Deutsche Börse		New York Stock Exchange	
Type of issue	Registered share	Type of issue	Global Registered Share
Symbol	DBK	Currency	U.S.\$
WKN	514 000	Symbol	DB
ISIN	DE0005140008	CINS	D 18190898
Reuters	DBKGn.DE	Bloomberg	DBK GR

<sup>1</sup> Share price based on Xetra.

<sup>2</sup> Orderbook statistics (Xetra).

<sup>3</sup> Xetra – closing price.

## Winning in a World of Change.

The world is changing. Rapidly and profoundly and, owing to the interplay of global networks, much less predictably than in the past. New is not only how these changes are happening, but also where they are taking us. Reliability, integrity, client focus and intellectual capital, coupled with sound knowledge of economic and cultural needs in established and emerging markets – these are the qualities that make Deutsche Bank successful in today's world. We have been investing for years in our ability to adjust to change. We have developed instruments and capabilities enabling us now and in the future to turn change into opportunity. And opportunity into success. For our shareholders. For our clients. For our staff. For our future.

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*Dear Shareholders,*

2007 was an exceptionally challenging year – for the global economy, for the world’s financial markets, for the banking sector, and for Deutsche Bank. For the first six months, business conditions were very favourable: the sentiment on financial markets was positive, and momentum in the global economy was strong. However, during the second half of the year, the crisis in the “sub-prime” segment of the mortgage market had a profound impact on the world’s financial markets. As investors’ concerns grew, conditions for both credit and liquidity in the global financial system became significantly more difficult. This, in turn, affected equity markets, which experienced both volatility and substantial corrections. The impact of the sub-prime crisis, and its wider ramifications, were felt acutely in the banking sector. In both the U.S. and Europe, banks with direct exposure to sub-prime mortgage debt, and to securities in related areas, saw their earnings significantly impacted. The crisis has persisted into the early months of 2008, and continues to weigh on both financial markets and the wider global economy.

Against this very challenging backdrop, Deutsche Bank turned in a very solid performance. We took good advantage of the favourable conditions of the first half of 2007, and showed strength and resilience as conditions became more difficult later in the year. We were less impacted by the sub-prime crisis than some other major banks, having positioned ourselves defensively, at an early stage, in the areas most directly affected by the crisis. We also benefited from effective risk management and a well-diversified business model. For the full year 2007, revenues were € 30.7 billion, up 8%, while pre-tax profits were up 5% to € 8.7 billion, and net income rose by 7% to € 6.5 billion. As a result, our pre-tax return on average active equity, as per our target definition, was 26%, above our over-the-cycle target of 25%, and our diluted earnings per share, also per target definition, were € 10.79. We also strengthened our capital base: Tier 1 capital rose by nearly € 5 billion to more than € 28 billion.



**Dr. Josef Ackermann**  
Chairman of the Management Board and  
the Group Executive Committee

This robust performance enables us to maintain our attractive dividend policy. At our Annual General Meeting in May, we will propose a dividend of €4.50 per share, up from €4.00 per share in 2007. If shareholders accept this recommendation, our dividend will have risen three-fold since 2003. Our share price declined by 12% – disappointing, but nevertheless outperforming the Euro stoxx Banks index, which declined 17%, and substantially outperforming some of our international peers.

Our Corporate and Investment Bank turned in a pre-tax profit of €5.1 billion for 2007 – a very solid result, given the environment in the second half. Our Corporate Banking and Securities business produced pre-tax profits of €4.2 billion. In our sales and trading activities, some high-volume “flow” businesses, such as foreign exchange and money market trading, performed very well, while in equities trading, momentum was also strong in our customer-facing business; however, some credit trading businesses, notably in areas related to sub-prime, were impacted by the turbulent markets. In Corporate Finance, our advisory business produced record revenues, but our debt origination business was affected by difficult markets for leveraged finance and high-yield debt, which necessitated write-downs on our holdings of leveraged loans and loan commitments. Our Global Transaction Banking (GTB) business produced outstanding results, with pre-tax profits rising 34% to €945 million, thanks to revenue growth in all key product areas and tight control of costs.

Our Private Clients and Asset Management (PCAM) business turned in a robust performance, with pre-tax profits rising 6% to €2.1 billion. At the end of the year, the business had invested assets of €952 billion, up from €908 billion at the end of 2006. Our Asset and Wealth Management business, comprising both Asset Management and Private Wealth Management, produced pre-tax profits of €913 million, slightly ahead of 2006, and also attracted €40 billion of net inflows of invested assets during the year. Our Private & Business Clients business delivered pre-tax profits of €1.1 billion, up 10%, while at the same time integrating Berliner Bank and norisbank in our home market, Germany, and investing in our fast-growing presence in China, India and Poland. The solid results of both PCAM and GTB, in a difficult environment, demonstrate the value of these “stable” businesses and their contribution to the diversification of Deutsche Bank’s earnings.

2007 was also a year in which Deutsche Bank invested in its worldwide presence. Our headcount grew by over 9,400 during the year. Of these, over 4,300 were in Asia, reflecting our commitment to take advantage of the opportunities in this dynamic and fast-growing region. We also added over 1,700 employees in the Americas. In Germany, our headcount grew by nearly 1,400, while in the rest of Europe, and the Middle East, we added 1,000 people. With a presence in 76 countries and 150 different nationalities represented on our staff, the global reach of our network, and the diversity of our people, are unique assets. Our growth in 2007, across all parts of the world, underlines our commitment to invest in these assets.

As we look forward, the near-term outlook continues to be very challenging. Conditions remain difficult both in financial markets and the wider economy. Credit, for both individuals and businesses, is likely to be more expensive and less widely available than before the crisis. Real estate markets in the U.S. and some European countries remain difficult. The rising cost of energy and of other commodities adds inflationary pressure. On financial markets, conditions for both credit and liquidity are still tight, and investors, both private and institutional, remain wary. The environment for the banking sector is therefore likely to remain challenging in the near term.

Deutsche Bank has a strong operating platform and a clear, focused strategy. Tight management of risks, capital and costs will continue to be a priority. We have built leading positions in our core businesses, and are thus well-placed to benefit from a flight to quality. We will continue to develop our “stable” businesses and build on our competitive edge in investment banking. Furthermore, we will continue to exploit synergies across these mutually reinforcing businesses.

The longer-term trends which are shaping our environment remain in place, and these trends favour Deutsche Bank. The pace of globalisation continues, as the momentum of key Asian economies, including China and India, and of energy-producing nations, is largely sustained. The world's capital markets continue to gain in importance as a means of connecting issuers and investors across the globe in an environment where capital constraints restrict traditional bank lending. Invested assets continue to grow, as private individuals plan for their retirement and as new wealth is created in fast-growing economies. As a world-leading investment bank and a major global asset gatherer, we are well-positioned to benefit from these trends.

Deutsche Bank has proven its strength in both favourable and unfavourable markets. Our strategy is right, and we will stay the course. Our highest priority is to serve the interests of our shareholders, clients, employees, and the communities in which we operate. Despite the uncertainties in our business environment, this commitment remains as strong as ever.

Yours sincerely,

A handwritten signature in blue ink, reading "Josef Ackermann". The signature is written in a cursive, flowing style.

Josef Ackermann  
Chairman of the Management Board and  
the Group Executive Committee

Frankfurt am Main, March 2008

## Group Executive Committee



1  
**Pierre de Weck, born 1950**  
Head of Private Wealth Management.



2  
**Jürgen Fitschen, born 1948**  
Global Head of Regional Management.  
Chairman of the Management Committee  
Germany.



3  
**Anthony Di Iorio, born 1943**  
Management Board member since 2006.  
Chief Financial Officer, responsible for  
Finance, Tax, Corporate Insurance,  
Investor Relations, Audit and Operations  
of Securities Settlement according to  
MaRisk\*.



6  
**Kevin Parker, born 1959**  
Head of Asset Management.



7  
**Dr. Hugo Bänziger, born 1956**  
Management Board member since 2006.  
Chief Risk Officer, responsible for Risk  
Management, Legal, Compliance, Cor-  
porate Governance, Corporate Security  
and Treasury & Capital Management.

\* Minimum requirements for risk management according to  
Bundesanstalt für Finanzdienstleistungsaufsicht.



4  
**Anshu Jain, born 1963**  
 Head of Global Markets.



5  
**Dr. Josef Ackermann, born 1948**  
 Management Board member since 1996.  
 Chairman of the Management Board and the Group Executive Committee, responsible for Corporate and Investment Bank, Private Clients and Asset Management, Corporate Investments, Regional Management as well as Communications & Corporate Social Responsibility, Corporate Development and Economics.



8  
**Rainer Neske, born 1964**  
 Head of Private & Business Clients.



9  
**Hermann-Josef Lamberti, born 1956**  
 Management Board member since 1999.  
 Chief Operating Officer, responsible for Human Resources, Information Technology, Operations (excluding Securities Settlement according to MaRisk\*), Cost and Infrastructure Management, Building and Facilities Management as well as Purchasing.



10  
**Michael Cohrs, born 1956**  
 Head of Global Banking.

**Members of the Management Board  
 of Deutsche Bank AG.**





// For us our stake in Deutsche Bank is an enhancement of our investment portfolio. We believe Deutsche Bank has a very solid, sustainable growth strategy and the right management team to deliver on that strategy.

**Dr. Omar Bin Sulaiman, Governor of Dubai International Financial Centre (DIFC), Dubai**

# Deutsche Bank Group 01 //

## Well positioned for further profitable growth

### MANAGEMENT STRUCTURE

The Management Board of Deutsche Bank AG has as its prime responsibility the Group's strategic management, resource allocation, financial accounting and controls, capital and risk management, and internal controls. The Management Board is supported in the performance of its leadership and oversight duties by functional committees which are chaired by Management Board members, and by the Corporate Center.

In May 2007, Tessen von Heydebreck retired from the Management Board, which until then had consisted of five members. His responsibilities – Human Resources, Legal, Compliance, Audit and Corporate Social Responsibility – were re-allocated among the four remaining Management Board members.

The Group Executive Committee (GEC) is made up of the members of the Management Board, the heads of the five core businesses, and the Head of Regional Management. The GEC supports the Management Board in its decision-making. At regular meetings, it reviews developments within the businesses, discusses matters of Group strategy and formulates recommendations for the Management Board. Josef Ackermann chairs both the Management Board and the GEC.

<b>Functional Committees</b>		
<b>Group Executive Committee Management Board Business Heads/Regional Head</b>		
Corporate and Investment Bank	Corporate Investments	Private Clients and Asset Management
<b>Regional Committees</b>		

### GROUP DIVISIONS

Deutsche Bank's Group Divisions are: the Corporate and Investment Bank (CIB), Private Clients and Asset Management (PCAM) and Corporate Investments (CI).

### CORPORATE AND INVESTMENT BANK

CIB is responsible for Deutsche Bank's capital markets business, comprising the origination, sales and trading of capital markets products including debt, equity, and other securities, together with our corporate advisory, corporate lending and transaction banking businesses. Our clients are institutions, both public sector (including sovereign states and supranational bodies) and private sector entities, from medium-sized businesses to large multinational corporations.

CIB is subdivided into two Corporate Divisions: Corporate Banking & Securities and Global Transaction Banking.

Corporate Banking & Securities comprises our Global Markets and Corporate Finance businesses, and covers Deutsche Bank's origination, sales and trading of securities, corporate advisory and M&A businesses, together with other corporate finance activities.

Global Transaction Banking covers Deutsche Bank's trade finance, cash management and trust & securities services businesses and serves both financial institutions and corporate clients.

Corporate Finance and Global Transaction Banking are together named Global Banking.

#### **PRIVATE CLIENTS AND ASSET MANAGEMENT**

PCAM comprises two Corporate Divisions: Asset and Wealth Management and Private & Business Clients.

Asset and Wealth Management comprises two Business Divisions: Asset Management and Private Wealth Management. Asset Management provides retail clients across the globe with mutual fund products through our DWS and DWS Scudder franchises. Asset Management also provides institutional clients, including pension funds and insurance companies, with a broad range of services including traditional asset management, alternative assets, sophisticated absolute return strategies and real estate asset management. Private Wealth Management serves high net worth individuals and families worldwide. We provide these very discerning clients with a fully-integrated wealth management service, encompassing portfolio management, tax advisory, inheritance planning and philanthropic advisory services.

Private & Business Clients (PBC) provides private individuals and small to medium-sized businesses with a full range of traditional banking products, from current accounts, deposits and loans, investment management products and business banking services. Outside Germany, PBC has for some years operated in Italy, Spain, Belgium and Portugal, and more recently in Poland. We are also making focused investments in fast-growing Asian markets, for example in China and India.

#### **CORPORATE INVESTMENTS**

The Corporate Investments Group Division covers our industrial shareholdings, certain bank-occupied real estate assets and other non-strategic holdings.

#### **ANTICIPATING THE TRENDS SHAPING OUR ENVIRONMENT**

In the first six months of 2007, we performed very well in favourable markets. However, in the second half of the year, the environment became significantly more difficult, primarily as a consequence of the sub-prime crisis in the United States.

Problems related to sub-prime mortgages in the U.S.A. caused a widespread dislocation which severely impacted both investor confidence and liquidity across the world's financial markets. The effects of this crisis on the banking sector and on the wider economy, particularly in the U.S., are still working their way through the system. Deutsche Bank showed strength and resilience in the context of this fast-changing environment in 2007.

Our continued solid performance is due primarily to strong positioning in important markets and businesses – particularly in the light of the long-term trends shaping our industry: globalization, capital market growth, and invested asset growth.

Increasing globalization and the disappearance of geographical boundaries favours institutions which have built strong positions in emerging growth regions of the world. Deutsche Bank, with its presence in 76 countries around the world and more than 70% of revenues in 2007 generated outside its home market, is one of the most “global” banks in the world.

As a leading global investment bank, Deutsche Bank also benefits from the growing importance of capital markets. Deutsche Bank has a business model which places an emphasis on innovative, high-value products and customized solutions for demanding clients, both from public and private sector.

The demand for investment products is also growing around the world. In Germany and other mature markets, the need for private retirement funding drives this demand. In emerging markets such as Asia, Central or Eastern Europe and Latin America, creation of new wealth brings with it the growing need for private investment. With close to one trillion Euros of invested assets by clients at the end of 2007, Deutsche Bank is well-positioned to benefit from this trend, thanks to our strong positions in retail and institutional fund management, as well as a strong foothold in the fast-growing area of alternative investments. Furthermore, Deutsche Bank benefits from product development synergies across our business divisions, combining the capital markets expertise of our Investment Bank with the market intelligence of our salesforce to meet clients' needs.

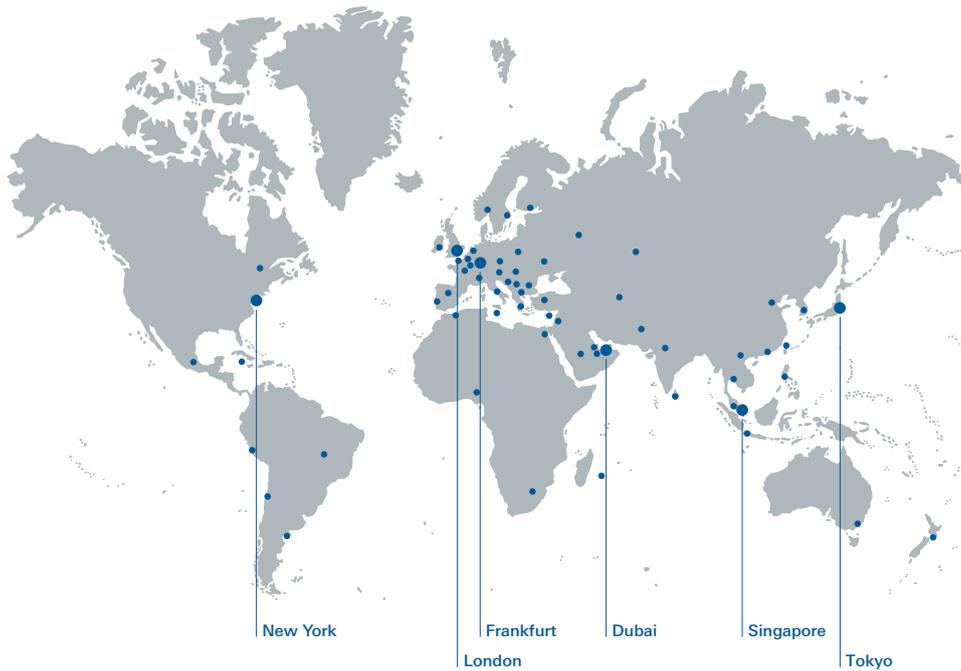
#### **STAYING THE COURSE**

Deutsche Bank's strategy in light of these underlying trends is clear: we stay the course. We remain committed to Phase 3 of our management agenda, leveraging our global platform to accelerate global growth. We will maintain strict cost, risk and capital discipline. We will invest in our core businesses, through both organic growth and focused acquisitions. We will build out our “stable” businesses and expand on our competitive edge in investment banking. We will retain our focus on unlocking synergies across complementary business lines.

**CONTINUING TO DELIVER ON OUR TARGETS**

Deutsche Bank once again successfully delivered on its stated financial objectives in 2007, showing commendable resilience in the face of adverse market conditions. Per our target definition, which excludes significant gains and charges, pre-tax return on average equity was 26% for the year, ahead of our over-the-cycle target of 25%, and diluted earnings per share grew by 55 cents to € 10.79.

**Global presence**



- Regional major hub.
- Capital of country in which we are represented.

# Responsible, value-driven and transparent management and control of Deutsche Bank

Effective corporate governance is an important part of our identity. The essential framework for this is provided by, first and foremost, the German Stock Corporation Act and German Corporate Governance Code, which was last amended in June 2007. Since our share is also listed on the New York Stock Exchange, we are also subject to the relevant U.S. capital market legislation as well as the rules of the Securities and Exchange Commission and the New York Stock Exchange.

We ensure the responsible, value-driven management and control of Deutsche Bank through our system of corporate governance, which has four key elements: good relations with shareholders; effective cooperation between the Management Board and Supervisory Board; a system of performance-related compensation; and transparent, timely reporting.

## SHAREHOLDERS

Our shareholders are involved in the bank's most important decisions, as is legally required, including amendments to the Articles of Association, the apportionment of earnings, the issue of new shares and important structural changes. Deutsche Bank has only one class of share, with each share carrying the same voting right. To make it easier for our shareholders to exercise their voting rights, we support the use of electronic media for the Annual General Meeting. For example, shareholders can issue their voting instructions via the internet.

