

# Corporate Governance Report 2004

Excerpts from Annual Review 2004 and Financial Report 2004



# Corporate governance

Responsible, value-driven management and control of Deutsche Bank

## Fundamental principles

Effective corporate governance is an essential part of our identity. The fundamental basis for this is provided by, above all, the German Stock Corporation Act and the German Corporate Governance Code. Seeing as our share is also listed on the New York Stock Exchange, we are subject to the relevant U.S. capital market laws as well as the rules of the Securities and Exchange Commission (SEC) and the New York Stock Exchange. Our Corporate Governance Officer, CFO Clemens Börsig, has monitored the implementation of and compliance with standards in the field of corporate governance and reported on that to the Supervisory Board at its meeting on March 19, 2004.

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 Board of Managing Directors and the Supervisory Board, a system of performance-related compensation, as well as transparent and early reporting.

**Relations with shareholders.** Our shareholders are involved by law in the fundamental decisions of the bank such as amendments to the Articles of Association, the issue of new shares and important structural changes. Deutsche Bank has only one type of share, with each share certifying the same voting right. To make it easier for shareholders to exercise their voting rights, we support the use of electronic media for the General Meeting. For example, shareholders can issue their voting instructions via the Internet. Our “One Voice Committee” provides for prompt and fair disclosure to the public.

**Board of Managing Directors (Group Board).** The Board of Managing Directors is responsible for managing the company. Its members, together with the business heads of Deutsche Bank’s five core businesses and the Head of Regional Management, form the Group Executive Committee. This committee reviews the development of the business divisions, discusses matters of Group strategy and prepares recommendations for the final decisions taken by the Board of Managing Directors.

**Supervisory Board.** The Supervisory Board oversees and advises the Board of Managing Directors in the management of business. It appoints the members of the Board of Managing Directors and, together with the Board of Managing Directors, arranges for its long-term successor planning. Fundamental business transactions of the Board of Managing Directors require the Supervisory Board’s approval. The Supervisory Board has specified the information and reporting duties of the Board of Managing Directors and set up a Chairman’s Committee, an Audit Committee and a Risk Committee.

## Strategic decision-making

**Performance-related compensation.** The compensation of the members of the Board of Managing Directors is aligned to, primarily, their

contribution to business performance as well as international industry standards. For the share-based compensation components, a decisive criterion is the performance of our share price compared to those of our competitors. Changing performance targets or the comparison parameters retroactively is excluded. The members of the Supervisory Board receive a fixed compensation component as well as a compensation component oriented on the company's long-term results. The chair and deputy chair positions in the Supervisory Board, as well as the chair and membership in the committees, receive additional compensation. The individual compensation of the members of the Board of Managing Directors and Supervisory Board is published, subdivided according to variable and fixed components, in our Financial Report.

### Compensation of senior executives

**Reporting and transparency.** Deutsche Bank Group's reporting is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and the comprehensive reporting rules of the Securities and Exchange Commission. This provides for a high degree of transparency and facilitates comparisons with our international competitors. The Audit Committee monitors the independence of the auditor of the Annual Financial Statements. For example, the Audit Committee must approve all orders for non-audit-related services and advisory services before they are issued to the auditor's company. We publish a list of the fees paid to our auditor subdivided according to services for the audit of the Annual Financial Statements and other services.

**Declaration of Conformity.** The Board of Managing Directors and Supervisory Board issued a new Declaration of Conformity pursuant to § 161 German Stock Corporation Act (AktG) on October 28, 2004. It states that Deutsche Bank complies with the recommendations of the "Government Commission on the German Corporate Governance Code" with the exception that for the members of the Board of Managing Directors and Supervisory Board there is a directors and officers' liability insurance policy without a deductible.

Our complete Corporate Governance Report for 2004 including the Declaration of Conformity and a statement on the suggestions of the Code can be found on pages 170 ff. of the Financial Report 2004. These and other documents on corporate governance such as the Terms of Reference for the Board of Managing Directors as well as the Supervisory Board and its committees are also available in the Internet at [www.deutsche-bank.com/ir](http://www.deutsche-bank.com/ir)

### Extensive disclosure

**Measures taken in 2004.** The Supervisory Board issued Terms of Reference for the Risk Committee. Additional measures taken served to comply with the remaining requirements of the Sarbanes-Oxley Act. These primarily focused on additional improvements to the internal control system. Furthermore, Deutsche Bank published its Code of Ethics for Senior Financial Officers.

