Deutsche Bank

DEUTSCHE BANK REPORTS SECOND QUARTER 2007 NET INCOME OF EUR 1.8 BILLION, UP 31%

- *Income before income taxes of EUR 2.7 billion, up 32%*
- *Total revenues of EUR 8.8 billion, up 27%*
- *Pre-tax return on average active equity of 36% for the second quarter, 40% for the first six months*
- *Diluted earnings per share of EUR 3.60 for the second quarter, up 48%, and EUR 7.86 for the first six months, up 41%*
- *Net new money of EUR 13 billion*

FRANKFURT AM MAIN, 1 August 2007 – Deutsche Bank (XETRA: DBKGn.DE / NYSE: DB) reported income before income taxes for the second quarter 2007 of EUR 2.7 billion, up 32% versus EUR 2.0 billion in the second quarter 2006. Net income was EUR 1.8 billion, up 31% versus EUR 1.4 billion in the prior year quarter. Pre-tax return on average active equity was 36%, versus 33% in the second quarter 2006, on average active equity which was up by EUR 5.3 billion, or 22%, over the prior year quarter. Diluted earnings per share were EUR 3.60, up 48% versus the prior year quarter. Per the bank's target definition, which excludes certain significant gains and charges, pre-tax return on average active equity was 35%.

For the first six months of 2007, income before income taxes was EUR 5.9 billion, up 26% versus the first six months of 2006. Net revenues were EUR 18.4 billion, up 23%, while net income rose 30% to EUR 3.9 billion. Pre-tax return on average active equity was 40%, compared to 38% in the first half 2006, and diluted earnings per share rose 41% to EUR 7.86. Per target definition, pre-tax return on average active equity was 38%.

Dr. Josef Ackermann, Chairman of the Management Board, said: "*After an excellent first quarter, we delivered another outstanding quarterly result, with significant earnings growth over the same period last year. All our business divisions contributed to this growth. As a result, we delivered a very strong first half year, clearly demonstrating the power and resilience of our platform*."

He added: "*Looking forward, uncertainties persist in the world's financial markets in the short term. Some areas of the credit markets may continue to experience turbulent conditions, and investors may adopt a more conservative stance toward leveraged finance. Our business model which benefits from rigorous risk management and independent control processes is structured to deliver performance also in the face of such challenges. We have consistently adopted a prudent approach to risk-taking, and the current environment is no exception. We firmly believe that these qualities will enable us to continue to perform strongly*."

Group Highlights

Net revenues for the second quarter 2007 were EUR 8.8 billion, up 27% versus the second quarter 2006, reflecting year-on-year growth in all business divisions.

In the Corporate and Investment Bank (CIB), revenues in Sales & Trading rose 34% to EUR 4.3 billion, a second-quarter record, driven by broad-based performance across both Debt and Equities. Revenues in Sales & Trading (Debt and other products) rose 18% to EUR 2.9 billion, reflecting strong performances in credit products and emerging markets debt. Revenues in Sales & Trading (Equity) rose 89% to EUR 1.4 billion, reflecting strong year-on-year growth across all customer-oriented businesses and a rebound in designated proprietary trading. Both Origination and Advisory recorded best-ever quarterly revenues. Origination revenues rose 12% to EUR 638 million with strong growth in equity and investment grade debt, while advisory revenues rose 63% to EUR 256 million against a backdrop of strong M&A activity. Revenues in Global Transaction Banking rose 16% to EUR 656 million, reflecting growth in Trust & Securities Services and Cash Management.

In Private Clients and Asset Management (PCAM), revenues were up 11% to EUR 2.6 billion. In Private & Business Clients (PBC), revenues were EUR 1.4 billion, up 15%, reflecting the acquisition of Berliner Bank and norisbank, together with organic revenue growth. In Asset and Wealth Management (AWM), revenues rose 7% to EUR 1.1 billion. Performance fees in real estate asset management rebounded from the first quarter, although they remained lower than the exceptional levels of the second quarter 2006, while revenues in retail asset management recorded year-on-year growth. Revenue growth in Private Wealth Management (PWM) reflected both organic expansion and the acquisition of Tilney in the U.K.

Revenues in Corporate Investments (CI) rose 62% to EUR 259 million, reflecting a net gain from a sale and leaseback transaction related to bank-occupied premises and dividends from industrial holdings.