## MANAGEMENT BOARD

The Management Board is responsible for managing the company and has overall control of Deutsche Bank Group companies. The Management Board ensures that all provisions of law and company internal policies are abided by and works to achieve compliance with those provisions by Group companies. The members of the Management Board together with the heads of Deutsche Bank's five core businesses, as well as the Head of Regional Management, form the Group Executive Committee. This committee analyzes the development of the business divisions, discusses matters of Group strategy and prepares recommendations for decisions taken by the Management Board.

## SUPERVISORY BOARD

The Supervisory Board oversees and advises the Management Board in its management of the business. It appoints the members of the Management Board, and together with the Management Board, draws up its long-term succession plans. Major decisions affecting the bank require Supervisory Board approval. The Supervisory Board has specified the information and reporting duties of the Management Board and set up a Chairman's Committee, an Audit Committee and a Risk Committee – in addition to the Mediation Committee which is to be formed as a legal requirement. In October 2007, based on a new recommendation of the German Corporate Governance Code, the Supervisory Board also established a Nomination Committee, which is responsible for preparing the Supervisory Board's proposals for the Annual General Meeting's election of the shareholder representatives on the Supervisory Board. This task was previously allocated to the Chairman's Committee. Furthermore, responsibility for handling compliance issues has been clearly assigned to the Audit Committee.

### PERFORMANCE-RELATED COMPENSATION

The compensation of the members of the Management Board is aligned primarily to their contribution to business performance and international industry standards. Part of the Management Board's compensation is equity-based, and this is driven by the performance of our share price relative to that of our peers. Compensation for the members of the Supervisory Board was adjusted by resolution of the 2007 Annual General Meeting. In the future, they will receive a higher fixed compensation as well as a variable compensation component related to the dividend and earnings per share (based on a 3-year average). The chair and deputy chair of the Supervisory Board as well as the chair and members of the Chairman's, Audit and Risk Committees receive additional compensation. The compensation of each member of the Management Board and the Supervisory Board, as well as the structure of our remuneration system, are published in the Compensation Report, which forms part of the Management Report (please refer to the Financial Report 2007, page 44 ff.).

### REPORTING AND TRANSPARENCY

Shareholders and the interested public are regularly kept up to date, above all through the Annual Report including the Consolidated Financial Statements as well as the Interim Reports. Deutsche Bank Group's reporting is in accordance with International Financial Reporting Standards (IFRS). This provides for a high degree of transparency and facilitates comparability with our international peers.

### DECLARATION OF CONFORMITY

On October 30, 2007, the Management Board and the Supervisory Board issued the annual Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act. It states that Deutsche Bank has complied, and will comply, with the recommendations of the Government Commission's German Corporate Governance Code with only one exception: the directors' and officers' liability insurance policy (D&O), specifically taken out to also include the members of the Management Board and the Supervisory Board, does not have a deductible.

Our complete Corporate Governance Report for 2007 can be found in our Financial Report 2007, starting on page 260 ff. This report and other documents on our corporate governance, such as the terms of reference for the Management Board, the Supervisory Board and its committees, are available on the Internet at [www.deutsche-bank.com/corporate-governance](http://www.deutsche-bank.com/corporate-governance).

We regularly check our corporate governance in light of new events, statutory requirements and developments in domestic and international standards, and make the appropriate adjustments.

## A Passion to Perform for shareholders, clients, staff and the community

As a leading financial services provider, Deutsche Bank is committed to serving the interests of its shareholders, clients, staff and society. Globalization and its impact on the financial markets, significant capital accumulation in emerging and established economies, and the threat of climate change: these are challenges for which our stakeholders require solutions in order to continue to prosper. To us, this is a call to action, an opportunity, and a duty. Thanks to our high-performance business model, strong international presence and the high level of commitment of our staff, we can meet these expectations even in difficult times.

Shareholders	Clients
Staff	Society

### SHAREHOLDERS

Our shareholders' respect for our company is the key to our long-term success as we compete for a scarce commodity: capital. To maintain this, we must secure a strong and stable earnings base of our business in an environment of strict risk control. Open and in-depth dialogue with our shareholders increases trust and helps to protect the value of their investment in our company.

### CLIENTS

We aim to meet our clients' needs with skill, creativity and passion. To achieve this we offer first-class products and outstanding service, drawing on all of the resources of our Group. After thoroughly analyzing the needs of any given situation, we propose suitable options. In an ever more rapidly changing environment, our clients expect to be able to exploit opportunities and limit risks. Candid feedback provides us with useful hints on how we can improve our service even more.

### STAFF

The skills and motivation of our staff are key to satisfying our demanding clients. Our attractiveness as an employer helps us to attract and retain the most talented people. We invest in technical and personal training and offer staff a wide range of possibilities for achieving their professional objectives and realizing their personal goals. We support our staff when they perform voluntary work for the community and also if they encounter difficult circumstances in their private lives.

### THE COMMUNITY

Deutsche Bank recognizes its social responsibility and faces up to the challenges of our times. We support the education of young people, using our business skills as we do so. As cultural sponsors, we focus on art and music, and here, too, we pay particular attention to education and the future. We have recently increased our efforts to help deal with climate change and its effects as part of our philosophy of sustainable behaviour.

# Shareholders

A higher dividend makes our share more attractive.

<b>Structural Data</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Number of shareholders</b>		<b>360,785</b>	348,196	411,593
<b>Shareholders by group</b> in % of share capital <sup>1</sup>	Institutional (including banks)	<b>86</b>	86	84
	Private	<b>14</b>	14	16
<b>Regional breakdown</b> in % of share capital <sup>1</sup>	Germany	<b>45</b>	54	52
	European Union (excluding Germany)	<b>31</b>	30	30
	Switzerland	<b>9</b>	5	6
	U.S.A.	<b>13</b>	10	11
	Other	<b>2</b>	1	1

<b>Key Figures</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>
Change in total return of Deutsche Bank share <sup>2</sup>		<b>(8.6)%</b>	27.4%	28.8%
Share in equities trading (Xetra and Frankfurt Floor Trading)		<b>8.1%</b>	7.8%	5.2%
Dividend per share for the financial year (in €)		<b>4.50<sup>3</sup></b>	4.00	2.50

## Special Projects

IFRS workshop	Joint analyst and journalist workshop to explain the differences and impact of the conversion in accounting from U.S. GAAP to IFRS since 2007.
Perception studies	Regular analyses of Deutsche Bank's perception among institutional investors are performed in order to gauge the Deutsche Bank share's attractiveness as an investment.
Share buyback program	Share buyback program 2006/07 completed, new share buyback program subsequently launched after the Annual General Meeting 2007.

<sup>1</sup> Figures rounded.

<sup>2</sup> Share price based on Xetra.

<sup>3</sup> Proposal for Annual General Meeting on May 29, 2008.

# Clients

Outstanding performance for our demanding clients.

<b>Structural Data</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Number of clients (rounded)</b>				
Corporate and Investment Bank		56,900	54,200	54,800
Private Clients and Asset Management	Private & Business Clients	13,800,000	14,100,000	13,410,000
	Asset and Wealth Management			
	Retail Asset Management <sup>1</sup> (Germany/Luxembourg)	2,926,000	2,530,000	2,500,000
	Institutional Asset Management	2,400	2,300	2,600
	Private Wealth Management <sup>2</sup>	92,000	90,000	74,000
<b>Key Figures</b>				
Corporate and Investment Bank	Euromoney Poll of Polls, ranking	1	1	2
	Euromoney FX Poll, ranking	1	1	1
	Euromoney Awards for Excellence, number of awards won	31	21	19
	International Financing Review (IFR) Awards (majors)	18 (7)	26 (7)	12 (4)
Private Clients and Asset Management	Top rankings in Standard & Poor's Fund Awards for DWS Investments, category "Larger Group" <sup>3</sup>			
	Germany	2	2	3
	Austria	1	1	1
	Switzerland	1	1	2
<b>Special Projects</b>				
Corporate and Investment Bank	Acquisition of Abbey Life Assurance Company Ltd.			
	Expansion of the bank's presence in the U.S. energy markets via new office in Houston.			
	Launch of a new exchange-traded funds platform for funds in Europe and Asia.			
	New branches in Algeria and Peru.			
	Purchase of the institutional cross-border securities custody business of Garanti Bank A.S. in Turkey.			
Private Clients and Asset Management	Opening of 66 db kredyt shops in Poland.			
	Launch of innovative mutual funds which respond to major themes in today's societies: DWS Riestern Rente Premium, DWS Invest Climate Change and DWS Invest Global Agribusiness.			
	Acquisition of minority stake in Aldus Equity, an alternative asset management and advisory boutique specializing in private equity investing.			
	Successful placement of the world's first securitization of subordinated loans to microfinance institutions with external rating on the German market.			

<sup>1</sup> Number of accounts.

<sup>2</sup> Change of data base: Number of client relationships excluding Private Client Services (U.S.A.).

<sup>3</sup> "Larger Group" definitions:

- Germany, Austria: 15 or more funds across at least five different sectors.
- Switzerland: 10 or more funds across at least four different sectors.

# Staff

Positioning as employer of choice.

<b>Structural Data</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Staff (full-time equivalents)<sup>1</sup></b>		<b>78,291</b>	68,849	63,427
Divisions	Private Clients and Asset Management	39.3%	41.1%	41.9%
	Corporate and Investment Bank	21.1%	20.9%	20.2%
	Corporate Investments	0.0%	0.1%	0.1%
	Infrastructure/Regional Management	39.6%	37.9%	37.8%
Regions	Germany	35.5%	38.3%	41.5%
	Europe (excluding Germany), Middle East and Africa	28.1%	29.1%	29.1%
	Americas	17.2%	17.0%	18.1%
	Asia/Pacific	19.2%	15.6%	11.3%
	University degree	64.4%	59.7%	55.6%
Qualifications <sup>2</sup>	High school certificate	17.4%	19.4%	22.8%
	Other school degrees	18.2%	20.9%	21.6%
	Age <sup>2</sup>	up to 24	10.0%	8.9%
	25–34	35.2%	34.7%	34.2%
	35–44	32.3%	33.8%	34.7%
	45–54	17.9%	18.3%	19.1%
	over 54	4.6%	4.3%	4.4%

<b>Key Figures</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>
Employee Commitment Index		71	68	68
Employees leaving the bank for alternative employment		8.4%	7.0%	6.9%
Training (expenses in € million)		129	130	109
Apprenticeship programs (expenses in € million)		41	40	40

## Special Projects

Professional Training Award	For our employee training program "In eigener Sache - Fit for your Future Career" we received the IIR Germany professional training award. Key criteria for the award were: originality, feasibility, innovation of the concept as well as fostering staff members' development potential and enhancing their employability.
Transparency on all Compensation Components	Introduction of brochure "Full Compensation Overview" for our non-tariff employees in Germany, presenting a summary of all key compensation components and benefits including pension plan or sickness benefits.
Primary Health Care Program in India	Cooperation in India with a medical services provider to ensure a comprehensive and consistently high standard of health care for our staff members in Indian cities where the bank has operations.

<sup>1</sup> Staff (full time equivalent) = total headcount adjusted proportionately for part-time staff, excluding apprentices and interns.

<sup>2</sup> Point of reference: Number of staff (headcount).

# Society

More than money: Building social capital.

<b>Structural Data</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Number of countries in which Deutsche Bank operates (including offshore sites)</b>		76	73	73
<b>Key Figures (in € million)</b>		<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Spending by Deutsche Bank</b>				
	Donations	47.3	53.6	56.8 <sup>1</sup>
	Sponsoring <sup>2</sup>	28.5	24.0	26.0
<b>Sub-total</b>		<b>75.8</b>	<b>77.6</b>	<b>82.8</b>
thereof:				
	Deutsche Bank Americas Foundation	12.7	12.3	15.0
	Deutsche Bank Corporate Social Responsibility UK	5.0	5.7	4.5
	Deutsche Bank Asia Foundation	2.6	1.2	1.0
<b>Spending by endowed Deutsche Bank foundations</b>				
	Deutsche Bank Foundation	5.4	6.6	5.6
	Other foundations	1.0	1.0	1.3
<b>Sub-total</b>		<b>6.4</b>	<b>7.6</b>	<b>6.9</b>
<b>Total</b>		<b>82.2</b>	<b>85.2</b>	<b>89.7</b> <sup>1</sup>
<b>Special Projects</b>				
Ensuring sustainability	Partner of the "Clinton Climate Initiative", a global program to improve the energy efficiency of buildings in large cities.			
Committing ourselves	90 international MBA graduates in London and New York volunteer to advise public institutions and non-profit organizations.			
Creating opportunity	"Teachers as Leaders": New program launched by the Deutsche Bank Americas Foundation to address the need for under-represented teachers in both American cities and in underprivileged regions around the world.			
Fostering creativity	Deutsche Bank Foundation: the 2007 awarding of the "Views" art prize in Warsaw and the "Kandinsky Prize" in Moscow to support young artists.			
Enabling talent	Education Programme in London: Performance attendance of 10,000 young people, participation of 1,200 school children in 150 workshops and of 89 teachers in continued professional training days.			

<sup>1</sup> Including € 10 million extraordinary spending for disaster relief.

<sup>2</sup> Only for social responsibility projects.





// In 21st century China, it's all about change. Therefore I choose Deutsche Bank as a financial planner who can make my life easier with its attractive financial products and first-class service.

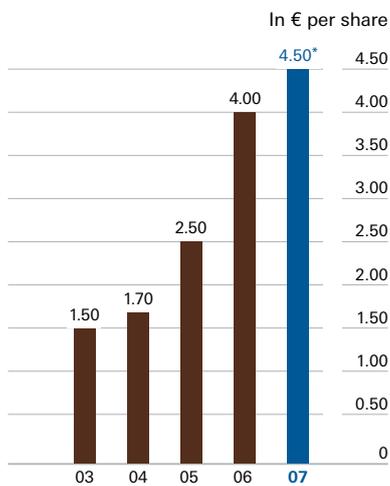
Jeanne Zhang, Private Client, Beijing

# Stakeholders

## 02 //

## 2007 – a challenging year

### Increasing dividend



\*Proposal.

Relative to other markets internationally, the German stock market proved to be very resilient in 2007. Despite the severe turbulence caused by the U.S. subprime mortgage crisis, the German share index DAX closed its fifth annual rise in a row with a gain of 22%. At comparable exchanges around the world, price increases were considerably more modest, and in some cases markets ended the year lower. The Euro STOXX 50 gained only 7%, and the STOXX 50 closed just below its level of the beginning of the year.

### MARKET TURBULENCE IMPACTS OUR SHARES

Following a very positive start to the year, growing concerns about the problems of U.S. sub-prime mortgage borrowers put an initial dampener on the stock market during the early part of the year. Within a few weeks, optimism returned and markets recovered. Against this background, the Deutsche Bank share reached a record high of €118.51 in May. During the summer, however, more significant concerns caused by increased subprime mortgage default rates in the U.S.A. returned. This reduced investors' appetite for risk, especially with regard to debt instruments backed by residential mortgages as well as other types of debt securities. Investors were unsettled by surprisingly high write-down requirements of an increasing number of banks, as well as liquidity problems on the global interbank markets. Deutsche Bank was not fully able to escape the decline in investor confidence in the banking sector as a whole. Against a backdrop of high volatility and sharp corrections in many financial stocks, our share price declined in November to €81.33, its low for the year. The Deutsche Bank share closed 2007 at €89.40 and had thus declined by approximately 12% over the year. However, we outperformed the EuroSTOXX Banks index by 5% percentage points and were even 25% percentage points better than the average share price development of our major international peer group.

### HIGHER DIVIDEND

In a difficult market environment, particularly during the second half of the year, Deutsche Bank achieved very solid operating results. We will be recommending a dividend increase of 12.5% to €4.50 per share to the 2008 Annual General Meeting. This reflects both our strong performance of 2007 and our confidence in a positive outlook for the future. The proposed dividend is very attractive, particularly in comparison with those of other investment banks.

### A PROFITABLE LONG-TERM INVESTMENT

Despite weaker performance in 2007, the Deutsche Bank share has been a profitable investment over the long term. An investor who bought Deutsche Bank shares for the equivalent of €10,000 at the beginning of 1980, reinvested dividends and subscribed to capital increases without injecting additional funds would have had a portfolio worth €151,257 at the end of 2007. This corresponds to an average return of 10.2%. Over the long-term, the share performance has been similar to the DAX, which generated an average annual return of 10.5% during the same period.

### SIGNIFICANT INCREASE IN TRADING

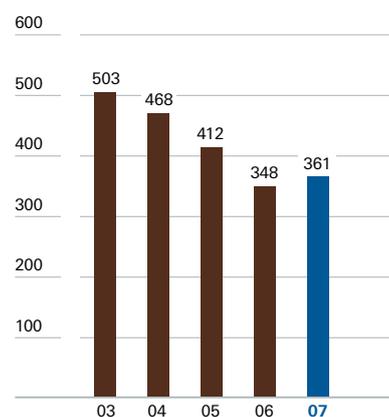
Trading volume in our shares increased in 2007 by some € 100 billion to nearly € 336 billion, the fourth highest in the DAX index. At the end of 2007, our share capital was based on 530,400,100 no par value shares, nearly 6 million more than at the end of 2006. Due to a lower year-end closing share price than in 2006, our market capitalization declined to € 47.4 billion (2006: € 53.2 billion). Relative to the market capitalization of other international banks, we gained two places to rank 24th. At the end of 2007, Deutsche Bank's share accounted for a 5.6% weighting in the DAX.