# Corporate Governance Report

## Board of Managing Directors and Supervisory Board

### Board of Managing Directors

The Board of Managing Directors is responsible for managing the company. Its members are jointly accountable for the management of the company. The duties, responsibilities and procedures of our Board of Managing Directors and the committees installed by the Board are specified in its Terms of Reference, which are available on our Internet website ([www.deutsche-bank.com/corporate-governance](http://www.deutsche-bank.com/corporate-governance)).

The following paragraphs show information on the current members of the Board of Managing Directors. The information includes their ages as of December 31, 2004, the year in which they were appointed and the year in which their term expires, their current positions or area of responsibility and their principal business activities outside our company.

To assist us in avoiding conflicts of interest, the members of our Board of Managing Directors have generally undertaken not to assume chairmanships of supervisory boards of companies outside our consolidated group.

#### **Dr. Josef Ackermann**

Age: 56

First Appointed: 1996

Term Expires: 2006

Dr. Josef Ackermann joined Deutsche Bank as a member of the Board of Managing Directors in 1996. On May 22, 2002, Dr. Ackermann assumed his current position as Spokesman of the Board of Managing Directors and Chairman of our Group Executive Committee.

Dr. Ackermann engages in the following principal business activities outside our company: He is a member of the supervisory boards of Bayer AG, Deutsche Lufthansa AG, Linde AG and Siemens AG (second deputy chairman).

In February 2003, the Düsseldorf Public Prosecutor filed charges against Dr. Ackermann and other former members of the Supervisory Board and of the Board of Managing Directors of Mannesmann AG with the Düsseldorf District Court. The complaint contained allegations of a breach of trust in connection with payments to former members of the Management Board and other managers of Mannesmann following the takeover of Mannesmann by Vodafone in spring 2000. On September 19, 2003, the District Court in Düsseldorf (*Landgericht Düsseldorf*) accepted the case and ordered a trial which commenced on January 21, 2004. At the close of the trial on July 22, 2004, the District Court acquitted Dr. Ackermann as well as all the other defendants. The Düsseldorf Public Prosecutor filed notice of appeal with the Federal Supreme Court (*Bundesgerichtshof*). Our Supervisory Board has declared that it supports Dr. Ackermann's defense and that it views the charges in question to be unjustified.

#### **Dr. Clemens Börsig**

Age: 56

First Appointed: 2001

Term Expires: 2010

Dr. Clemens Börsig joined our Board of Managing Directors in January 2001. He has worked with us since 1999, when he joined us as our Chief Financial Officer. He is also our Chief Risk Officer and responsible for our corporate governance.

Dr. Börsig engages in the following principal business activities outside our company: He is a supervisory board member at Heidelberger Druckmaschinen AG and deputy chairman of the supervisory board of EUROHYPO AG since September 2004. He also holds a nonexecutive directorship at Foreign & Colonial Eurotrust Plc.

**Dr. Tessen von Heydebreck**

Age: 59

First Appointed: 1994

Term Expires: 2006

Dr. Tessen von Heydebreck joined our Board of Managing Directors in 1994. From 1994 to 1996, he was a deputy member of the Board of Managing Directors. Dr. von Heydebreck is our Chief Administrative Officer.

Dr. von Heydebreck engages in the following principal business activities outside our company: He is a supervisory board member at BASF AG, Duerr AG and BVV Versicherungsverein des Bankgewerbes a.G. and was a supervisory board member of Deutsche Euroshop AG until June 2004 and Gruner + Jahr AG & Co. KG until August 2004. He held a nonexecutive directorship at EFG Eurobank Ergasias S.A. until May 2004.

**Hermann-Josef Lamberti**

Age: 48

First Appointed: 1999

Term Expires: 2009

Hermann-Josef Lamberti joined our Board of Managing Directors in 1999. He joined us in 1998 as an executive vice president. Mr. Lamberti is our Chief Operating Officer.

Mr. Lamberti engages in the following principal business activities outside our company: He is a member of the supervisory board or similar bodies of Schering AG, Fiat S.p.A., Carl Zeiss Stiftung until June 2004, Carl Zeiss AG from July 2004, e-millennium 1 GmbH & Co. KG (chairperson), Euroclear plc and Euroclear Bank S.A. until December 2004 and Euroclear S.A./N.V. since January 2005.