Provision for credit losses in the second quarter was EUR 81 million, down from EUR 98 million in the first quarter and essentially unchanged from EUR 82 million in the second quarter 2006. In PCAM, provisions were EUR 124 million, up from EUR 94 million in the second quarter 2006, reflecting the aforementioned acquisition of norisbank and Berliner Bank and continued organic growth in PBC’s loan book. This increase was offset by higher CIB releases and recoveries compared to the prior year quarter.

Noninterest expenses for the quarter were EUR 6.0 billion, up 25% versus the second quarter 2006. Compensation and benefits expenses for the quarter rose 27% to EUR 3.9 billion, reflecting an increase in performance-related compensation in line with strong business results and a rise in staff numbers resulting from both acquisitions and organic growth. Amortization of equity compensation was higher than in the prior year quarter but lower than in the first quarter of 2007. Non-compensation expenses for the quarter rose 20% to EUR 2.1 billion, reflecting several contributing factors, including acquisitions, higher litigation provisions, technology expenditures and other expenses driven by higher business volumes. The cost-income ratio for the quarter was 68%, down from 69% in the prior year quarter. The ratio of compensation and benefits to revenues was 44%, unchanged from the second quarter 2006, while the ratio of non-compensation expenses to revenues was 24%, down from 26% in the prior year quarter.

Income before income taxes for the quarter was EUR 2.7 billion, up 32% versus the second quarter 2006. Pre-tax return on average active equity was 36%, compared to 33% in the second quarter 2006. Per target definition, which excludes certain significant gains (net of related expenses) of EUR 131 million in the current quarter, pre-tax return on average active equity was 35%, versus 33% for the prior year quarter, in which no such gains or charges were reported.

Net income for the quarter was EUR 1.8 billion, up 31% versus the prior year quarter. Diluted earnings per share were EUR 3.60, up 48% versus EUR 2.44 in the second quarter 2006. The increase of diluted earnings per share in the current quarter benefited from the modification, in late 2006, of certain derivatives contracts, related to trading in Deutsche Bank shares. Excluding this effect, the increase in diluted earnings per share over the prior year quarter would have been 32%. The effective tax rate for the quarter was 34%, unchanged to the prior year quarter.

The BIS Tier 1 ratio was 8.4% at the end of the quarter, within the bank's target range of between 8% and 9%. Risk-weighted assets increased to EUR 308 billion, from EUR 285 billion at the end of the first quarter, reflecting growth in the loan book and derivatives business. The bank repurchased 5.8 million shares during the quarter, up from 3.3 million during the first quarter and accounting for 1.1% of total shares issued, at an average cost of EUR 110.39 per share. On May 24, Deutsche Bank's Annual General Meeting authorized a further share buyback program.

Business Segment Review

Corporate and Investment Bank Group Division (CIB)

CIB's net revenues for the quarter were EUR 6.0 billion, up 29%, or EUR 1.3 billion, versus the second quarter 2006. Noninterest expenses were EUR 4.0 billion, up 30%, or EUR 921 million, compared to the second quarter 2006. Income before income taxes of EUR 2.0 billion in the second quarter 2007 increased by 29%, or EUR 454 million, compared to the prior year quarter.

Corporate Banking & Securities (CB&S)

Revenues in Sales & Trading (Debt and other products) were a second quarter record of EUR 2.9 billion, up by 18%, or EUR 431 million, versus the same quarter 2006. Growth was particularly strong in the credit trading businesses, as a result of strong contribution from infrastructure business and favorable market positioning through a volatile quarter, despite ongoing turbulence in the U.S. residential mortgage-backed securities market and, to a lesser extent, in the CDOs market. Performance was also strong in emerging markets debt, in particular in Russia and in Turkey. Our commodities business recorded year-on-year gains in profitability reflecting progress with institutional investors and in global emission trading. Revenues in foreign exchange, money markets and rates increased modestly, as strong levels of customer activity in structured products more than offset ongoing margin pressure in flow markets. *Euromoney* magazine acknowledged our leading position in both structured and flow debt products in its annual Awards for Excellence, naming Deutsche Bank the World's Best Credit Derivatives House and the World's Best Foreign Exchange House.

Sales & Trading (Equity) generated revenues of EUR 1.4 billion in the second quarter 2007, up 89%, or EUR 659 million, versus the second quarter 2006. Earnings growth was strong across all customer-oriented businesses. Equity Derivatives, Prime Services and Cash Equities all saw substantial revenue growth versus the same quarter 2006 due to increased customer flow. Client activity was strong in non-Japan Asia across all businesses, while flows in Europe and North America were commensurate with the prior year quarter. Prime Services performed particularly well, driven by an increased market share and despite tightening spreads. While net revenues in designated Equity Proprietary Trading were substantially positive compared to a loss experienced in the second quarter 2006, they were lower than in the first quarter 2007.