### INTERNATIONAL INVESTORS INCREASE THEIR PARTICIPATION

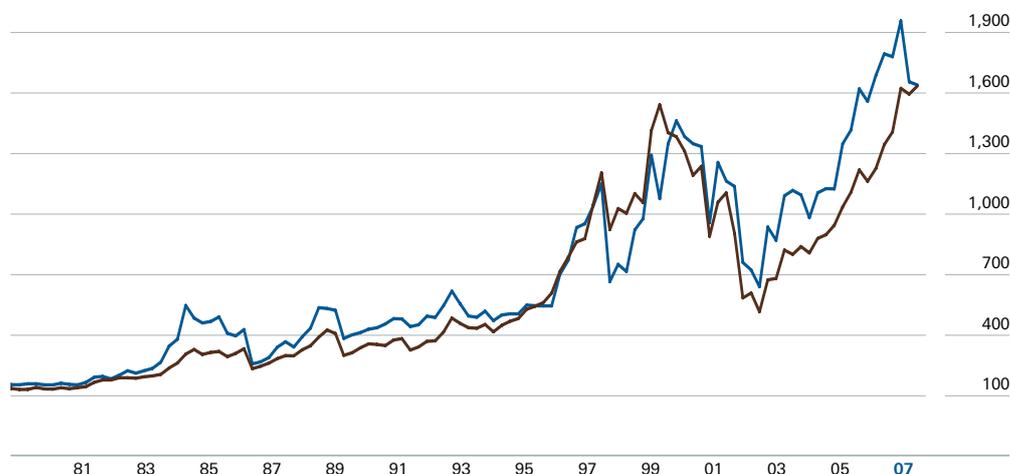
In 2007, for the first time since 2001, the number of our shareholders increased slightly over the previous year, rising by 12,600 to 360,785. This is all the more notable as the total number of shareholders in Germany continued to decline in 2007 and reached its lowest level since 1996. At the end of the year, private investors again accounted for a good 98% of our shareholders, and held 14% of the share capital of € 1,357,824,256. Institutional investors (including banks) accounted for just under 2% of our shareholders and, as in 2006, 86% of all Deutsche Bank shares. In contrast, there has been a significant shift in the regional shareholder structure: international investors' growing interest in our share is reflected by an increase in the percentage of shares held abroad to a total of roughly 55% (end of 2006: 46%). In 2007,

### Increasing number of shareholders

In thousands at year's end



### Long-term value



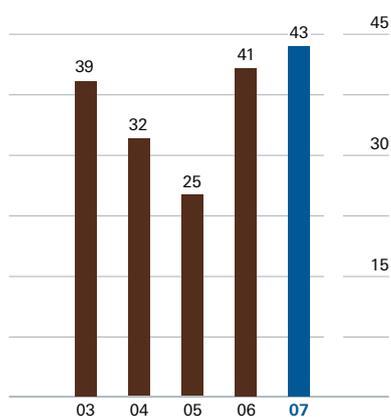
Total Return Index, beginning of 1980=100, quarterly figures.

— Deutsche Bank  
— DAX

Source: Datastream

### Higher voting presence at the Annual General Meeting

In % of share capital



net purchases were made, in particular, by investors based in Switzerland, Luxembourg and the U.S.A., while German investors (primarily institutions such as investment funds and banks) reduced their holdings in our shares.

Deutsche Bank shares remain 100% free float. At the beginning of 2007, the disclosure threshold for major shareholders pursuant to § 21 (1) German Securities Trading Act was reduced from 5% to 3%. As of December 31, 2007, the large shareholders subject to reporting that are known to us were UBS AG (Switzerland) with a holding of 4.07%, Barclays PLC (UK) with 3.10%, and AXA S.A. (France) with 3.08%. In May, Government-owned DIFC Investments from Dubai acquired a 2.2% stake in Deutsche Bank as a strategic investor.

### HIGHER VOTING PRESENCE AT THE ANNUAL GENERAL MEETING

On May 24, 2007, nearly 5,000 shareholders came to the Frankfurt Festhalle for our Annual General Meeting to discuss Deutsche Bank's current position and prospects with the Management Board. Once again, the proportion of equity which voted at the AGM increased versus the year before: at 42.5%, the voting capital was nearly two percentage points higher than in 2006. The customary business update by the Chairman of the Management Board was followed by an intensive question-and-answer session between shareholders and management. The Annual General Meeting approved all resolutions on the Agenda by large majorities.

### NEW SHARE BUYBACK PROGRAM

At the Annual General Meeting the shareholders again authorized us to buy back our own shares in a volume equivalent to up to 10% of the share capital. This authorization is valid until October 31, 2008, and covers up to 52.5 million Deutsche Bank shares. The Management Board therefore resolved to wind up the 2006/07 share buyback program and to continue to repurchase shares under the new program.

Under the 2006/07 share buyback program, a total of 14.1 million shares were repurchased for €1.34 billion in the period from June 2, 2006, to May 29, 2007. We reduced the subsequent buybacks in the second half of 2007 to maintain our core capital ratio within our target range of 8 to 9%. By the end of 2007, we had purchased approximately 6.3 million of our own shares.

From the start of our first share buyback program in mid-2002 until the end of December 2007, we repurchased a total of 222 million shares worth €14.7 billion and cancelled 118 million Deutsche Bank shares with a value of some €7.2 billion. The buybacks are carried out directly via the spot market and, if necessary, using derivatives.

### INTERNET SERVICE EXPANDED

In 2007, we asked our shareholders to allow us to send them the Annual General Meeting documents in electronic form in future. This request was accompanied by a prize draw, and enables us to save costs and help protect the environment. The response was very positive: we received around 10,000 e-mail addresses, which we will use for the first time to send out invitations to the 2008 Annual General Meeting.

The Internet service we have offered for some years was, of course, also available to shareholders in 2007. Using this service, shareholders can order entry tickets for the Annual General Meeting or grant powers of attorney to the company proxy, as well as issue instructions on how to exercise their voting rights. Nearly 6,700 shareholders used this option in 2007.

### RATING UPGRADED

During 2007, Moody's raised its long-term rating for Deutsche Bank by two notches (to Aa1), and Standard&Poor's by one (to AA). Fitch Ratings upgraded its outlook on Deutsche Bank's long-term rating (AA-) from "stable" to "positive". The reasons given by the rating agencies were the significant and sustained improvement in results, Deutsche Bank's solid risk management and its outstanding position in capital markets-related businesses.

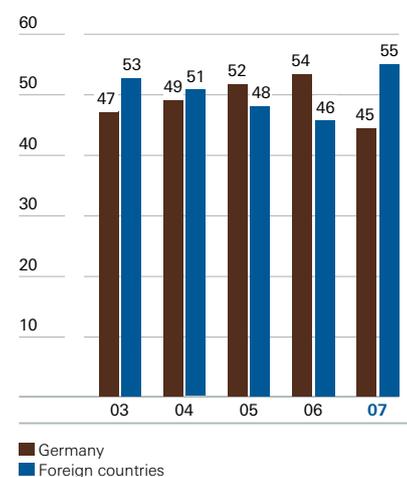
### MORE INTENSIVE CONTACT WITH INVESTORS

The Investor Relations team met investors' and analysts' growing demand for information in numerous ways in 2007. We answered investors' questions at approximately 300 face-to-face meetings and group discussions (compared to 230 in the previous year) and at 13 international investor conferences, on several occasions with representatives of top management. At analyst conferences, and on regular conference calls, we reported on the development of Deutsche Bank's business and its strategy. In addition, we continued our discussion with fixed income investors. We stepped up our dialogue with investors who base their investment decisions largely on sustainability criteria. In a workshop in the spring for analysts and journalists, we explained the impact of our transition from reporting under U.S. GAAP to reporting under International Financial Reporting Standards, (IFRS) which is required with effect from 2007.

We address our private investors primarily through our toll-free shareholder hotline and the internet. During 2007, we re-designed our website and made it more user-friendly. The site provides comprehensive information about our company as well as interactive tools, for instance to analyze the Deutsche Bank share price. Users can also access numerous reports and documents. We broadcast all investor relations events live, and in full, through the internet and offer an online information service. Twice a year, we discuss our financial results as well as current topics in an internet chat-line.

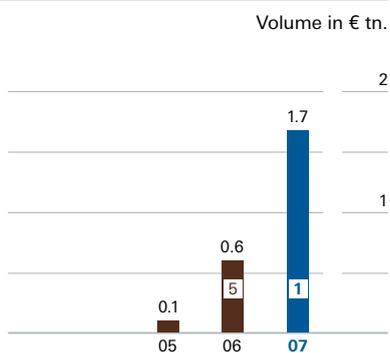
### Regional distribution of share capital

In % at year's end



## Solid earnings in a changing environment in 2007

### Global Markets: dominant global position in electronic trading of interest rate swaps



□ Ranking in comparison with peers  
Source: Bloomberg

For our Corporate and Investment Bank, the operating environment changed rapidly during 2007. Very favourable conditions in the first half of the year were followed, in the later part of 2007, by some of the most difficult financial markets in recent memory. In the rapidly changing environment, CIB's earnings demonstrated the strength and resilience of our platform. Revenues were even slightly up on 2006, while operational pre-tax profits were very solid. In the challenging conditions of the second half of 2007, CIB substantially strengthened its competitive position. This was due partly to high-quality risk management, and partly to the fact that, at an early stage, we positioned ourselves defensively in the areas most directly affected by financial market turbulence.

CIB comprises two Corporate Divisions: Corporate Banking & Securities and Global Transaction Banking. Corporate Banking & Securities comprises two Business Divisions: Global Markets and Corporate Finance. Corporate Finance and Global Transaction Banking are together named Global Banking.

### CORPORATE BANKING & SECURITIES

**GLOBAL MARKETS** comprises all sales, trading, structuring and research in a wide range of financial products, including bonds, commodities, equities, equity-linked products, exchange-traded and OTC derivatives, foreign exchange, money market instruments, asset and residential mortgage-backed securities and hybrid instruments. The origination, underwriting and syndication of debt and equity securities and leveraged loans is managed jointly by Global Markets and Corporate Finance.

Global Markets has eight primary business lines and three horizontally integrated client-facing groups (Global Capital Markets, the Institutional Client Group and Research), unified at a local level by strong regional management.

### Excerpt from segment reporting (Corporate and Investment Bank<sup>1</sup>)

In 2007, CIB's pre-tax profit was € 5.1 billion, € 0.9 billion below the prior year. Corporate Banking & Securities' pre-tax profit decreased by € 1.2 billion with Sales & Trading debt and Origination debt products being significantly impacted by challenging credit market conditions subsequent to the subprime crisis. These negative developments were partly offset by record Sales & Trading (equity) revenues as well as higher revenues from the Advisory business. Customer-driven businesses remained the predominant source of revenues. Global Transaction Banking's pre-tax profit increased € 0.2 billion with double-digit profit growth in all geographic regions.

in € m.	2007	2006
Net revenues	19,092	18,802
Total provision for credit losses	109	(94)
Noninterest expenses	13,802	12,789
<b>Income before income taxes</b>	<b>5,147</b>	<b>6,084</b>
Return on equity (pre-tax) in %	25	36
BIS risk positions	237,026	191,891
Assets	1,895,756	1,468,321

<sup>1</sup> Excerpt from segment reporting. For notes and other detailed information, see Financial Report 2007 (Management Report).

2007 was a challenging year for Global Markets. The first half-year was characterized by robust markets and high levels of client activity, contributing to record earnings in the division’s primary debt and equity sales and trading units. From the summer onwards, dislocations in global financial markets, initially related to rising delinquencies in the market in U.S. subprime residential mortgages, spread rapidly to other areas and caused an abrupt deterioration in market conditions, accompanied by an equally abrupt slowdown in levels of client activity. Although corporations and institutional investors temporarily returned to the markets during October, the decline in levels of market activity proved largely sustained throughout the second half of the year.

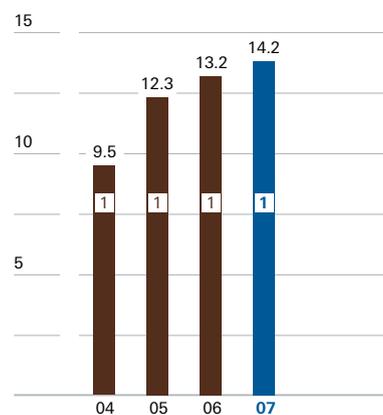
In these very challenging conditions, Global Markets showed considerable resilience. This was attributable both to our client-focused business model, which emphasizes the transformation and distribution of financial risk, and from a prompt management response to the rapid deterioration in markets. Our carefully constructed diverse portfolio of businesses also performed well, with strong gains in “flow” business lines such as foreign exchange, money markets and aspects of interest rate trading helping to offset a deterioration in credit products and equities.

Client transactions remained Global Markets’ predominant source of earnings throughout the year. Business remained brisk across all major products during the first half year. Notably, we improved our position with financial sponsors, launching several investment products in partnership with major private equity houses. The second half of the year saw a precipitate decline in activity among several client groups, notably banks, non-financial corporates and institutional investors. Hedge funds remained active throughout the second half-year, although in general their activity migrated away from more structured products towards “flow” instruments such as government bonds and currencies. Proprietary opportunities, while plentiful during the first half year, were scant thereafter. Nonetheless, proprietary trading in both debt and equities contributed positively to Global Markets’ bottom-line performance in 2007.

Our franchise position improved throughout the year. We maintained our leadership in Europe and achieved strong gains in North America, particularly in fixed income, where for the first time we were ranked among the top three providers by industry consultants Greenwich Associates. In the highly-regarded International Financing Review (IFR) awards, we were voted Bond House of the Year, Derivatives House of the Year, Securitisation House of the Year and EMEA Equity House of the Year. In Asia, where Greenwich ranked Deutsche Bank as the largest fixed income product provider, we benefited from strong regional growth throughout the year. Markets in non-Japan Asia proved resilient to the effects of the financial crisis in North America, with customer volumes holding up well during the second half of the year.

**Deutsche Bank: continued market leader in corporate bonds in euro**

Market share in %

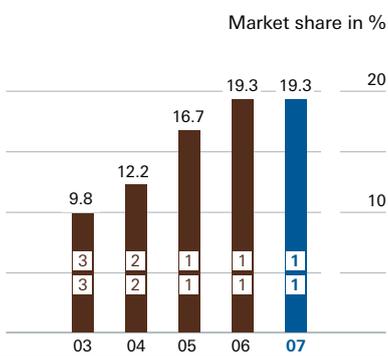


□ Ranking in comparison with peers  
Source: Thomson Financial

**AWARDS 2007**

- International Financing Review**
- “Bond House of the Year”
- “Derivatives House of the Year”
- “Interest Rate Derivatives House of the Year”
- “Equity Derivatives House of the Year”
- “Securitisation House of the Year”
- “EMEA Equity House of the Year”
- Euromoney**
- “Best Credit Derivatives House”
- “Best Foreign Exchange House”
- Risk Magazine**
- “Interest Rate Derivatives House of the Year”
- “Currency Derivatives House of the Year”

**Global Markets:  
world leader in foreign exchange**



□ Ranking in comparison with peers  
Source: Euromoney FX survey

Our direct exposure to the U.S. subprime mortgage market was modest, through the acquisition in 2006 of MortgageIT, an originator which focuses on the Alt-A or “prime” sector of the market, where losses were less significant. Additionally, we positioned ourselves defensively in respect of the sub-prime mortgage sector from a relatively early stage.

Credit products saw significantly lower business volumes during the second half of 2007, as a sharp decline in investor confidence affected business lines such as collateralized debt obligations (CDOs) and credit trading. However, areas such as basic securitization continued to perform well and proactive risk management of positions mitigated the worst effects of the crisis on our overall performance. We did not maintain a large direct exposure to CDOs, and therefore we were not heavily exposed to the rapid decline in the value of these assets from late-July onwards. Net of trading losses, our Credit Products group generated revenues for the full year comparable to those generated in 2006, its previous record year.

Earnings in our customer-focused equities business lines continued to show positive momentum overall. Our equity derivatives business continued to grow, both in revenue and market share. The expansion of our cash equities trading capability in North America and in Japan brought improvements in overall performance. Better alignment with our Equities Origination group in Europe and North America was also a source of positive earnings growth. In prime services, we benefited from a “flight to quality” among investors looking for prime brokerage counterparts with a strong capital position who had weathered the summer financial crisis relatively well.

Our money market trading and foreign exchange businesses had an outstanding year, benefiting from very strong market share and consistently solid risk management throughout periods of extreme market dislocation. Our foreign exchange business was ranked first in the world by customers responding to Euromoney Magazine’s annual poll, with an overall market share of more than 19%. This is the third consecutive occasion on which we have topped the Euromoney poll, an industry bellwether.

Our investment in index replication technologies paid off handsomely, with our launch of exchange-traded funds on over 70 European and Asian market indices. In Europe, from a standing start, we established ourselves as a leader in fixed income exchange-traded funds (ETF) and a top three provider of equity-based ETFs.

In the emerging markets, the roll out of our equity offering in the Middle East, Latin America and Asia continued, with encouraging results from all regions. Our emerging markets debt franchise performed strongly in most regions. Our position in Central and Eastern Europe benefited from the integration into our platform of United Financial Group, a leading Russian investment bank purchased by Deutsche Bank in late 2005.

**CORPORATE FINANCE** is comprised of M & A Advisory, Equity Capital Markets (ECM), Leveraged Debt Capital Markets (LDCM), Commercial Real Estate (CRE), Asset Finance & Leasing (AFL) and corporate lending services. All products and services are delivered to clients through regional and industry-based client coverage.

2007 was a good year for Corporate Finance despite the exceptionally challenging market conditions in the second half of the year which impacted our LDCM and CRE businesses. Our diversified business platform, our geographic diversity and strong client culture helped deliver market share gains and growth in some key regions and products.

In Europe, we maintained our leadership position as measured by share of fee pool for the 5th consecutive year. In the Americas, we continued to be a top 10 bank. We maintained our No.10 rank in Asia/Pacific, improving our fee market share in Australia and New Zealand. In Germany, we maintained our overall leadership position in corporate finance with No. 1 rankings in M & A advisory, ECM and investment grade bonds. Our regional and client focused coverage structure and our sustained innovation across product areas, ensured continued success with our German medium-sized or "Mittelstand" clients.

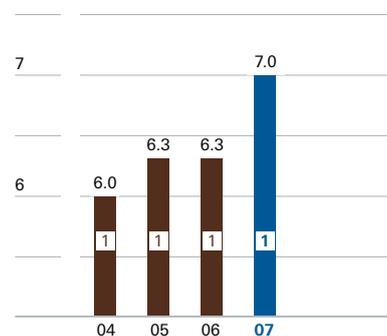
Our Advisory business continued to make strong progress, increasing the quantity and quality of transactions in 2007. Our volumes were up 79% overall and we featured prominently in several high profile transactions worldwide. These included the largest acquisition in the mining sector, the largest chemicals transaction and the largest leveraged buy-out. Our volume of announced transactions was up 85% in Europe compared to 43% for the market. In the Americas, our volumes were up 60% versus 16% for the market, helping us to climb steadily up the volume league tables to No. 8 for the year.

In 2007, our ECM franchise gained market share globally. In Europe, based on volume league tables, we moved from No.6 to No.1 for initial public offerings with particular strength in Germany. Our successful investments in emerging markets has helped deliver the No.1 position by volume in Russia, where we were previously ranked fifth, and the No.6 position in the Middle East, where we launched the first retail initial public offering on the Dubai International Financial Exchange. In the Americas, we achieved a No. 6 position by volume in convertible issues and increased our position in initial public offerings. In Asia/Pacific, we executed Hong Kong's largest ever initial public offering of an internet company.