**Group Executive Committee**

The Group Executive Committee, established in 2002, is a body that is not required by the Stock Corporation Act. It comprises the members of the Board of Managing Directors, the Business Heads of our Group Divisions, CIB and PCAM, and, as of September 21, 2004, a representative for the management of our regions. The Group Executive Committee serves as a tool to coordinate our businesses and regions.

The responsibilities of the Group Executive Committee are as follows:

- Provide ongoing information to the Board of Managing Directors on business developments and particular transactions;
- Regular review of our business segments;
- Consultation with and furnishing advice to the Board of Managing Directors on strategic decisions; and
- Preparation of decisions to be made by the Board of Managing Directors.

On September 21, 2004, the Board of Managing Directors appointed a member of the Group Executive Committee "Head of Regions" to whom the current regional CEOs will report. This new role aims to strengthen the regional management functions around the globe thus improving the cooperation between the regions and the global businesses for the benefit of our customers.

**Supervisory Board**

The Supervisory Board appoints, supervises and advises the Board of Managing Directors and is directly involved in decisions of fundamental importance to the bank. The Chairman of the Supervisory Board coordinates work within the Supervisory Board. The duties, procedures and committees of our Supervisory Board are specified in its Terms of Reference, which are available on our Internet website ([www.deutsche-bank.com/corporate-governance](http://www.deutsche-bank.com/corporate-governance)).

The members representing our shareholders were elected at the Annual Shareholders' Meeting on June 10, 2003, and the members representing our employees were elected on May 8, 2003. The following table shows information on the current members of our Supervisory Board. The information includes their ages as of December 31, 2004, the years in which they were first elected or appointed,

the years when their terms expire, their principal occupations and their memberships on other companies' supervisory boards, other nonexecutive boards.

<b>Member</b>	<b>Principal occupation</b>	<b>Supervisory board memberships and other directorships</b>
<b>Dr. rer.oec. Karl-Hermann Baumann</b> Age: 69 First elected: 1998 Term expires: 2008	Member of the Supervisory Board; Chairman of the supervisory board of Siemens AG 2005, Munich, until January 2005	<b>Supervisory board memberships:</b> E.ON AG; Linde AG; Schering AG; ThyssenKrupp AG until January 2005
<b>Dr. Rolf-E. Breuer</b> Age: 67 First elected: 2002 Term expires: 2008	Chairman of the Supervisory Board	<b>Supervisory board memberships:</b> Bertelsmann AG; Deutsche Börse AG (chairman); E.ON AG; Compagnie de Saint-Gobain S.A.; Kreditanstalt für Wiederaufbau (KfW); Landwirtschaftliche Rentenbank  <b>Other experience:</b> President of the Association of German Banks; German Financial Supervisory Authority (Administrative Council)
<b>Dr. Karl-Gerhard Eick</b> Age: 50 Appointed by the court: 2004 Term expires: 2008	Member of the Supervisory Board; Deputy Chairman of the board of managing directors of Deutsche Telekom AG, Bonn	<b>Supervisory board memberships:</b> DeTe Immobilien Deutsche Telekom Immobilien und Service GmbH; T-Mobile International AG; T-Online International AG; T-Systems International GmbH; GMG Generalmietgesellschaft mbH (chairman); Sireo Real Estate Asset Management GmbH (chairman); FC Bayern München AG
<b>Heidrun Förster*</b> Age: 57 First elected: 1993 Term expires: 2008	Deputy Chairperson of the Supervisory Board; Chairperson of the staff council of Deutsche Bank Privat- und Geschäftskunden AG, Berlin	
<b>Klaus Funk*</b> Age: 57 First elected: 1999 Term expires: 2008	Member of the Supervisory Board; Chairman of the staff council of Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main	
<b>Ulrich Hartmann</b> Age: 66 First elected: 2003 Term expires: 2008	Member of the Supervisory Board; Chairman of the supervisory board of E.ON AG, Düsseldorf	<b>Supervisory board memberships:</b> Deutsche Lufthansa AG, Hochtief AG; IKB Deutsche Industriebank AG (chairman); Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft  <b>Other nonexecutive directorships:</b> ARCELOR; Henkel KGaA (member of the shareholders' committee)
<b>Sabine Horn*</b> Age: 43 First elected: 1998 Term expires: 2008	Member of the Supervisory Board; Deutsche Bank AG	
<b>Rolf Huncck*</b> Age: 59 First elected: 2003 Term expires: 2008	Member of the Supervisory Board; Deutsche Bank AG	<b>Supervisory board memberships:</b> Deutsche Bank Trust AG; Fibula Finanz AG; HCI Kapital AG since January 2005
<b>Sir Peter Job</b> Age: 63 Appointed by the court: 2001 Term expires: 2008	Member of the Supervisory Board	<b>Supervisory board memberships:</b> Bertelsmann AG  <b>Other nonexecutive directorships:</b> GlaxoSmithKline Plc (GSK); Schroders Plc; Tibco Software Inc.; Instinet Inc.; Shell Transport and Trading Plc