Origination and Advisory net revenues of EUR 895 million were a quarterly record and up 23%, or EUR 169 million, compared to the second quarter 2006. Advisory revenues increased 63%, or EUR 99 million, reflecting greater penetration with key clients and a continuation of the exceptional level of market activity. The pipeline remains strong. In Origination, net revenues improved 12%, or EUR 70 million, and Deutsche Bank gained two positions to rank third globally in fee league tables. Origination (Equity) net revenues increased 53%, or EUR 104 million, reflecting expansion in global equity markets with Deutsche Bank outpacing the market and obtaining a global top five ranking with market share gains in all major regions. Origination (Debt) net revenues were down 9%, or EUR 34 million, against a backdrop of a more challenging market environment for Leveraged Finance. Investment grade bonds improved significantly, with Deutsche Bank maintaining its number one ranking in Europe for the second consecutive quarter. (Sources for all rankings, market volume and fee pool data: *Thomson Financial, Dealogic*)

Loan Products net revenues were EUR 214 million for the second quarter 2007, down 17%, or EUR 43 million, on the same period last year. The reduction was due primarily to the application of the fair value option to an increased level of new lending activity.

In provision for credit losses, CB&S recorded a net release of EUR 42 million in the second quarter 2007 compared to a net release of EUR 13 million in the prior year quarter, mainly reflecting higher releases and recoveries from workouts in our German portfolio.

CB&S's noninterest expenses were EUR 3.6 billion in the second quarter 2007, up 33%, or EUR 883 million, compared to the second quarter 2006, primarily reflecting higher performance-related compensation in line with the strong results and higher amortization of equity compensation. Additionally, remaining compensation expenses and non-compensation expenses increased reflecting higher staff levels and higher business volumes.

Income before income taxes in CB&S was EUR 1.8 billion in the second quarter, up 30%, or EUR 407 million, compared to the prior year quarter.

Global Transaction Banking (GTB)

The higher demand in our Cash Management and Trust & Securities Services (TSS) businesses resulted in an increase in revenues by 16%, or EUR 90 million, compared to the second quarter 2006. The Cash Management payments business was the main contributor to this increase driven by a substantial improvement in customer volumes across all regions in a favorable interest rate environment. The revenue increase in TSS was attributable to higher customer flows in both our domestic custody and our issuer-related services businesses.

GTB's noninterest expenses of EUR 409 million in the second quarter 2007 increased by 10%, or EUR 37 million, compared to the second quarter 2006, mainly driven by higher performance-related compensation. The increase also reflects higher staff levels and higher business transaction-related costs.

GTB's income before income taxes of EUR 247 million in the second quarter 2007 was up 24%, or EUR 47 million, compared to the prior year quarter.

Private Clients and Asset Management Group Division (PCAM)

In PCAM, net revenues were EUR 2.6 billion in the second quarter 2007, an increase of 11%, or EUR 259 million, versus the prior year quarter. Provision for credit losses was EUR 124 million, up 31%, or EUR 30 million, compared to the same quarter in 2006. Non-interest expenses were EUR 1.9 billion, an increase of 7%, or EUR 126 million, compared to the second quarter 2006. Income before income taxes of EUR 588 million in the second quarter exceeded last year's quarter by 19%, or EUR 94 million.

PCAM's invested assets grew by EUR 26 billion to EUR 962 billion during the second quarter 2007. Net new money was EUR 14 billion, of which EUR 11 billion was generated by AWM and EUR 3 billion by PBC. The effect of market appreciation was EUR 21 billion, while the remainder of the change in invested assets was mainly driven by foreign exchange rate effects and the sale of a business in Asset Management (AM) Australia.