Overall, our LDCM business was impacted by the volatility in the credit markets seen in the second half of 2007. However, in Europe, we maintained our leadership position in European High Yield Issuance for the 7th year running. Deal highlights included the largest European leveraged buy-out and the largest South African leveraged buy-out. We also delivered a number of award-winning innovative deals for both corporate clients and financial sponsors during the year.

**Corporate Finance: maintained our leadership position in Europe**

Market share in %

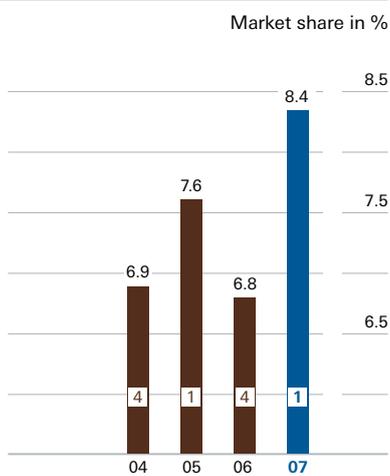


Ranking in comparison with peers  
Source: Dealogic

**AWARDS 2007**

- Euromoney**
- "Best M & A House: Central & Eastern Europe"
- "Best M & A House: Russia"
- Euroweek**
- "Most Impressive LBO Structurer"
- "Best Arranger of German Loans"
- "Best Loan Trading House"
- Global Finance**
- "Best Investment Bank: Western Europe"
- Institutional Investor**
- "Bank of the Year (Epic Awards for Real Estate Finance & Investment)"

**Corporate Finance:  
strong improvement in  
European ECM**



□ Ranking in comparison with peers  
Source: Dealogic

The challenging conditions also affected our CRE business in 2007. However, certain areas of the business continued to perform. Deutsche Bank Berkshire Mortgage, the Government Sponsored Enterprises origination and servicing business acquired in 2004, delivered strong results. This was attributable to record origination volumes and the continued benefit from acquisition synergies. CRE also benefited from expansion in Asia/Pacific with strong deal flow, increased mandates and loan originations in particular in Shanghai and Hong Kong. Turbulent markets in Europe helped to create additional profitable investment opportunities for the Real Estate Special Situations Group.

Our AFL business capitalized on two prominent trends, namely globalization and climate change, as we expanded our activities in infrastructure, transportation and renewable energy. We were involved in the development of solar projects in Spain and successfully advised on the 2nd A-Model Public-Private-Partnership for German motorway financing. In Dubai, we established a regional desk to meet demand in the MENASA (Middle East, North Africa, South Asia) region for advisory services including those relating to large transport and infrastructure projects. We also continued to expand in new asset classes such as microfinance, where we closed, using a cross-divisional approach, the world's first rated subordinated debt microfinance securitization program.

**GLOBAL TRANSACTION BANKING**

Global Transaction Banking (GTB) is comprised of commercial banking products and services for corporate clients and financial institutions, including domestic and cross-border payments, professional risk mitigation for international trade and the provision of trust, agency, depositary, custody and related services. Business units include Cash Management for Corporates and Financial Institutions, Trade Finance and Trust & Securities Services.

2007 was a record year for GTB. The business grew across all regions, with strong growth in our European home market and Asia/Pacific alongside solid performance in the Americas, despite the difficult market and macro environment.

In our Corporate Client group we reinforced our growing position as a provider of banking services across Asia, the Americas and Europe by strengthening our franchise and distribution capabilities. We remained focused on our target markets in Eastern Europe, winning some significant mandates in the region. We have remained at the forefront of product development ahead of the introduction of the Single Euro Payments Area (SEPA) at the end of January 2008, enabling our clients to swiftly benefit from the advantages that SEPA offers. Our Trade Finance business grew steadily, especially in emerging markets, and we achieved leading league table positions as arranger of global trade finance loans. During 2007, we widened our product and service offering to meet the combined cash management and trade financing needs of our corporate customers.

**AWARDS 2007**

**Euromoney Awards for Excellence**

"Best at Cash Management in Western Europe"

"Best at Cash Management in Asia"

**Euromoney Trade Finance Awards**

"Best Forfaiting Institution"

"Best Trade Finance Software/Technology Provider"

**Euroweek**

"Best Issuing & Paying Agent for Medium Term Notes"

**Islamic Conference Group**

"Best Administrator/Trustee for a Sukuk"

**Transaction**

**Total Securitization**

"Trustee of the Year"

**Trade and Forfaiting Review**

"Best International Trade Finance Bank"

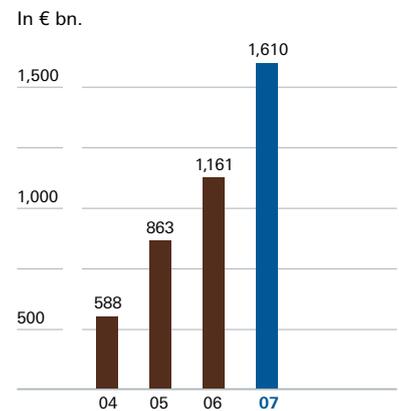
"Best Structured Commodity Finance Bank"

\* Transaction with Sharia-compliant financing structure.

In 2007, more and more financial institution clients turned to Deutsche Bank as they sought to consolidate business with a single global cash management provider. Furthermore, we have seen increased interest in partner bank arrangements or in-sourcing solutions for transaction processing. Our Trust & Securities Services business delivered strong growth in the equity and custody businesses winning a significant number of depositary receipt and custody mandates and becoming a pre-eminent administrator for Islamic capital market transactions.

We also focused on expansion in high-growth markets, purchasing the institutional custody business of Garanti Bank in Turkey, establishing a registrar and transfer agency business for Indian mutual funds and introducing fund administration services in several Asian markets including Sharia-compliant services in Malaysia. Although our business was impacted in the second half of the year by disruption to the credit markets, our diverse product portfolio allowed us to weather the challenges.

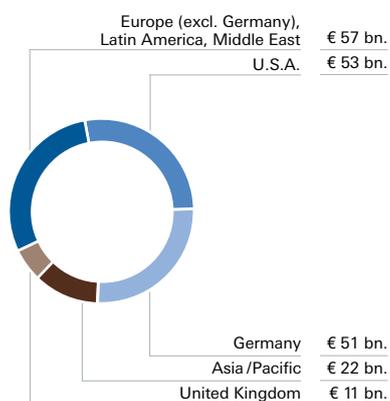
#### Global Transaction Banking: increasing assets under custody



## Record net inflows of invested assets

### Private Wealth Management: regional break-down of invested assets

At year's end 2007



The Private Clients and Asset Management Group Division, or PCAM, comprises Deutsche Bank's investment management business for both private and institutional clients, together with our traditional banking activities for private individuals and small and medium-sized businesses.

2007 was a successful year for PCAM. Profitability was ahead of 2006 despite a difficult environment. Invested assets were €952 billion at the end of the year, €44 billion higher than at the end of the previous year, despite the negative impact of a weak U.S. Dollar. Net new money inflows were a record €59 billion. We also continued to invest in our platform, both in our core European and U.S. markets, and in fast-growing markets such as China and India.

PCAM comprises two Corporate Divisions: Asset and Wealth Management and Private and Business Clients.

### ASSET AND WEALTH MANAGEMENT

The Asset and Wealth Management Corporate Division comprises two businesses: Asset Management and Private Wealth Management. Asset Management serves retail clients with a full range of mutual fund products and institutional clients with a fully integrated offering, from traditional asset management products through to high-value products including absolute return strategies and real estate asset management. Private Wealth Management caters to wealthy individuals and families throughout the world.

### ASSET MANAGEMENT

**ASSET MANAGEMENT (AM)** comprises four delineated global business lines: Retail, Alternatives, Institutional and Insurance. This structure has allowed Asset Management to focus on its strengths, invest in key growth areas, and withdraw from non-core businesses.

Asset Management achieved net inflows of €27 billion in 2007, and ended the year with invested assets of €555 billion. This is the third successive year of improvements in net asset flows, and represents a substantial turnaround since 2004.

### Excerpt from segment reporting (Private Clients and Asset Management<sup>1</sup>)

In 2007, PCAM generated a pre-tax profit of €2.1 billion. The improvement of €0.1 billion was mainly attributable to the Private & Business Clients Corporate Division. Revenues increased due to the acquisitions of norisbank and Berliner Bank and to sales of innovative investment and pension related products, partly offset by higher expenses due to the acquisitions and investments in business growth. In Asset and Wealth Management, pre-tax profit increased slightly. Significant revenue increases in Private Wealth Management, due to organic and acquisition related growth, were offset by lower performance related revenues and an impairment charge on an intangible asset in Asset Management.

in € m.	2007	2006
Net revenues	10,129	9,315
Total provision for credit losses	501	391
Noninterest expenses	7,561	7,000
<b>Income before income taxes</b>	<b>2,059</b>	<b>1,935</b>
Return on equity (pre-tax) in %	24	27
BIS risk positions	85,586	76,234
Assets	156,391	130,642

<sup>1</sup> Excerpt from segment reporting. For notes and other detailed information, see Financial Report 2007 (Management Report).

AM has identified seven long-term trends, or “megatrends”, that are reshaping the investment industry, and many of the initiatives launched in 2007 were designed to enable us to take advantage of these trends. They include the growth of the retirement market in the U.S. and Europe; the shift away from a carbon-based economy; the creation and activation of wealth in new markets; changes in the way in which investment products are packaged; the growth of alternative investments; the separation of investment strategies targeting outperformance, or “alpha”; and the growth of outsourcing to investment management specialists by insurance companies. By developing our strategy around fundamental patterns in global investing, we aim to ensure that Asset Management continues to be a strong, stable contributor to Deutsche Bank’s success.

**RETAIL**

Our global retail business, DWS, closed 2007 with €235 billion of assets under management. In April, DWS launched in Germany the DWS RiesterRente Premium, a product that seeks to capitalize on the growth of the retirement market. In 2007, DWS secured approximately 352,000 new contracts for which DWS manages the capital investment, making it one of the most successful companies in the Riester product market. DWS also launched a number of environment-themed products, in response to the shift away from a carbon-based economy. The innovative DWS Invest Climate Change and DWS Invest Global Agribusiness funds helped increase assets in “green” investment products to approximately €7.1 billion as at end of December 2007.

DWS also further extended its penetration of fast-growing new markets in Asia/Pacific and Latin America. In July, DWS raised a record JPY 154 billion (approximately €944 million) from the launch of the DWS Climate Change Fund in Japan.

As investment products are packaged in new ways, DWS has sought to move beyond traditional mutual funds to deliver its expertise in a wider variety of formats. By the end of December 2007, DWS had attracted €7.7 billion of assets in structured products.

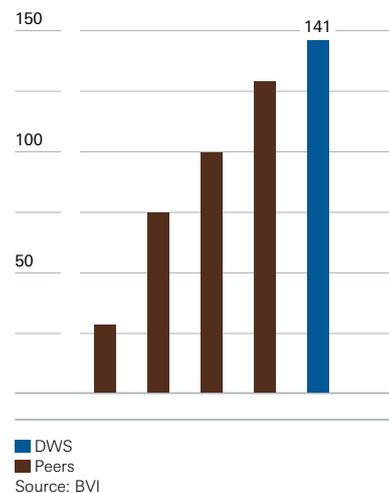
The asset growth, innovation and global expansion achieved by DWS in 2007 were underpinned by another year of strong investment performance. As at December 2007, 86% of DWS equity funds (weighted by assets) had beaten their benchmarks over 10 years.

**ALTERNATIVES**

During 2007, our Alternatives business, RREEF, took advantage of the growth in alternative investments, increasing AuM to €66 billion, up from €59 billion a year earlier, and opened five new offices worldwide. RREEF is one of the world’s largest real estate investment managers. Notwithstanding challenging credit conditions, by December it had invested more than €5 billion in U.S. property, over €3 billion in Europe, and almost €1.5 billion in Asia/Pacific.

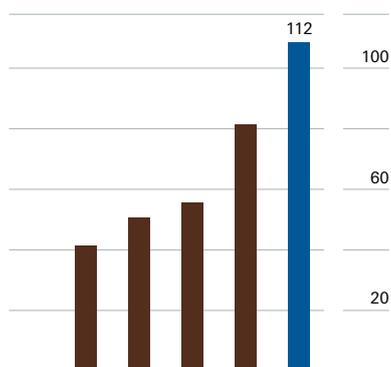
**DWS: leading mutual fund company in Germany**

Assets under management at year’s end 2007 in € bn.



**Asset Management:  
no.1 non-affiliated global  
insurance asset manager**

In € bn. at year's end 2006



■ Asset Management (AM) of Deutsche Bank  
■ Peers

Source: Insurance Asset Manager, latest available data.

RREEF also expanded its offering to private investors. In June, RREEF launched its first public real estate investment trust on the Hong Kong Stock Exchange, offering private investors exposure to office and mixed-use properties in major cities in China.

In August, the RREEF Pan-European Infrastructure Fund attracted commitments in excess of €2 billion. This fundraising, coupled with infrastructure investments in North America, reflect RREEF's success in creating a truly global infrastructure investment business. RREEF further extended its capabilities through acquisition. In July, it entered the private equity funds of funds business by acquiring a significant minority interest in Texas-based Aldus Equity.

#### INSTITUTIONAL

Our institutional asset management business continued to expand globally in 2007. Its success was evident in a sizeable increase in consultant search activity. During the year, the business implemented initiatives to focus on high-growth, innovative products, improve distribution networks, build out client and consultant relationship teams, and strengthen marketing. These initiatives have better positioned the business to meet the increasingly varied and sophisticated needs of institutional investors.

We also continued to invest in our Quantitative Strategies business to capitalize on the growing trend for separate investment strategies targeting outperformance, or "alpha". AM's Institutional fixed income capabilities were strengthened in 2007 with the addition of a highly qualified team.

#### INSURANCE

In 2007, Global Insurance Asset Management was again named the world's largest third-party manager of insurance portfolios, and the business closed the year with €93 billion of AuM. We are thus well-positioned to take good advantage of the trend for insurance companies to outsource asset management to specialist providers. Global Insurance continued to expand its global reach during the year, making senior appointments in Europe, Asia/Pacific and U.S. to drive further growth.

Highlighting the increasingly global nature of its business, in January 2007 Global Insurance held its first ever joint conference with Harvest Fund Management, AM's Chinese joint venture partner. This was one of a series of events and initiatives that strengthened AM's ties with Harvest during 2007.

The **PRIVATE WEALTH MANAGEMENT (PWM)** business division offers an integrated approach to wealth management to wealthy individuals and families both in the home country of the clients (onshore) and in international financial centres (offshore). Advisory services are offered in over 85 offices in more than 30 countries.

An integrated approach to wealth management is at the core of our advisory services – strategic asset allocation and individual risk management are tailored to meet the needs of each individual client. Our bespoke solutions range from discretionary portfolio management and

active advisory on all asset classes, including alternative investments, to wealth preservation strategies and succession planning, philanthropic advisory services, art advisory services, as well as family office solutions and services for financial intermediaries.

2007 was a very successful year for PWM. During the year, invested assets increased to €194 billion by year-end. This reflects net new assets of totalling €13 billion and market performance and was achieved despite a decline in the value of the U.S. dollar and other currencies.

Business growth was driven particularly by investment in staff for client services in recent years.

We continued to grow successfully in the Asia/Pacific region, where invested assets grew to €22 billion by the end of 2007. Rapid economic growth in this region has driven strong demand for wealth management solutions and PWM hired an extra 160 employees there. In addition, PWM focused on the expansion of structured solutions. In the summer, PWM was named “Best Private Bank in India” by Asiamoney.

PWM was also able to increase invested assets by 9% in Germany, our home market. In cooperation with other business divisions, PWM successfully placed the world’s first securitization of subordinated loans to microfinance institutions with external rating on the German market. Over the year, PWM received important awards in Germany including “Best Risk Manager” by Focus Money, a weekly magazine, and n-tv, a tv news channel, and “Best active asset management” by Euro Finanzen, a monthly magazine.

In addition, we grew our business in Western and Central Europe (excluding Germany, Austria and the UK), Eastern Europe, the Middle East and Africa, as well as Latin America thanks in part to further increased business with financial intermediaries, and managed invested assets of €57 billion in these locations by the end of 2007.

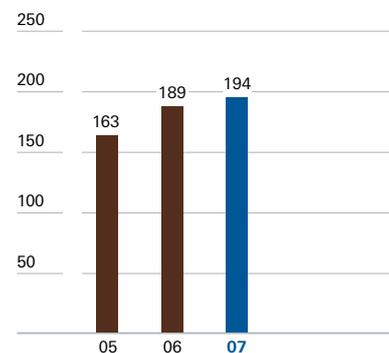
In the U.S., the world’s largest wealth management market, PWM focused on entrepreneurial wealth creation and on those entrepreneurs seeking to build up their assets.

The Tilney Group, acquired at the end of 2006, was successfully integrated into our existing business model in 2007. Tilney – now representing the UK region – concentrates on the expansion of our “ultra high net worth (UHNW)” business in collaboration with our investment bank.

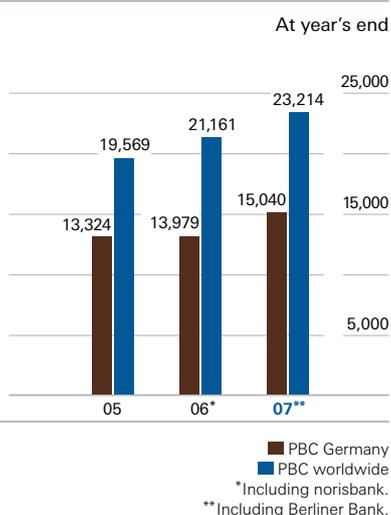
Globally, PWM focused on several investment themes identified within our investment strategy – in particular alternative investments (i.e. hedge funds and private equity), commodities, Asia and climate change. We made these accessible through various investment solutions in a timely fashion and in a client segment-specific approach. PWM was able to anticipate sooner and better the individual needs of clients by more effectively linking product innovation with activities that focus on clients.

### Private Wealth Management: growth in invested assets

At year’s end in € bn.



**Private & Business Clients:  
increasing staff count**



Good teamwork with other Deutsche Bank businesses remains key to our success. The newly created Key Clients function taps the full potential of cross-divisional cooperation with Corporate and Investment Bank and Asset Management to meet the individual and highly complex needs of the wealthiest client segment.