Member	Principal occupation	Supervisory board memberships and other directorships
<b>Prof. Dr. Henning Kagermann</b> Age: 57 First elected: 2000 Term expires: 2008	Member of the Supervisory Board; Chairman and CEO of SAP AG, Walldorf	<b>Supervisory board memberships:</b> DaimlerChrysler Services AG; Münchener Rückversicherungs- Gesellschaft Aktiengesellschaft
<b>Ulrich Kaufmann*</b> Age: 58 First elected: 1988 Term expires: 2008	Member of the Supervisory Board; Chairman of the staff council of Deutsche Bank AG, Düsseldorf	
<b>Prof. Dr. Paul Kirchhof</b> Age: 61 Appointed by the court: 2004 Term expires: 2008	Member of the Supervisory Board; Professor, Ruprecht-Karls-University, Heidelberg	<b>Supervisory board memberships:</b> Allianz Lebensversicherungs-AG
<b>Henriette Mark*</b> Age: 47 First elected: 2003 Term expires: 2008	Member of the Supervisory Board; Chairperson of the staff council of Deutsche Bank AG, Munich and Southern Bavaria	
<b>Margret Mönig-Raane*</b> Age: 56 First elected: 1996 Term expires: 2008	Member of the Supervisory Board; Vice President of the Unified Services Union (ver.di Vereinte Dienstleistungs- gewerkschaft), Berlin	<b>Other nonexecutive directorships:</b> BHW Holding AG (member of the advisory board); Kreditanstalt für Wiederaufbau (KfW) (administrative council)
<b>Gabriele Platscher*</b> Age: 47 First elected: 2003 Term expires: 2008	Member of the Supervisory Board; Deutsche Bank Privat- und Geschäftskunden AG	<b>Supervisory board memberships:</b> Deutsche Bank Privat- und Geschäftskunden AG, BVV Versicherungsverein des Bankgewerbes a.G.
<b>Karin Ruck*</b> Age: 39 First elected: 2003 Term expires: 2008	Member of the Supervisory Board; Deutsche Bank AG	<b>Supervisory board memberships:</b> Deutsche Bank Privat- und Geschäftskunden AG
<b>Tilman Todenhöfer</b> Age: 61 Appointed by the court: 2001 Term expires: 2008	Member of the Supervisory Board; Managing Partner of Robert Bosch Industrietreuhand KG, Stuttgart	<b>Supervisory board memberships:</b> Robert Bosch GmbH; Robert Bosch Int. Beteiligungen AG (president of the board of administration); Carl Zeiss AG since July 2004 (chairman); Schott AG since July 2004 (chairman)
<b>Dipl.-Ing. Dr.-Ing. E.h. Jürgen Weber</b> Age: 63 First elected: 2003 Term expires: 2008	Member of the Supervisory Board; Chairman of the supervisory board of Deutsche Lufthansa AG, Cologne	<b>Supervisory board memberships:</b> Allianz Lebensversicherungs-AG, Bayer AG, Deutsche Post AG; Thomas Cook AG (chairman), Voith AG; Loyalty Partner GmbH (chairman); Tetra Laval Group
<b>Dipl.-Ing. Albrecht Woeste</b> Age: 69 First elected: 1993 Term expires: 2008	Member of the Supervisory Board; Chairman of the Shareholders' Committee of Henkel KGaA Düsseldorf	<b>Supervisory board memberships:</b> Henkel KGaA (chairman); Allianz Lebensversicherungs AG  <b>Other nonexecutive directorships:</b> IKB Deutsche Industriebank (member of the advisory board); R. Woeste & Co. GmbH & Co KG (chairman of the advisory board)
<b>Leo Wunderlich*</b> Age: 55 First elected: 2003 Term expires: 2008	Member of the Supervisory Board; Chairman of the staff council of Deutsche Bank	

\* Employee-elected member of the Supervisory Board.