Asset and Wealth Management (AWM)

In the second quarter, AWM reported net revenues of EUR 1.1 billion, an increase of 7%, or EUR 75 million, compared to the prior year quarter. Portfolio/fund management revenues in AM decreased by 12%, or EUR 82 million. Higher revenues in the European retail business were outweighed by lower performance fees in our Real Estate business. This decline was mainly attributable to the non-recurrence of a significant performance fee in the second quarter 2006 for a single long-term mandate, managed by our Real Estate business in North America. In Private Wealth Management (PWM), portfolio/fund management revenues grew by 25%, or EUR 20 million, compared to the prior year quarter, due to a higher invested asset base as a result of the Tilney acquisition as well as from organic growth and market performance. Brokerage revenues were EUR 245 million, up 25%, or EUR 48 million. Main drivers were higher transaction volumes due to the beneficial market environment and increased invested assets also resulting from Tilney. Loan/deposit revenues improved 19%, or EUR 9 million, based on higher deposit and loan volumes. Revenues from other products rose 126%, or

EUR 79 million, benefiting from the positive impact of equity markets on seed investments in Alternative Products and in traditional AM Europe, as well as the mark-to-market effects of certain unit-linked insurance assets, which were offset in policyholder benefits and claims. Additionally, the second quarter 2007 included a gain of EUR 48 million from the sale of the Australian AM manufacturing operations (equities and fixed income). In the second quarter 2006 AM completed the sale of a substantial part of its UK- and Philadelphia-based businesses with a gain of EUR 35 million.

Noninterest expenses in the second quarter 2007 were EUR 845 million, an increase of 2%, or EUR 16 million, compared to the same quarter in 2006, as higher expenses due to a rise in headcount and higher policyholder benefits and claims were partly offset by lower performance related compensation charges.

AWM's income before income taxes was EUR 292 million, an increase of 21%, or EUR 50 million, compared to the same period last year.

Private & Business Clients (PBC)

Net revenues in PBC were EUR 1.4 billion in the second quarter 2007, an increase of 15%, or EUR 184 million compared to the second quarter 2006. Loan/deposit revenues were up 15%, or EUR 94 million, compared to the prior year quarter, primarily driven by higher volumes due to the acquisitions of Berliner Bank and norisbank. Revenues from portfolio/fund management remained on the level of the prior year's quarter. Brokerage revenues were EUR 336 million, up 23%, or EUR 62 million, compared to the prior year quarter, reaching record levels due to the sale of innovative investment products. Payment, account & remaining financial services accounted for EUR 234 million in revenues, up 9%, or EUR 19 million, versus the prior year quarter mainly resulting from the aforementioned acquisitions.

The provision for credit losses was EUR 124 million in the current quarter, an increase of 32%, or EUR 30 million, compared to the prior year quarter reflecting the acquisitions and the continued organic growth of PBC's loan book.

Noninterest expenses in the second quarter 2007 were EUR 1.0 billion, an increase of 12%, or EUR 110 million, compared to the second quarter 2006. The main drivers for this increase were the aforementioned acquisitions, including integration-related expenses, and continuing investments in growth regions, especially in India and Poland.

Income before income taxes in PBC was EUR 297 million, an increase of 18%, or EUR 44 million, compared to the second quarter 2006.

During the second quarter invested assets grew by EUR 8 billion to EUR 197 billion and loan volumes by EUR 2 billion to EUR 84 billion.

Corporate Investments Group Division (CI)

CI's income before income taxes was EUR 233 million in the second quarter 2007, an increase of 113%, or EUR 124 million, compared to EUR 109 million in the second quarter 2006. The current quarter included a net gain of EUR 126 million related to the sale and leaseback transaction of our premises at 60 Wall Street. In addition, dividend income of EUR 130 million was included in the current quarter, compared to EUR 112 million in last year's second quarter.

Consolidation & Adjustments

Loss before income taxes of EUR 120 million in the second quarter 2007 included negative adjustments of EUR 54 million, to reverse the impact of different accounting methods used for the business segments in our management reporting and IFRS. Of these adjustments, EUR 39 million related to CB&S and EUR 12 million to PBC. The remaining loss in the second quarter 2007 was mainly attributable to litigation provisions and a charge related to the purchase of a bank-occupied building. In the second quarter last year, loss before income taxes of EUR 105 million principally reflected negative adjustments for different accounting methods in management reporting and IFRS of EUR 138 million (of which EUR 123 million related to CB&S and EUR 7 million to PBC). This was in part offset by several minor credits, which mainly related to the release of provisions.

The financial information provided herein has been prepared under the International Financial Reporting Standards (IFRS). It may be subject to adjustments based on the preparation of the full set of financial statements for 2007. The segment information is based on IFRS 8: 'Operating Segments'. IFRS 8, whilst approved by the International Accounting Standards Board (IASB), has yet to be endorsed by the European Union.