**PRIVATE & BUSINESS CLIENTS**

**PRIVATE & BUSINESS CLIENTS** Corporate Division (PBC) offers banking services to private customers as well as small and medium-sized business clients in Germany and seven other countries across Europe and Asia through various channels including online access. Our range of services encompasses loans, current accounts and deposits and payment services as well as securities and mutual funds and portfolio investment advisory.

Customers can access us through almost 1,500 branches, most of them located in Germany, Italy, Spain and Poland. In addition, we work closely with more than 3,200 independent financial advisors and have numerous sales cooperation arrangements with partners which include in Germany, among others, Deutsche Vermögensberatung AG (DVAG) and the ADAC, Europe's largest automobile club.

For PBC, 2007 was a very good year. We again generated an excellent business result and at the same time pushed ahead with our growth initiatives. We strengthened our market leadership in Germany, sustained our strong business momentum in our European core markets and expanded our presence in emerging markets. On the German home market, we made good progress both organically and with our acquisitions. We successfully integrated norisbank into PBC. With the new market launch in September, we sent a clear signal across the German banking landscape. Berliner Bank, with the growth in its client volume, has fully confirmed our multi-brand strategy and developed successfully.

In total, the number of PBC staff in Germany increased by roughly 1,100 in 2007.

With the premium brands Deutsche Bank and Berliner Bank, on the one hand, and the norisbank on the other, we can pursue a differentiated approach towards our customers. The Deutsche Bank brand stands for best service, advisory excellence and competence, just like Berliner Bank, which substantially strengthens our position in the Berlin area with 1,100 staff, 60 branches and a well established brand. All in all, we now have more than 130 business outlets in Berlin, our largest location in Germany, including the Deutsche Bank branches, norisbank branches and the branches of Berliner Bank. We serve almost 1 million customers there, of whom 341,000 came to us with Berliner Bank.

Norisbank is our online bank which engages in high-growth consumer loan and deposits business in 97 branches. With a small number of clearly-defined products at favourable prices, norisbank rounds off our product and service offering.

Outside Germany, we continued along our growth path in the European markets. In Italy, we opened eight branches under the Deutsche Bank brand and one new branch under the

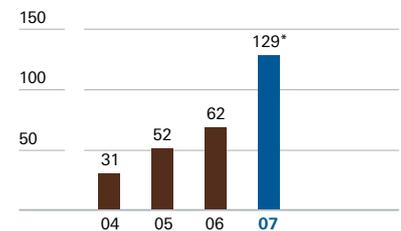
Prestitempo brand. On the Spanish market, we cooperate with the country's postal system under the BanCorreos brand. We almost tripled our branch network in Portugal last year and are now present in the market with 36 offices. On the Belgian market, we expanded our number of branches to 30.

We grew particularly strongly in Poland in 2007. Doubling the size of our branch network to 63 outlets since 2004 paid off: both revenues and business volume increased by more than 60 per cent in the reporting year. Since February, we have been operating in consumer finance business under the db kredyt brand and opened 66 db kredyt shops in Poland by the end of the year.

In India and China, the Asian growth markets, we continued to expand our presence. We now have ten branches in India, where we served more than 500,000 customers at the end of 2007. In the Chinese market, where we opened our third branch in the fourth quarter of 2007, we have also engaged in credit card business since June in cooperation with our local partner, HuaXia Bank.

Since October 2007, we have had a 10 per cent shareholding in Hanoi Building Commercial Joint Stock Bank (Habubank) in Vietnam. This is another important step in the process of penetrating the Vietnamese market, which is generally acknowledged to have great potential.

#### Private & Business Clients: rising number of branches in Poland

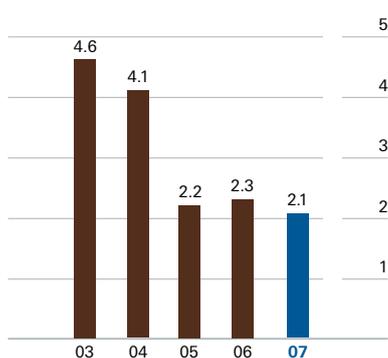


\*Including db kredyt shops (consumer finance).

## Freeing up capital by reducing non-core assets

### Declining industrial holdings

Cost base in € bn. at year's end



The Corporate Investments Group Division, or CI, covers our industrial shareholdings, certain bank-occupied real estate assets and other non-strategic holdings.

In 2007 we continued to wind down our portfolio of non-core assets as planned, thus freeing up capital which could be deployed more profitably into other businesses or returned to shareholders. By the end of 2007, Corporate Investments managed €5.1 billion of assets related to industrial holdings and €1.3 billion in other corporate investments.

### INDUSTRIAL HOLDINGS REDUCED

Our industrial holdings consist largely of quoted German financial and industrial companies. In 2007, we took advantage of favourable market conditions to reduce these holdings further, thus contributing to earnings in the year. We reduced our holding in Linde AG by 2.6% and our holding in Allianz SE by 0.5%, and sold our 1.5% stake in Vontobel Holding AG and our 0.8% stake in Fiat S.p.A. Furthermore, a portfolio of hotels held by Interhotel has been sold to The Blackstone Group.

At the end of the year, our largest remaining industrial holdings, as measured by market value, were Daimler AG (4.4%), Allianz SE (1.7%), and Linde AG (5.2%). In January 2007, we acquired a 0.75% economic interest in the European Aeronautic Defence and Space Company EADS N.V. via a 10% interest in a holding company.

### OTHER HOLDINGS REDUCED

At the end of 2007, our other equity holdings largely comprised our stake of 12.7% in Atradius N.V., our 8.2% stake in Mannesmann GmbH & Co. Beteiligungs-KG (Arcor), our 70.6% stake in Gopla Beteiligungsgesellschaft mbH (Varta), together with our Deutsche Venture Capital Funds and certain other fund investments.

The business combination of Atradius N.V. and Crédito y Caución S.A. was signed in April 2007 and closed in January 2008. The completion of this transaction resulted in a reduction of our stake to 9.1%. In 2007, we sold and leased back the bank-occupied building 60 Wall Street in New York City.

### Excerpt from segment reporting (Corporate Investments<sup>1</sup>)

In 2007, the Corporate Investments Group Division continued to wind down its investments, which do not form part of our core businesses. Pre-tax profit, at €1.3 billion, increased €0.9 billion compared to the prior year. The increase reflected predominantly higher gains from industrial holdings.

in € m.	2007	2006
Net revenues	1,517	574
Total provision for credit losses	3	2
Noninterest expenses	220	214
<b>Income before income taxes</b>	<b>1,299</b>	<b>361</b>
BIS risk positions	4,891	5,395
Assets	13,002	17,783

<sup>1</sup> Excerpt from segment reporting. For notes and other detailed information, see Financial Report 2007 (Management Report).

## Executive arm of the Management Board

The Corporate Center brings together functions and resources which support the Management Board in the fulfilment of its executive duties. This includes control and risk management units with Group-wide, global responsibility. This wide variety of tasks is covered by staff departments responsible for Finance, Audit, Legal, Risk&Capital as well as Communications&CSR, Investor Relations and Human Resources. The Corporate Development function deals with issues of strategic importance for the Group; DB Research provides macro-economic advice. The Corporate Center is part of our Infrastructure function, which comprises all Group internal service providers.

In particular, the control and risk management units in the Corporate Center are aligned with the respective business divisions, but have strictly independent reporting lines to the relevant member of the Management Board. This strict separation of duties is indispensable for a global financial institution and has proved its worth at our bank for many years.

### ORGANIZATIONAL ADJUSTMENTS

In 2007 we merged some mutually complementary departments to form larger units, primarily in order to leverage greater benefit from the expertise of their team members.

The Communications and Corporate Social Responsibility functions, for example, were amalgamated into a single corporate function that will ensure close alignment of the bank's business, communications and CSR activities going forward. The new Group Communications&CSR function is responsible for the bank's global relationships with the media, internal communication, global brand communication, and the bank's CSR activities. Furthermore, the new Legal, Risk&Capital function, which includes Legal, Compliance, Treasury and Risk Management, will also benefit from a broader knowledge base.

### CHALLENGES

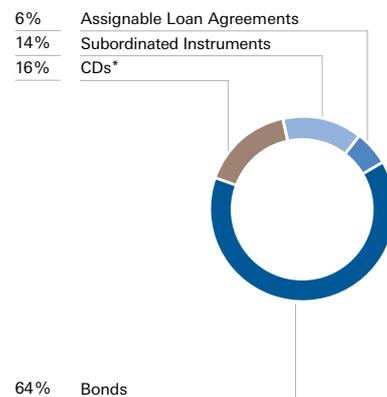
For Treasury in particular, 2007 was an exceptionally challenging year as a result of the global liquidity crisis. Nevertheless, it enjoyed excellent access to liquidity even during the most severe money-market stresses.

Our motto, "A Passion to Perform", is becoming more than ever the way Deutsche Bank does business. In 2007, recognition increased considerably amongst businesses, across markets and cultures, and employees identified more closely with it than ever before.

The Finance function presented Deutsche Bank's interim reports under International Finance Reporting Standards (IFRS), as required, in 2007. When we made the transitions to IFRS in the early part of the year, we published a detailed report setting out the impact on our financial reporting. Internally, we refined our processes for critically analysing financial data and provide targeted advice to Deutsche Bank's businesses.

### Treasury: capital market issues by product group

At year's end 2007: € 103 bn.

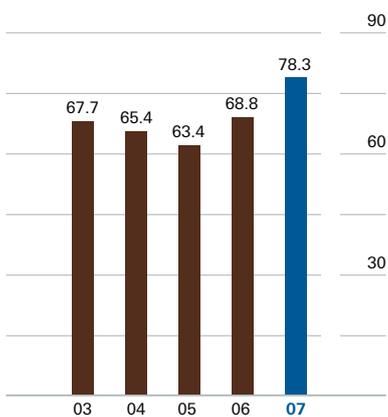


\*CDs = Certificates of Deposit with a maturity of more than 1 year.

## Fostering our staff's long-term commitment to Deutsche Bank

### Staff numbers

In thousands at year's end\*



\* Full-time equivalent.

In 2007, the number of staff at Deutsche Bank increased worldwide by 9,442 to 78,291 (on a full-time equivalent basis). Our growth initiatives, acquisitions such as Berliner Bank and the expansion of our infrastructure areas, notably in Asia, were the main contributors to this growth.

### ENHANCING OUR STATUS AS AN EMPLOYER OF CHOICE

Competition for talented, well-qualified staff with outstanding qualifications will increase during the next few years. As a result, Deutsche Bank's objective is to sustainably position itself as an "employer of choice". We are making good progress here, and surveys of university graduates and applicants with several years of work experience vouch for this.

Indeed, in 2007 Deutsche Bank was the only bank in Germany to achieve a top-ten rating in two of the leading surveys of university graduates' opinions of the employer images of more than 100 companies. In India, we were able to attain fourth place. We also advanced to ninth place in a survey of the occupational and career preferences of students about to graduate from German universities.

Among applicants with several years of experience, Deutsche Bank advanced to 16th place in the "preferred employer" rankings in Germany. Our professional online presence and easy accessibility using new media contributed to this progress. On Deutsche Bank's career website, experienced staff members from different business divisions and infrastructure areas report on their work, providing potential applicants with key insights into day-to-day work at Deutsche Bank. In the U.S.A., our online career portal was awarded first place in a comparative survey, and in Germany we advanced to third place (2006: 15th).

### SIGNIFICANT INCREASE IN STAFF WORLDWIDE

The strong rise of 14% in the number of Deutsche Bank employees worldwide was primarily due to the implementation of our growth initiatives, which meant new jobs were created in the high growth regions of the world and in more cost-efficient locations in Asia. The number of staff also increased in Germany – by 5.2% or 1,378 employees.

46.1% of the global staff expansion was in the Asia/Pacific region, where we hired 4,357 employees on balance in 2007. Another 39.3% of the new staff was spread over the UK (963 employees), North and South America (1,743 employees) and the rest of Europe, the Middle East and Africa (1,000 employees). The strongest growth was in our infrastructure areas, where 4,887 employees came on board. By the end of 2007, PCAM employed 2,443 more staff members than at the end of 2006, and CIB 2,121.

Primarily due to the newly hired staff in the Asia/Pacific region, the ratio of staff members aged 24 and younger rose from 8.9% to 10.0%. However, 25–44 year olds continue to be the largest group of employees, representing 67.5% of the workforce. The average years of service declined slightly to 9.4 years. In 2007 we had 1,506 apprentices, 55 more than in 2006.

### SUCCESSFULLY INTERGRATING NEW COLLEAGUES

The number of university graduates we hired increased by 8% compared to 2006. In addition to recruiting these employees, providing orientation in the company and gaining their loyalty to the bank are key aspects of our work in Human Resources.

The successful integration of new colleagues over the long term requires a systematic orientation phase. Deutsche Bank therefore launched a pilot project in the Asia/Pacific region that integrates new employees into their teams, starting from their first day at work, and teaches them about the entire organization and thus the corporate culture quickly. To facilitate this process, a detailed plan is produced for the new staff for their first six months at the bank, with numerous tips and recommendations.

### ATTRACTIVE BENEFITS WORLDWIDE

To remain an attractive employer for our staff over the long term, we offer a broad range of benefits, in addition to a performance-based compensation system. These benefits include, for example, regular medical check-ups.

In 2007, we also focused above all on expanding the bank's own childcare facilities for employees, which we have been offering for over 30 years now. The aim of these facilities is to make it easier for our staff to return to work. In Germany, 260 childcare places were available to our employees by the end of 2007, and another 50 in the UK. With full-day childcare, in some cases bilingual, we also intend to foster the international mobility of our staff.

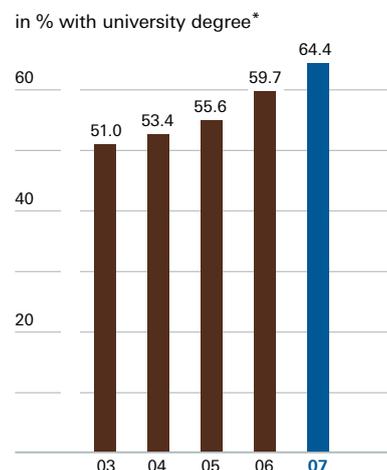
Similar to German regulations on maternity leave, we increased the continued payment of wages during the parental leave period from a child's birth or adoption to 16 weeks in the U.S. The new "Phase Back to Work Program" makes it possible for staff to return to work gradually. Over a period of eight weeks, individually determined working hours can be arranged. In the UK, we expanded the continued payment of wages in the parental leave period from 18 to 26 weeks at the beginning of 2008.

We offer our staff various possibilities to structure their working hours flexibly. In the Asia/Pacific region, a new program was developed to assist employees in achieving an improved balance between work and leisure time. This comprises advice from external specialists as well as an online advisory service on raising children and caring for elderly family members. In India, we entered into a cooperation with a healthcare provider to ensure our employees receive high quality medical services locally.

### FOSTERING CAREERS INDIVIDUALLY

Personal career prospects represent an important element of promoting employee commitment. During the accelerated build up of our investment banking franchise in the mid-1990s and the partially related global expansion of Deutsche Bank, we focused primarily on identifying and recruiting highly qualified staff from the market. After we had become able to increase our competitiveness organically, we again focused our Human Resources activities more intently on the development of our own staff.

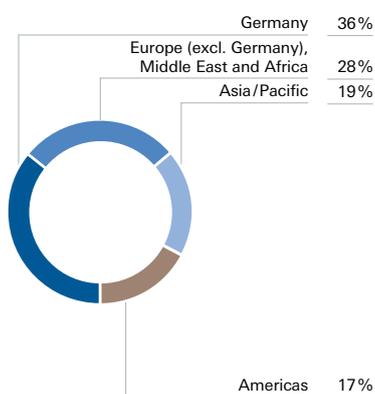
### Staff qualifications



\*Headcount.

## Regional deployment of staff

At year's end 2007\*



\*Full-time equivalent.

Today, our approach is primarily aligned to talent management principles which apply across the Group, but which also provide sufficient scope to match staff development measures to the business divisions' specific strategies. At the heart of this is the "talent review" process, which forms the basis for identifying talented staff members as well as promotion, succession and personal development planning. Our aim is for all managers to use this process annually together with their staff members.

Deutsche Bank seeks to increase the percentage of women in management positions. We therefore support, for example, female employee networking. The well-established women's networks "Women in European Business", in Frankfurt and London, as well as "Women on Wall Street", in New York, provide important forums through their annual conferences for women – staff members and clients – to share their experiences and express their ideas. In addition, Deutsche Bank conducts various training courses and mentoring programs developed specifically for women.

We aim to present career development possibilities for our staff members throughout all phases of their lives. We address demographic change through a broad range of measures to foster health, performance and employability, as well as through voluntary employer benefits and ongoing training courses. For example, as a corporate member of the WISE network, we entered into a cooperation with the Jacobs International University Bremen that focused on research in lifelong learning in 2007. Furthermore, we supported the founding of the first internal intergenerational employee network: "SeniorExperts@db".

We have been conducting internal staff surveys worldwide to gauge employee satisfaction since 1999. The business divisions use the findings gained from the surveys to implement targeted improvements. The survey results show steady or slightly improved ratings at Deutsche Bank.

# Corporate Social Responsibility

Living up to our corporate social responsibility is an integral part of our corporate culture. For Deutsche Bank, strong performance, social responsibility and the sustainable use of resources are inextricably linked with one another.

In 2007, our Corporate Social Responsibility organization began reporting directly to the Chairman of the Management Board and was combined with Group Communications. Through closer integration and better alignment with the business divisions, we intend to communicate our position and our actions even more clearly both inside and outside of the bank.

The motto of Deutsche Bank's corporate social responsibility activities is "More than Money: Building Social Capital".

## COMMITTING OURSELVES

We strive to be more than a financial sponsor for good causes. Our employees prove time and again that "A Passion to Perform" is in fact the way we do business, not only with customers but also with other stakeholders. In 2007, they completed a total of 19,440 days volunteer work worldwide – an increase of more than 100 % against the previous year.

## CREATING OPPORTUNITY

Delivering innovative solutions is one of Deutsche Bank's fundamental objectives. This also applies to our corporate social responsibility program. We have already been actively involved in microfinance for over a decade, leading the way for other banks. This is a prime example of how commercial skills can be combined with social responsibility to create opportunities for the underprivileged around the world. By launching in 2007 "db Microfinance Invest", the world's first ever securization of subordinated loans to microfinance institutions with external rating, we have extended private and institutional investment opportunities in this area.

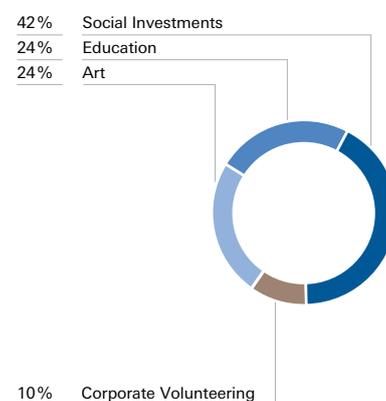
Another global challenge is the rapid growth of mega-cities. With the "Urban Age" conference series, the Alfred Herrhausen Society, Deutsche Bank's forum for international dialogue, aims to identify solutions for this problem. In 2007, we presented the "Deutsche Bank Urban Age Award" for the first time. Endowed with USD 100,000, this award is granted in recognition of ground-breaking initiatives for sustainable city growth. The 2007 prize was awarded to two projects in Mumbai, India.

## FOSTERING CREATIVITY

The main objective of our art activities is to foster creativity. With works from the Deutsche Bank Collection in our offices we add to the working environment for our employees. We help young, promising artists to further their career by buying their works and granting scholarships. With the "Kandinsky Prize" in Moscow and the "Views" Art Award in Warsaw the Deutsche Bank Foundation supports young eastern European artists.

## Global social responsibility investments by area

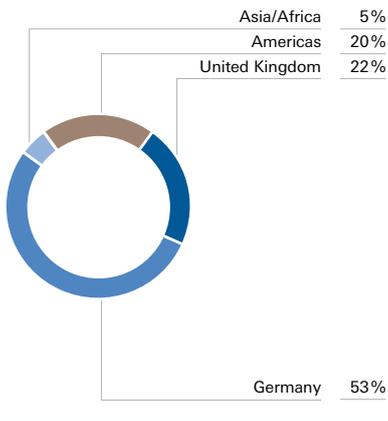
In 2007 total of € 82.2 m.<sup>1</sup>



<sup>1</sup> Including sponsorships.

### Employee volunteering by region

In 2007 total of 19,440 days volunteered



### ENABLING TALENT

All of our educational projects focus on helping to identify and enable talent. In 2007, the Deutsche Bank Foundation, together with the Accenture Foundation and Foundation of German Business, launched the “Studienkompass” (academic compass) initiative, aimed primarily at encouraging children of parents without higher education to attend university, and thus improve their career opportunities.

The Berlin Philharmonic Orchestra’s education program, “Future@BPhil”, supports young people in their personal development by introducing them to classical music. Since 2002, more than 8,000 young people have participated in the program, which is made possible by Deutsche Bank’s exclusive partnership with the orchestra. This commitment was one of the reasons why the Berlin Philharmonic and Sir Simon Rattle, the orchestra’s principal conductor, were appointed UNICEF Ambassadors in New York in 2007 – the first institution to receive this honour, and the only international Ambassador from Germany so far.

We also promote excellence in academic research and teaching. In 2007, for the second time, the Center for Financial Studies at Johann Wolfgang Goethe University of Frankfurt am Main awarded the “Deutsche Bank Prize in Financial Economics”, which is endowed by the bank and given in recognition of outstanding international contributions to research into banking and the capital markets. It was presented to Michael Woodford, Professor of Political Economy at Columbia University in New York.

### ENSURING SUSTAINABILITY

Our corporate social responsibility also includes helping society fight climate change. In 2007 we expanded our range of sustainability investment products to include the DWS Climate Change Fund. As a Partner of the Clinton Climate Initiative, a global program for improving the energy efficiency of buildings in 15 major cities, we contribute our banking expertise to the development of market-based solutions. With the “Solar Impulse” project, we are sponsoring an aeroplane designed to fly around the world, flying day and night, without a drop of fossil fuel, and thereby advance the use of renewable energies and increase awareness of the scarcity of natural resources. Our Sustainability Management System has been certified annually since 1999 according to ISO 14001. The renowned SAM Research survey, which rates companies’ sustainability efforts, ranked Deutsche Bank among the top 10 percent in the banking sector. The ten principles of the Global Compact, based on the UN objectives regarding human rights, labour standards, environmental protection and anti-corruption have been a fundamental part of our internal policies and guidelines for years.

For further information on our corporate social responsibility activities, please see the separate CSR Report 2007 “More than Money: Building Social Capital”.





// At Deutsche Bank we want long-term relationships with our clients. Our ability to understand our customers' specific needs in every situation is ultimately the winning factor for us, too.

**Sofia Devoto, Deutsche Representaciones y Mandatos SA, Buenos Aires**

# Consolidated Financial Statements

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# Statement of Income

## Statement of Income

in € m.	2007	2006
Interest and similar income	67,706	58,275
Interest expense	58,857	51,267
<b>Net interest income</b>	<b>8,849</b>	<b>7,008</b>
Provision for credit losses	612	298
<b>Net interest income after provision for credit losses</b>	<b>8,237</b>	<b>6,710</b>
Commissions and fee income	12,289	11,195
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	7,175	8,892
Net gains (losses) on financial assets available for sale	793	591
Net income (loss) from equity method investments	353	419
Other income	1,286	389
<b>Total noninterest income</b>	<b>21,896</b>	<b>21,486</b>
Compensation and benefits	13,122	12,498
General and administrative expenses	7,954	7,069
Policyholder benefits and claims	193	67
Impairment of intangible assets	128	31
Restructuring activities	(13)	192
<b>Total noninterest expenses</b>	<b>21,384</b>	<b>19,857</b>
<b>Income before income tax expense</b>	<b>8,749</b>	<b>8,339</b>
Income tax expense	2,239	2,260
<b>Net income</b>	<b>6,510</b>	<b>6,079</b>
Net income attributable to minority interest	36	9
Net income attributable to Deutsche Bank shareholders	6,474	6,070

## Earnings per Common Share

in €	2007	2006
Basic	13.65	12.96
Diluted <sup>1</sup>	13.05	11.48
Number of shares in m.		
Denominator for basic earnings per share – weighted-average shares outstanding	474.2	468.3
Denominator for diluted earnings per share – adjusted weighted-average shares after assumed conversions	496.1	521.2

<sup>1</sup> Including numerator effect of assumed conversions.

# Balance Sheet

## Assets

in € m.	Dec 31, 2007	Dec 31, 2006
Cash and due from banks	8,632	7,008
Interest-earning deposits with banks	21,615	19,199
Central bank funds sold and securities purchased under resale agreements	13,597	14,265
Securities borrowed	55,961	62,943
Financial assets at fair value through profit or loss		
of which € 158 billion and € 87 billion were pledged to creditors and can be sold or repledged		
at December 31, 2007 and December 31, 2006, respectively	1,474,103	1,104,650
Financial assets available for sale		
of which € 17 million and € 23 million were pledged to creditors and can be sold or repledged		
at December 31, 2007 and 2006, respectively	42,294	38,037
Equity method investments	3,366	2,541
Loans	198,892	178,524
Premises and equipment	2,409	3,241
Goodwill and other intangible assets	9,383	8,612
Other assets	182,897	139,021
Income tax assets	2,428	2,120
Deferred tax assets	4,772	4,332
<b>Total assets</b>	<b>2,020,349</b>	<b>1,584,493</b>

## Liabilities and equity

in € m.	Dec 31, 2007	Dec 31, 2006
Deposits	457,946	411,916
Central bank funds purchased and securities sold under repurchase agreements	178,741	102,200
Securities loaned	9,565	21,174
Financial liabilities at fair value through profit or loss	966,177	694,619
Other short-term borrowings	53,410	48,433
Other liabilities	171,509	144,129
Provisions	1,295	1,768
Income tax liabilities	4,515	4,033
Deferred tax liabilities	2,124	2,285
Long-term debt	126,703	111,363
Trust preferred securities	6,345	4,771
Obligation to purchase common shares	3,553	4,327
<b>Total liabilities</b>	<b>1,981,883</b>	<b>1,551,018</b>

## Shareholders' equity

Common shares, no par value, nominal value of € 2.56	1,358	1,343
Additional paid-in capital	15,808	15,246
Retained earnings	25,116	20,451
Common shares in treasury, at cost	(2,819)	(2,378)
Equity classified as obligation to purchase own shares	(3,552)	(4,307)
Net gains (losses) not recognized in the income statement, net of tax		
Unrealized net gains on financial assets available for sale, net of applicable tax and other	3,635	3,208
Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax	(52)	(45)
Foreign currency translation, net of tax	(2,450)	(760)
Total net gains (losses) not recognized in the income statement, net of tax	1,133	2,403
<b>Total shareholders' equity</b>	<b>37,044</b>	<b>32,758</b>
Minority interest	1,422	717
<b>Total equity</b>	<b>38,466</b>	<b>33,475</b>
<b>Total liabilities and equity</b>	<b>2,020,349</b>	<b>1,584,493</b>

# Statement of Cash Flows

in € m.	2007	2006
<b>Net Income</b>	<b>6,510</b>	<b>6,079</b>
Cash flows from operating activities:		
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	651	352
Restructuring activities	(13)	30
Gain on sale of financial assets available for sale, equity method investments and other	(1,907)	(913)
Deferred income taxes, net	(918)	165
Impairment, depreciation and other amortization, and accretion	1,731	1,355
Share of net income from equity method investments	(358)	(207)
<b>Income adjusted for non cash charges, credits and other items</b>	<b>5,696</b>	<b>6,861</b>
Adjustments for net increase/decrease/change in operating assets and liabilities:		
Interest-earning time deposits with banks	7,588	(3,318)
Central bank funds sold, securities purchased under resale agreements, securities borrowed	5,146	(11,394)
Trading assets	(302,932)	(87,409)
Other financial assets at fair value through profit or loss (excl. investing activities)	(75,775)	(19,064)
Loans	(22,185)	(14,403)
Other assets	(42,674)	(30,083)
Deposits	47,464	35,720
Trading liabilities	205,814	25,243
Other financial liabilities at fair value through profit or loss (excl. financing activities)	70,232	41,518
Securities loaned, central bank funds purchased, securities sold under repurchase agreements	69,072	18,955
Other short-term borrowings	6,531	7,452
Other liabilities	21,133	30,079
Senior long-term debt	22,935	10,480
Other, net	(1,255)	527
<b>Net cash provided by operating activities</b>	<b>16,790</b>	<b>11,164</b>
Cash flows from investing activities:		
Proceeds from:		
Sale of financial assets available for sale <sup>1</sup>	12,470	11,952
Maturities of financial assets available for sale <sup>1</sup>	8,179	6,345
Sale of equity method investments	1,331	3,897
Sale of premises and equipment	987	123
Purchase of:		
Financial assets available for sale <sup>1</sup>	(25,230)	(22,707)
Equity method investments	(1,265)	(1,668)
Premises and equipment	(675)	(606)
Net cash paid for business combinations/divestitures	(648)	(1,120)
Other, net	463	314
<b>Net cash used in investing activities</b>	<b>(4,388)</b>	<b>(3,470)</b>
Cash flows from financing activities:		
Issuances of subordinated long-term debt <sup>2</sup>	429	976
Repayments and extinguishments of subordinated long-term debt <sup>2</sup>	(2,809)	(1,976)
Issuances of trust preferred securities <sup>2</sup>	1,874	1,043
Repayments and extinguishments of trust preferred securities <sup>2</sup>	(420)	(390)
Common shares issued under share-based compensation plans	389	680
Purchases of treasury shares	(41,128)	(38,830)
Sale of treasury shares	39,729	36,380
Dividends paid to minority interests	(13)	(26)
Increase in minority interests	585	130
Cash dividends paid	(2,005)	(1,239)
<b>Net cash used in financing activities</b>	<b>(3,369)</b>	<b>(3,252)</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(289)</b>	<b>(510)</b>
Net increase in cash and cash equivalents	8,744	3,932
Cash and cash equivalents at beginning of period	17,354	13,422
Cash and cash equivalents at end of period	26,098	17,354
<b>Net cash provided by operating activities include</b>		
Income taxes paid, net	2,806	3,102
Interest paid	58,097	49,921
Interest and dividends received	67,706	58,275
<b>Cash and cash equivalents comprise</b>		
Cash and due from banks	8,632	7,008
Interest earning demand deposits with banks (not included: time deposits of 4,149 € m. at December 31, 2007 and 8,853 € m. at December 31, 2006)	17,466	10,346
<b>Total</b>	<b>26,098</b>	<b>17,354</b>

<sup>1</sup>Incl. at fair value through profit or loss.

<sup>2</sup>Incl. at fair value through profit or loss.





// Deutsche Bank is sponsoring the first manned solar-powered flight around the world. This enables us to reach a wide audience and to push the development and use of renewable energy forward. What links us together is the courage to break new ground.

**Dr. Bertrand Piccard, President, Solar Impulse, Lausanne**

# Further Information

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## Responsibility Statement by the Management Board

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

Frankfurt am Main, March 4, 2008



Josef Ackermann



Hugo Bänziger



Anthony Di Iorio



Hermann-Josef Lamberti

## Report of the Supervisory Board

For banks, 2007 was a year of great challenges. The global financial system was put to a serious test by the turbulence on the U.S. mortgage market. In this difficult environment, Deutsche Bank achieved good results, which confirms our successful implementation of the bank's strategy, the continued appropriateness of our business model and the bank's effective system of corporate governance. The Management Board and our staff made an important contribution to this success. We would like to thank them very much for their great personal dedication.

Last year, the Supervisory Board extensively discussed the bank's economic and financial development, risk position, planning and internal control systems. We held in-depth discussions with the Management Board on the bank's strategy and implementation of the measures on the management agenda. The Management Board reported to us regularly, without delay and comprehensively on business policies and other fundamental issues relating to management and corporate planning, the bank's financial development and earnings situation, the bank's risk, liquidity and capital management as well as transactions and events that were of significant importance to the bank. We advised the Management Board and monitored its management of business. We were involved in decisions of fundamental importance. Between meetings, the Management Board kept us informed in writing of important matters. Resolutions were passed by circulation procedure, when necessary between the meetings. Important topics and upcoming decisions were also dealt with in regular discussions between the Chairman of the Supervisory Board and the Chairman of the Management Board.

As our five-year term of office comes to a close upon conclusion of the General Meeting on May 29, 2008, we are optimistic about the future. We are convinced that Deutsche Bank is well positioned to continue its success. In this context, leveraging the potential of our global platform has a high priority. To this end, the bank intends to continue to consistently invest in its core businesses, through measures resulting in organic growth, but also through targeted complementary acquisitions. We intend to further expand PCAM, our Private Clients and Asset Management Group Division, which delivers stable contributions to our earnings even in a volatile market environment, as well as our already well positioned investment banking platform. Synergies between the business divisions will be leveraged further. Additionally, the bank will maintain its strict discipline on costs, risks, capital and regulatory compliance.

### MEETINGS OF THE SUPERVISORY BOARD

The Supervisory Board held five meetings in the 2007 financial year.

At the first meeting of the year on January 31, 2007, we discussed the development of business in 2006, the key figures of the Annual Financial Statements for 2006, the dividend proposal and the corporate planning for the years 2007 to 2009. Furthermore, we discussed Dr. von Heydebreck's succession and resolved to transfer his responsibilities to the other members of the Management Board after his departure from the Management Board upon the conclusion of the Ordinary General Meeting 2007.



**Dr. Clemens Börsig**  
Chairman of the Supervisory Board

At the financial statements meeting on March 21, 2007, chaired by Dr. Eick, Chairman of the Audit Committee, we approved the Annual Financial Statements for 2006, which were thus established. Furthermore, the Corporate Governance Report as well as the Compliance and Anti-Money Laundering Report were discussed. The adjustment of the Supervisory Board compensation was discussed in detail, and the resolution proposals for the Agenda of the General Meeting 2007 were approved. In addition, we obtained extensive information on the Group's risk management.

On the evening before the General Meeting, we discussed the current developments in connection with the General Meeting's Agenda items and the announced counterproposals. As necessary, resolutions were approved. Furthermore, subject to the General Meeting's confirmation of his election to the Supervisory Board, Dr. Börsig was re-elected its Chairman until the conclusion of the Supervisory Board's term of office.

At the meeting on July 31, 2007, we reviewed the development of the bank's business in the first half of 2007. The current situation on the credit markets was discussed in detail. Furthermore, the development of business in connection with the larger company acquisitions over the last two years was examined, along with the reasons for deviations from the original planning. The Management Board informed us of the acquisition and disposal of participations that do not require the Supervisory Board's approval according to section 13 paragraph 1 d) of the Articles of Association.

At the last meeting of the year on October 30, 2007, discussions focused in detail on the development of business during the first nine months and, in particular, on the current risk situation as well as the bank's further strategic development with the corresponding targets and planned measures. Based on supplements to the German Corporate Governance Code approved by the Government Commission in June 2007, we established a Nomination Committee and resolved amendments to the terms of reference of the Supervisory Board, its committees and the Management Board as well as changes to the Management Board's Business Allocation Plan. Furthermore, we discussed the Human Resources Report on staff development and succession planning.

All members of the Supervisory Board participated in the Supervisory Board meetings with only few exceptions in the year 2007.

#### **THE COMMITTEES OF THE SUPERVISORY BOARD**

The Chairman's Committee met four times during the reporting period. At its meetings, the Committee primarily addressed matters relating to the Management Board. This involved, above all, the determination of the variable compensation components for the Management Board for the year 2007 as well as issues in connection with the long-term succession planning for the Management Board. In addition, it prepared resolutions for the Supervisory Board and discussed the new structure of the Supervisory Board's compensation. Where required, the Committee gave its approval to Management Board members accept-

ing directorships at other companies. Furthermore, it discussed the implementation of the new recommendations and suggestions of the German Corporate Governance Code.

At its six meetings, the Risk Committee discussed the bank's exposures subject to mandatory approval under German law and the Articles of Association as well as all major loans and loans entailing increased risks. Where necessary, the Risk Committee gave its approval. Apart from credit, liquidity, country and market risks, the Committee also discussed operational, legal and reputational risks. The Committee also extensively focused on the risk situation and developments in the U.S. mortgage market and their impacts. Furthermore, global industry portfolios were presented according to a specified plan and discussed at length.

The Audit Committee met seven times last year. Representatives of the bank's auditor were also present at all of the meetings. Subjects covered were the audit and approval of the Annual Financial Statements and Consolidated Financial Statements, quarterly financial statements, Forms 20-F and 6-K for the U.S. Securities and Exchange Commission (SEC), as well as the interim reports. The Committee dealt with the proposal for the election of the auditor for the 2007 financial year, issued the audit mandate, specified audit areas of focus, resolved on the auditor's remuneration and verified the auditor's independence in accordance with the German Corporate Governance Code and the rules of the U.S. Public Company Accounting Oversight Board (PCAOB). The Audit Committee is convinced that, as in the previous years, there are no conflicts of interest on the part of the bank's auditor. It discussed, in detail, the regulations of the Sarbanes-Oxley Act relating to the implementation of the internal control system and regularly received progress reports on this. When necessary, resolutions were passed or recommended for the Supervisory Board's approval. The Audit Committee had reports submitted to it regularly on the engagement of accounting firms, including the auditor, with non-audit-related tasks, on the work of Internal Audit as well as on legal and reputational risks. The Audit Committee did not receive any complaints in connection with accounting, internal accounting controls and auditing matters. Furthermore, at an extraordinary meeting, the Audit Committee discussed the transition in accounting from U.S. Generally Accepted Accounting Principles (U.S. GAAP) to International Financial Reporting Standards (IFRS). Also, at its last meeting of the year, the Committee requested the Management Board and the auditor to present the planned audit areas of focus for the Annual Financial Statements 2007 and financial reporting according to IFRS, fair value accounting, accounting treatment of loan commitments as well as consolidated and non-consolidated special purpose entities.

The Nomination Committee established on October 30, 2007 met for the first time in December 2007. It analyzed the current composition of the shareholder representatives' side of the Supervisory Board and defined the requirements for the future composition of the shareholder representatives' side. Furthermore, it commissioned an external consulting firm operating internationally to assist in the search for qualified candidates for the Supervisory Board.

Meetings of the Mediation Committee, established pursuant to the provisions of Germany's Co-Determination Act (MitbestG), were not necessary in 2007.

The committee chairmen reported regularly to the Supervisory Board on the work of the committees.

#### **CORPORATE GOVERNANCE**

The implementation of the new recommendations and suggestions of the German Corporate Governance Code was discussed at several meetings of the Supervisory Board, Chairman's Committee and Audit Committee. The Supervisory Board resolved to take up the recommendation of the Code and to establish a Nomination Committee. It comprises three shareholder representatives and is responsible for preparing the full Supervisory Board's proposals for the General Meeting's election of the shareholder representatives and for preparing appointments by the court. This task was previously allocated to the Chairman's Committee. Furthermore, responsibility for handling issues of compliance has been clearly assigned to the Audit Committee. The terms of reference of the Supervisory Board and its committees were adjusted correspondingly.

The compensation of the Supervisory Board was readjusted by resolution of the General Meeting 2007 in accordance with the requirements of the German Corporate Governance Code. Additional information on the structure of the new remuneration system and on the individual compensation of the Supervisory Board members is published in the Compensation Report on pages 44 ff.

In October 2007, it was resolved to carry out another review of the Supervisory Board's efficiency at the end of its term of office. A company-specific questionnaire was drawn up for this and sent to all Supervisory Board members at the end of 2007. The responses showed that suggestions and measures that had been proposed during the last efficiency review had been effectively implemented and led to an increase in the efficiency of the work of the Supervisory Board. The results were discussed in detail at today's meeting of the Supervisory Board.

Meetings of the Supervisory Board without the Management Board, i.e. "executive sessions", took place on several occasions.

The Supervisory Board determined that it has what it considers to be an adequate number of independent members.

In accordance with the regulations of the Management Board's Terms of Reference, the Management Board, in agreement with the Chairman of the Supervisory Board, appointed Dr. Bänziger to succeed Dr. von Heydebreck as the bank's Corporate Governance Officer, effective with the conclusion of the General Meeting on May 24, 2007.

The Declaration of Conformity pursuant to §161 German Stock Corporation Act (AktG), last issued by the Supervisory Board and Management Board in October 2006, was reissued at the meeting of the Supervisory Board on October 30, 2007.

A comprehensive presentation of the bank's corporate governance, including the text of the Declaration of Conformity issued on October 30, 2007, can be found in the Financial Report on pages 260 ff. and on our Internet website at [www.deutsche-bank.com](http://www.deutsche-bank.com). The terms of reference of the Supervisory Board and its committees as well as of the Management Board are also published there.

#### **CONFLICTS OF INTEREST AND THEIR HANDLING**

The Risk Committee dealt with the loan approvals required pursuant to § 15 German Banking Act (KWG). Supervisory Board members who were also board members of the respective borrowing company when the resolutions were taken did not participate in the discussion and voting.

Dr. Börsig did not participate in the voting on the Chairman's Committee's resolution determining the variable compensation components for the Management Board for the financial year 2006 to the extent it related to him. In addition, Dr. Börsig did not participate in the Audit Committee and Supervisory Board discussions and resolutions to establish the Annual Financial Statements 2006. For this agenda item, the Supervisory Board meeting was chaired by Dr. Eick. Dr. Börsig did not participate in one resolution taken by written circulation as it involved his activities as a former member of the Management Board. The circulation procedure was carried out under the direction of Mr. Todenhöfer.

#### **LITIGATION**

As in the preceding years, the Supervisory Board was kept informed regularly on Dr. Kirch's lawsuits against Deutsche Bank and Dr. Breuer, and discussed further courses of action. Also the actions for rescission and to obtain information filed in connection with the General Meetings 2003, 2004, 2005, 2006 and 2007 were regularly and comprehensively discussed, along with possible consequences. Dr. Börsig's election as member of the Supervisory Board by the General Meeting on June 1, 2006, was confirmed by the General Meeting on May 24, 2007, after the Frankfurt District Court had declared the election void in the first instance.

Furthermore, we obtained reports on a regular basis concerning important lawsuits.

#### **ANNUAL FINANCIAL STATEMENTS**

KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, the auditor of the Annual Financial Statements elected at last year's General Meeting, has audited the accounting, the Annual Financial Statements and the Management Report for 2007 as well as the Consolidated Financial Statements with the related Notes and Management Report for 2007. The audits led in each case to an unqualified opinion. We agreed with the results of these audits after an inspection of the auditors' reports as well as extensive discussion, in accordance with the Audit Committee's recommendation.

Today, we established the Annual Financial Statements prepared by the Management Board and approved the Consolidated Financial Statements. We agree with the Management Board's proposal for the appropriation of profits and with the payment of a dividend of €4.50 per no par value share entitled to dividend payment.

#### **PERSONNEL ISSUES**

Dr. von Heydebreck left the Management Board with effect from the conclusion of the General Meeting on May 24, 2007. His tasks and functional responsibilities were assumed by the other members of the Management Board. Mr. Lamberti is responsible for Human Resources, including the tasks of Deutsche Bank's Labour Director. In addition to his previous tasks, Dr. Ackermann took on functional responsibility for the Corporate Social Responsibility area, Dr. Bänziger the Legal and Compliance areas, and Mr. Di Iorio the Internal Audit area. We thank Dr. von Heydebreck for his successful work for Deutsche Bank over many years, his great dedication as a member of the Management Board and his consistently constructive cooperation with the Supervisory Board.

At today's meeting of the Supervisory Board, Mr. Stefan Krause was appointed member of the Management Board with effect from April 1, 2008. Mr. Krause became a member of the Board of Management of BMW AG in May 2002, served as Chief Financial Officer until September 2007 and subsequently had functional responsibility for Sales and Marketing. As a member of the Management Board of Deutsche Bank AG, Mr. Krause will take on the responsibilities of Chief Financial Officer with effect from Mr. Di Iorio's retirement on October 1, 2008.

There were no changes in the composition of the Supervisory Board during 2007.

Frankfurt am Main, March 19, 2008  
The Supervisory Board



Dr. Clemens Börsig  
Chairman

# Supervisory Board

## Dr. Clemens Börsig

Chairman,  
Frankfurt am Main

## Heidrun Förster\*

Deputy Chairperson,  
Deutsche Bank Privat- und  
Geschäftskunden AG,  
Berlin

## Dr. Karl-Gerhard Eick

Deputy Chairman of the Board  
of Management of  
Deutsche Telekom AG,  
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## Ulrich Hartmann

Chairman of the Supervisory  
Board of E.ON AG,  
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## Rolf Hunck\*

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## Sir Peter Job

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CEO of SAP AG,  
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## Ulrich Kaufmann\*

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Verband, labor union  
for financial services providers,  
Ratingen

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## Henriette Mark\*

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## Prof. Dr. jur. Dr.-Ing. E.h.

### Heinrich von Pierer

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## Gabriele Platscher\*

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## Tilman Todenhöfer

Managing Partner of  
Robert Bosch Industrie-  
treuhand KG,  
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## Dipl.-Ing. Dr.-Ing. E.h.

### Jürgen Weber

Chairman of the Supervisory  
Board of Deutsche Lufthansa AG,  
Hamburg

## Leo Wunderlich\*

Deutsche Bank AG,  
Mannheim

\*Elected by the employees in Germany.

## COMMITTEES

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Dr. Clemens Börsig  
Chairman

Heidrun Förster\*

Ulrich Hartmann

Ulrich Kaufmann\*

### Mediation Committee

Dr. Clemens Börsig  
Chairman

Heidrun Förster\*

Ulrich Hartmann

Henriette Mark\*

### Audit Committee

Dr. Karl-Gerhard Eick  
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Dr. Clemens Börsig

Heidrun Förster\*

Sabine Horn\*

Rolf Hunck\*

Sir Peter Job

### Risk Committee

Dr. Clemens Börsig  
Chairman

Sir Peter Job

Prof. Dr. Henning Kagermann

Prof. Dr. jur. Dr.-Ing. E.h.  
Heinrich von Pierer  
Substitute Member

Tilman Todenhöfer  
Substitute Member

### Nomination Committee

(since October 30, 2007)

Dr. Clemens Börsig  
Chairman

Ulrich Hartmann

Dipl.-Ing. Dr.-Ing. E.h.  
Jürgen Weber

\*Elected by the employees in Germany.

# Group Five-Year Record

Data according to IFRS    Data according to U.S.GAAP<sup>1</sup>

## Balance Sheet

in € m.	2007	2006	2005	2004	2003
Total assets	2,020,349	1,584,493	992,161	840,068	803,614
Loans, net	198,892	178,524	151,355	136,344	144,946
Liabilities <sup>2</sup>	1,981,883	1,551,018	961,603	813,616	775,065
Total shareholders' equity	37,044	32,758	29,936	25,904	28,202
Minority interest <sup>3</sup>	1,422	717	622	548	347
Tier 1 risk-based capital (BIS)	28,320	23,539	21,898	18,727	21,618
Total risk-based capital (BIS)	38,049	34,309	33,886	28,612	29,871

## Income Statement

in € m.	2007	2006	2005	2004	2003
Net interest income	8,849	7,008	6,001	5,182	5,847
Provision for credit losses <sup>4</sup>	612	298	350	307	1,063
Commissions and fee income	12,289	11,195	10,089	9,506	9,332
Net gains (losses) on financial assets/liabilities at fair value through profit or loss <sup>5</sup>	7,175	8,892	7,429	6,186	5,611
Other noninterest revenues	2,432	1,399	2,121	1,044	478
<b>Total noninterest revenues</b>	<b>21,896</b>	<b>21,486</b>	<b>19,639</b>	<b>16,736</b>	<b>15,421</b>
Compensation and benefits	13,122	12,498	10,993	10,222	10,495
General and administrative expenses <sup>4,6</sup>	7,954	7,069	7,366	6,681	6,759
Policyholder benefits and claims	193	67	52	260	110
Impairment of intangible assets	128	31	-	19	114
Restructuring activities	(13)	192	767	400	(29)
<b>Total noninterest expenses<sup>4,6</sup></b>	<b>21,384</b>	<b>19,857</b>	<b>19,178</b>	<b>17,582</b>	<b>17,449</b>
<b>Income before income tax expense<sup>6,7</sup></b>	<b>8,749</b>	<b>8,339</b>	<b>6,112</b>	<b>4,029</b>	<b>2,756</b>
Income tax expense (benefit)	2,239	2,260	2,039	1,437	1,327
Effect from the reversal of 1999/2000 credits for tax rate changes	-	-	544	120	215
Cumulative effect of accounting changes, net of tax	-	-	-	-	151
<b>Net income<sup>8</sup></b>	<b>6,510</b>	<b>6,079</b>	<b>3,529</b>	<b>2,472</b>	<b>1,365</b>
Net income attributable to minority interest	36	9	-	-	-
Net income attributable to Deutsche Bank shareholders	6,474	6,070	-	-	-

## Key figures

	2007	2006	2005	2004	2003
Basic earnings per share	13.65 €	12.96 €	7.62 €	5.02 €	2.44 €
Diluted earnings per share	13.05 €	11.48 €	6.95 €	4.53 €	2.31 €
Dividends paid per share in period	4.00 €	2.50 €	1.70 €	1.50 €	1.30 €
Return on average total shareholders' equity (post-tax)	18.0%	20.4%	12.5%	9.1%	4.7%
Pre-tax return on average shareholders' equity	24.3%	28.0%	21.7%	14.8%	9.5%
Cost/income ratio	69.6%	69.7%	74.7%	79.9%	81.8%
BIS core capital ratio (Tier 1)	8.6%	8.5%	8.7%	8.6%	10.0%
BIS capital ratio (Tier 1+2+3)	11.6%	12.5%	13.5%	13.2%	13.9%
Employees (full-time equivalent)	78,291	68,849	63,427	65,417	67,682

<sup>1</sup> U.S. GAAP Balance Sheet, Income Statement and Key figures are only partially comparable with IFRS, presentation of U.S. GAAP Income Statement data was adjusted to IFRS definition.

<sup>2</sup> Excluding minority interest.

<sup>3</sup> Minority interest are included in total equity under IFRS and included in other liabilities under U.S. GAAP.

<sup>4</sup> For U.S. GAAP: Provision for off-balance sheet positions reclassified from General and administrative expenses to provisions for credit losses.

<sup>5</sup> For U.S. GAAP: Trading revenues, net.

<sup>6</sup> For U.S. GAAP: Includes minority interest expense.

<sup>7</sup> For U.S. GAAP: Income before income tax expense and cumulative effect of accounting changes.

<sup>8</sup> For U.S. GAAP: Net income attributable to Deutsche Bank shareholders.

# Glossary

## Alpha

Investment returns in excess of the benchmark return

## Alternative assets/investments

Direct investments in → Private equity, venture capital, mezzanine capital, real estate capital investments and investments in leveraged buyout funds, venture capital funds and → Hedge funds.

## American Depositary Receipts (ADRs)

Negotiable certificates issued by U.S. banks and representing non-American equities deposited with them. ADRs simplify, reduce the cost of and accelerate trading in the American securities markets.

## Asset-backed securities (ABS)

Particular type of securitized payment receivables in the form of tradable securities. These securities are created by the repackaging of certain financial assets → Securitization.

## Asset Finance & Leasing

Centre of competence for offering structured and innovative asset financing solution for durable and high-value assets.

## BIS

Bank for International Settlements domiciled in Basel.

## BIS capital ratio

Key figure for international banks expressing in % the ratio between their capital and their risk-weighted position for regulatory purposes. The minimum total capital ratio to be complied with is 8% and the minimum core capital ratio 4%.

## Broker/Brokerage

Brokers accept orders to buy and sell securities from banks and private investors and execute them on behalf of the customer. For this activity, the broker usually receives a commission.

## Buyout

Purchase (in full or in part) of a company or specific corporate activities.

## Capital according to BIS

Capital recognized for regulatory purposes according to the Basel Capital Adequacy Accord of 1988 (last amended in January 1996) for international banks.

Total capital consists of:

- core capital or Tier 1 capital: primarily share capital, reserves and hybrid capital components,
- supplementary capital or Tier 2 capital: primarily participatory capital, long-term subordinated debt, unrealized gains on listed securities and other inherent loss allowances,
- Tier 3 capital: mainly short-term subordinated debt and excess Tier 2 capital.

Supplementary capital is limited to 100% of core capital and the amount of long-term subordinated debt that can be recognized as supplementary capital is limited to 50% of core capital.

## Cash flow statement

Calculation and presentation of the cash flow generated or consumed by a company during a financial year as a result of its business, investing and financing activities, and reconciliation of holdings of cash and cash equivalents (cash reserve) at the beginning and end of a financial year.

## Cash management

Refers to the management of liquid assets in dollars, euro and other currencies for companies and financial institutions to optimize financial transactions.

## Clearing

The process of transmitting, reconciling and, in some cases, confirming payment orders.

## Coaching

Personalized, tailored developmental intervention aimed at improving an employee's performance (e.g. management competence, communication skills) as a rule with the help of a coach.

## Collateralized debt obligations (CDOs)

Investment vehicles based on a portfolio of assets that can include bonds, loans or derivatives.

## Commitment

A firm's employees have commitment when they identify with their company, its goals and values, are willing to work hard for it and prefer to stay in its employment.

## Compliance

Entirety of measures adopted in order to ensure that relevant laws, rules and internal regulations are adhered to and to prevent legal or regulatory sanctions as well as financial or reputational damage.

## Corporate finance

General term for capital market-related, innovative financing services to satisfy special consulting requirements in business with corporate customers.

## Cost/income ratio

In general: a ratio expressing a company's cost effectiveness which sets operating expenses in relation to operating income.  
Here: sum of noninterest expenses as a percentage of the aggregate sum of net interest revenues and noninterest revenues.

## Credit default swap

An agreement between two parties whereby one party pays the other a fixed coupon over a specified term. The other party makes no payment unless a specified credit event such as a default occurs, at which time a payment is made and the swap terminates.

**Credit Trading**

Trading in loan or credit-related products.

**Debt Products**

Tradable instruments representing a liability or claim with respect to assets of one or more private or public sector entities. The phrase also denotes a broader range of instruments including foreign exchange and commodity contracts.

**Derivatives**

Products whose value derives largely from the price, price fluctuations and price expectations of an underlying instrument (e.g. share, bond, foreign exchange or index). Derivatives include → Swaps, → Options and → Futures.

**DJSI**

Dow Jones Sustainability Indexes are an index family tracking the member companies' ecological and social achievements. Deutsche Bank has been listed in the DJSI World and the DJSI STOXX ever since they were first launched. [www.sustainability-index.com](http://www.sustainability-index.com)

**Earnings per share**

Key figure determined according to → IFRS and expressing a company's net income attributable to its shareholders in relation to the average number of common shares outstanding. Apart from basic earnings per share, diluted earnings per share must also be reported if the assumed conversion and exercise of outstanding share options, unvested deferred share awards and convertible debt and certain forward contracts could increase the number of shares.

**Equity capital markets (ECM)**

Primarily, activities connected with a company's IPO or the placement of new shares. It also covers the privatization of state-owned companies.

**Equity Prime Services**

Deutsche Bank's Equity Prime Services group provides mainly hedge funds with a range of services adjusted to the needs of the alternative investment community.

**Euro Commercial Paper Program**

Instrument allowing the flexible issuance of unsecured, short-term debt by an issuer. A program may comprise several bond issues over a period of time.

**Euro Medium-Term Notes**

Flexible bond programs used to issue unsecured debt instruments at different times. Volumes, currencies and maturities (one to ten years) can be adjusted according to financing needs. Euro-MTNs are issued on the Euromarket mainly in U.S. dollars; bank syndicates guarantee the complete placement of each issue.

**Fair Value**

Amount at which assets or liabilities would be exchanged between knowledgeable, willing and independent counterparties. Fair value is often identical to market price.

**Family Office**

Financial services which are designed for families with very large and complex sets of assets and which protect customers' interests on the basis of absolute independence through optimal management and comprehensive coordination of individual wealth components.

**Futures**

Forward contracts standardized with respect to quantity, quality and delivery date, in which an instrument traded on the money, capital, precious metal or foreign exchange markets is to be delivered or taken receipt of at an agreed price at a certain future time. Cash settlement is often stipulated for such contracts (e.g. futures based on equity indices) to meet the obligation (instead of delivery or receipt of securities).

**Global Trade Finance**

Unites the bank's entire Trade Finance and Trade and Risk Services activities. The Business Division covers our export finance and risk hedging business with financial institutions and corporate clients including multinationals, large and expanding corporates, and public sector companies.

**Goodwill**

The amount which the buyer of a company pays, taking account of future earnings, over and above the → Fair value of the company's individually identifiable assets and liabilities.

**Hedge fund**

A fund whose investors are generally institutions and wealthy individuals. Hedge funds can employ strategies which mutual funds are not permitted to use. Examples include short selling, leveraging and → Derivatives. Hedge fund returns are often uncorrelated with traditional investment returns.

**IFRS****International Financial Reporting Standards**

Financial Reporting Rules of the International Accounting Standards Board to ensure globally transparent and comparable accounting and disclosure. Main objective is to present information that is useful in making economic decisions, mainly for investors.

### **In-Sourcing**

We offer other banks access to our payment processing and cash management infrastructure, completing or replacing existing technology and processes on their side.

### **Investment & Financial Centers**

Investment & Financial Centers are our modern branches where we offer private and business clients our full range of products and advisory services from one source and under one roof.

### **Investment banking**

Generic term for capital market-oriented business. This includes primarily the issuing and trading of securities and their → Derivatives, interest and currency management, → Corporate finance, M&A advisory, structured finance and → Private equity.

### **Investor relations**

Investor relations describes the systematic and continuous two-way communication between companies and both current and potential providers of capital. Information is supplied on major corporate events, financial results, business strategy and the capital market's expectations of management. One objective of investor relations activities is to ensure that a company's equity is appropriately valued by the market.

### **Late stage private equity**

Investments in unlisted companies which belong to the category of "more mature" corporate investment opportunities in terms of age and positive cash flow.

### **Leveraged Buyout**

Debt-financed purchase of all or part of a company or specific activities of a company. Debt and redemption payments are financed from the acquired company's future revenues.

### **Management Buyout**

Purchase of a company's entire outstanding shares by its management, thereby ending the company's listing.

### **Mezzanine**

Flexible, mixed form of financing comprising equity and debt capital. Here: long-term subordinated financing instrument used to finance growth while at the same time strengthening the borrower's economic equity capital base.

### **Mortgage-backed Securities (MBS)**

Mortgage-backed securities are securities backed by mortgage loans.

### **Option**

Right to purchase (call option) or sell (put option) a specific asset (e.g. security or foreign exchange) from or to a counterparty (option seller) at a predetermined price on or before a specific future date.

### **OTC derivatives**

Nonstandardized financial instruments (→ Derivatives) not traded on a stock exchange, but directly between market participants (over the counter).

### **Portfolio**

In general: part or all of one or all categories of asset (e.g. securities, loans, equity investments or real estate). Portfolios are formed primarily to diversify risk.

Here: combination of similar transactions, especially in securities and/or → Derivatives, under price risk considerations.

### **Portfolio management**

Management and administration of a → Portfolio of securities for a client. This can involve the continual review of the portfolio and, if agreed with the client, purchases and sales.

### **Private equity**

Equity investment in non-listed companies. Examples are venture capital and buyout funds.

### **Public Private Partnership (PPP)**

Aimed at increasing the efficiency of infrastructure projects by means of a long-term collaboration between the public sector and private investors.

### **Quantitative investments**

→ Portfolios of equities, bonds as well as → Hedge funds. Portfolios are managed in a systematic and regulated framework applying fundamental investment principles. The choice of investment is determined by the processing of large data volumes for which quantitative methods and techniques are applied.

### **Rating**

External: standardized evaluation of issuers' credit standing and debt instruments, carried out by specialized agencies.  
Internal: detailed risk assessment of every exposure associated with an obligor.

### **Registered shares**

Shares registered in a person's name. As required under joint stock company law, that person is registered in the share register with several personal details and the number of shares owned. Only those persons entered in the share register are deemed to be shareholders of the company and are entitled, for instance, to exercise rights at the General Meeting.

### **Repo**

An agreement to repurchase securities sold (genuine repurchase agreement where the asset remains the seller's property). From the buyer's viewpoint, the transaction is a reverse repo.

### **Sale and Lease back**

Transaction in which one party sells assets such as real estate to another party and at the same time enters into an agreement to lease the assets for a pre-determined period of time.

**Sarbanes-Oxley Act (SOX)**

U.S. capital market law passed in 2002 to strengthen corporate governance and restore investor confidence in response to major corporate and accounting scandals. Legislation establishes new or enhanced standards ranging from additional Corporate Board responsibilities to criminal penalties for all companies that have listed their shares on a U.S. stock exchange.

**Securitization**

In general: rights evidenced by securities (e.g. shares or bonds). Here: replacing loans or financing various kinds of claims by issuing securities (such as bonds or commercial paper).

**Shareholder Value**

Management concept that focuses strategic and operational decision-making on the steady growth of a company's value. The guiding principle is that only returns above the cost of capital add value for shareholders.

**Sharia conform**

In accordance with Islamic Law.

**Single-manager hedge fund**

A hedge fund that invests directly in securities and financial instruments to follow a particular investment strategy.

**Sustainability**

Denotes the interplay of economy, ecology and social responsibility with the objective of sustainably advancing the basis for human life while preparing it for the future.

**Swaps**

In general: exchange of one payment flow for another. Interest rate swap: exchange of interest payment flows in the same currency with different terms and conditions (e.g. fixed or floating). Currency swap: exchange of interest payment flows and principal amounts in different currencies.

**Trust & Securities Services**

Broad range of administrative services for securities. They include, for example, securities custody, trust administration, issuing and paying agent services, depositary bank function for → American Depositary Receipts (ADRs).

**U.S. GAAP (United States Generally Accepted Accounting Principles)**

U.S. accounting principles drawn up by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA). In addition, the interpretations and explanations furnished by the Securities and Exchange Commission (SEC) are particularly relevant for companies listed on the stock exchange. As in the case of IFRS the main objective is to provide decision-useful information, especially for investors.

**WISE network**

The WISE Demographic Network connects HR Executives from seven partnering companies in Germany with the worldwide network WISE business research.

# Imprint/Publications

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Annual Review 2007  
 and Financial Report 2007  
 on the Internet:  
[www.deutsche-bank.com/07](http://www.deutsche-bank.com/07)

**Photos**  
 Martin Joppen, Frankfurt am Main  
 page 2  
 Andreas Pohlmann, Munich  
 pages 6/7  
 Nathan Beck, Zurich  
 pages 8/9, 22/23, 48/49, 54/55  
 and cover  
 Wolfgang von Brauchitsch, Bonn  
 page 58

This report is climate neutral. The amount of greenhouse gas emissions caused by production and distribution (74 t CO<sub>2</sub> equivalents) has been offset by investing in a climate protection project in India.



**We will be pleased to send you the following publications relating to the financial statements**

Please note that Deutsche Bank Group's annual report consists of two separate sections: Annual Review 2007 and Financial Report 2007.

**Annual Review 2007**  
 (German/English)

**Financial Report 2007**  
 (German/English)

**Annual Report 2007 on Form 20-F**  
 (in English)

**Annual Financial Statements and Management Report of Deutschen Bank AG 2007**  
 (German/English)

**List of Mandates 2007**  
 (German/English)

**List of Shareholdings 2007**  
 (German/English)

**List of Advisory Council Members**  
 (German)

**Corporate Social Responsibility – Report 2007**  
 (from May 2008 in German and English)

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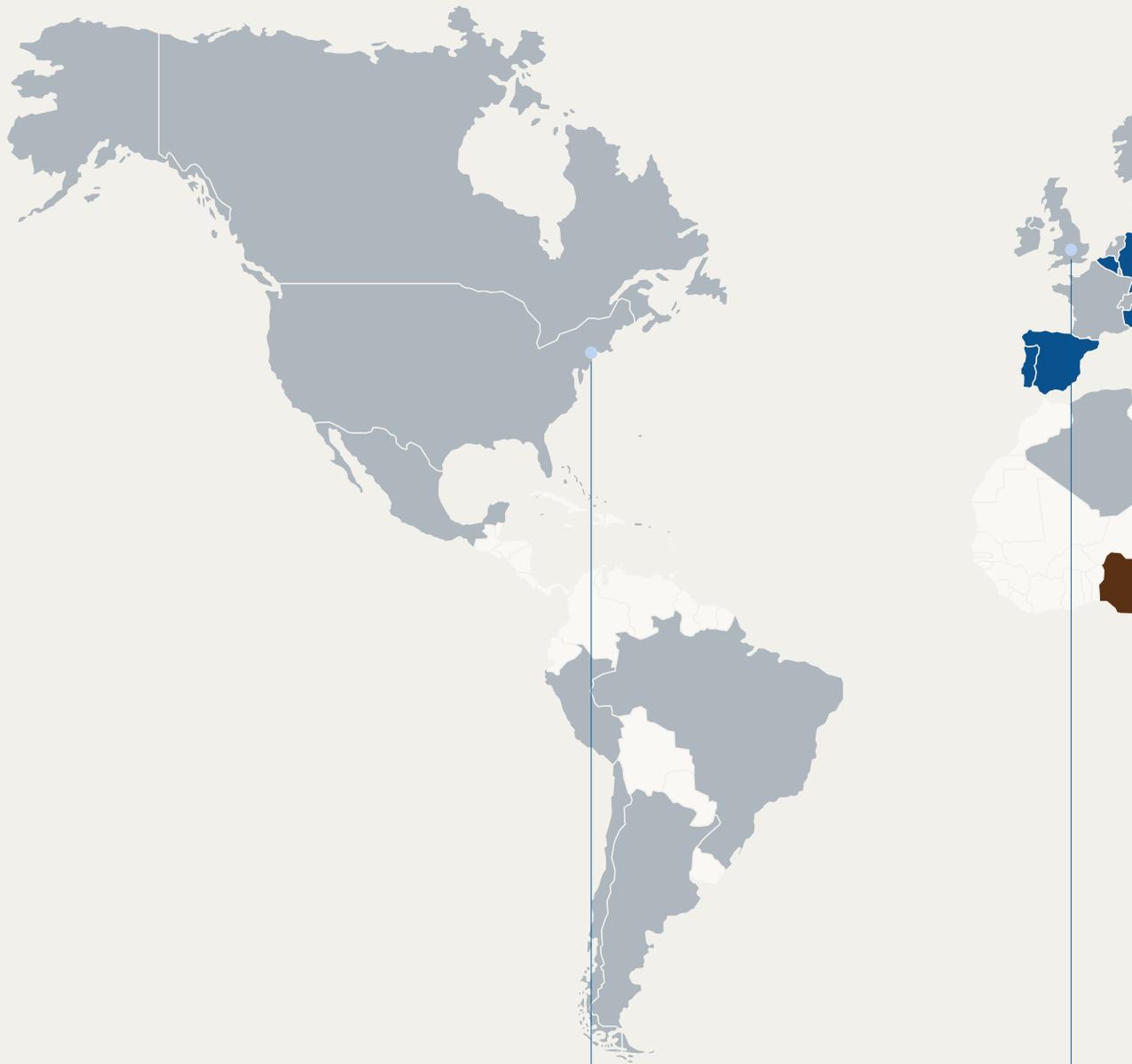
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**Cautionary statement regarding forward-looking statements:**  
 This report contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our trading revenues, potential defaults of borrowers or trading counterparties, the implementation of our management agenda, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 26 March 2008 in the section "Risk Factors". Copies of this document are available upon request or can be downloaded from [www.deutsche-bank.com/ir](http://www.deutsche-bank.com/ir).

Our future success depends on our ability to handle change and take opportunities. But we also have to be credible – by doing what we say and doing it well – and enjoy trust – in our performance and integrity. These factors give our customers, above all, the certainty they need in order to take decisions in a complex world. Decisions which also define our scope of action and secure our profitability today and tomorrow. For our shareholders. For our clients. For our staff. For our future.

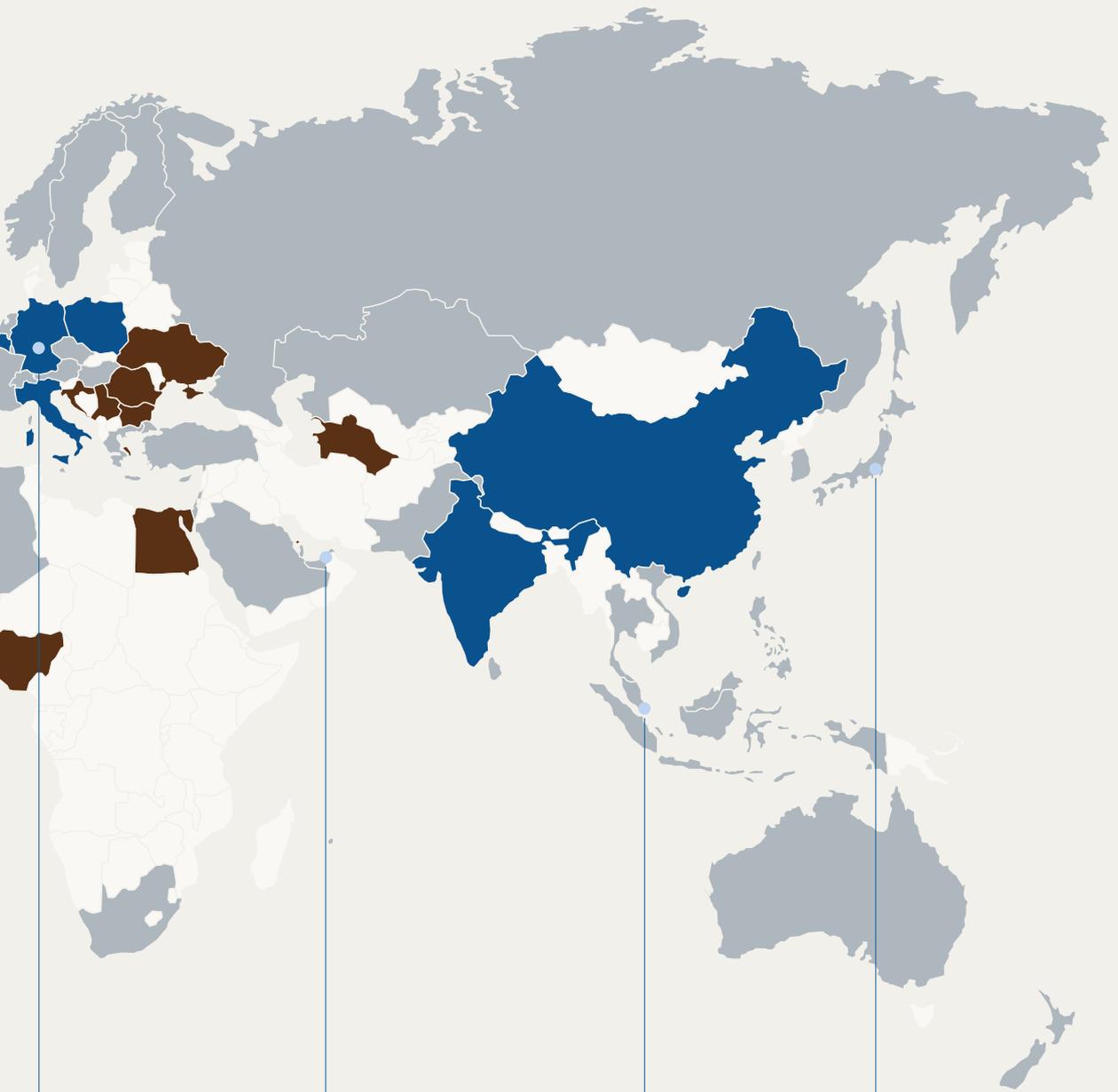
## Close to our clients



- Branch business with private & business clients
- Branch and/or subsidiary
- Representative offices (only)
- Regional major hubs

New York

London



Frankfurt

Dubai

Singapore

Tokyo

# Financial Calender

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## 2008

Apr 29, 2008 Interim Report as of March 31, 2008

**May 29, 2008** **Annual General Meeting  
in the Festhalle Frankfurt am Main (Exhibition Center)**

May 30, 2008 Dividend payment

Jul 31, 2008 Interim Report as of June 30, 2008

Oct 30, 2008 Interim Report as of September 30, 2008

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## 2009

Feb 5, 2009 Preliminary results for the 2008 financial year

Mar 24, 2009 Annual Report 2008 and Form 20-F

Apr 28, 2009 Interim Report as of March 31, 2009

**May 26, 2009** **Annual General Meeting  
in the Festhalle Frankfurt am Main (Exhibition Center)**

May 27, 2009 Dividend payment

Jul 29, 2009 Interim Report as of June 30, 2009

Oct 29, 2009 Interim Report as of September 30, 2009

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## WINNING IN A WORLD OF CHANGE.

In a world of change, it's essential to respond positively to the changing needs of customers, shareholders and staff. The only way to preserve continuity is to be open to new challenges and take the opportunities they offer.

Deutsche Bank is committed to serving the interests of all our stakeholders: our shareholders, our customers, our staff, and society. For the Annual Review 2007, we talked to representatives of our stakeholders about our theme for this year, "Winning in a World of Change.":

**Dr. Omar Bin Sulaiman**, Governor of Dubai International Financial Centre (DIFC), Dubai; **Ms. Jeanne Zhang**, Private Client, Beijing; **Ms. Sofia Devoto**, Deutsche Representaciones y Mandatos SA, Buenos Aires; and **Dr. Bertrand Piccard**, President, Solar Impulse, Lausanne.