Dr. Michael Otto was a member of the Supervisory Board until July 29, 2004 and was replaced by Dr. Karl-Gerhard Eick. Dr. Ulrich Cartellieri was a member of the Supervisory Board until November 28, 2004 and was replaced by Prof. Dr. Paul Kirchhof.

### Standing Committees

The Supervisory Board has established the following four standing committees. The Report of the Supervisory Board provides information on the concrete work to the committees over the preceding year.

Committee	Meetings in 2004	Responsibilities	Members
Chairman's Committee	5	Prepares decisions by the Supervisory Board on the appointment and dismissal of members of the Board of Managing Directors, including long-term succession planning for the Board of Managing Directors; responsible for deciding the terms of the service contracts and other contractual arrangements between us and members of our Board of Managing Directors; for the approval of ancillary activities of members of the Board of Managing Directors; and for the statutorily required approval of certain contracts between us and members of the Supervisory Board and Board of Managing Directors; prepares Supervisory Board decisions with respect to corporate governance	Dr. Rolf-E. Breuer – Chairperson  Dr. Ulrich Cartellieri until November 28, 2004  Heidrun Förster  Ulrich Hartmann since November 28, 2004  Ulrich Kaufmann
Audit Committee	5	Mandates the independent auditors that the annual shareholders' meeting elects; sets the compensation of the independent auditor and may determine priorities for the audits; monitors the auditor's independence; reviews our interim reports and financial statements and discusses the audit report with the auditor; prepares the Supervisory Board's decision on the approval of the annual financial statements and the consolidated financial statements; discusses changes of accounting or auditing practices; arranges to be informed regularly about the work done by the internal audit; responsible for handling of complaints regarding accounting, internal accounting controls and auditing matters; approval of the engagement of non-audit services to our auditor	Dr. Karl-Hermann Baumann – Chairperson  Dr. Rolf-E. Breuer  Dr. Ulrich Cartellieri until November 28, 2004  Dr. Karl-Gerhard Eick since November 28, 2004  Heidrun Förster  Sabine Horn  Rolf Hunck
Risk Committee	6	Responsible for the treatment of loans which, pursuant to law or our Articles of Association, require a resolution of the supervisory board; approves investments in other companies of between 2% and 3% of our regulatory banking capital; the Board of Managing Directors provides this committee with information on legal and reputational risks, credit exposures and related circumstances which are of special importance due to the risks or liabilities attached to them or for any other reason	Dr. Rolf-E. Breuer – Chairperson  Dr. Karl-Hermann Baumann  Prof. Henning Kagermann  Sir Peter Job – deputy member  Ulrich Hartmann – deputy member
Mediation Committee	0	Responsible for making proposals to the Supervisory Board on the appointment or dismissal of members of the Board of Managing Directors in those cases where the Supervisory Board is unable to reach a two-thirds majority decision with respect to the appointment or dismissal	Dr. Rolf-E. Breuer – Chairperson  Dr. Ulrich Cartellieri until November 28, 2004  Heidrun Förster  Ulrich Hartmann since November 28, 2004  Henriette Mark

The duties, responsibilities and processes of the Chairman's Committee, the Risk Committee, and the Audit Committee are set out in separate terms of reference, which are available on our Internet website ([www.deutsche-bank.com/corporate-governance](http://www.deutsche-bank.com/corporate-governance)).

## Performance-related Compensation

### Board of Managing Directors

The Chairman's Committee of the Supervisory Board has functional responsibility for determining the structure and size of the compensation of the members of the Board of Managing Directors. In particular, the Chairman's Committee determines salaries and other compensation elements for the Board of Managing Directors.

We have entered into service agreements with members of our Board of Managing Directors. These agreements established the following two principal elements of compensation:

*Salary.* The members of the Board of Managing Directors receive a salary which is disbursed in monthly installments. It is determined on the basis of an analysis of salaries paid to executive directors at a selected group of comparable international companies.

*Cash Bonus.* As part of the variable compensation we pay annual cash bonuses to members of our Board of Managing Directors based on achievement of the planned return on equity of the Group.

*Mid-Term-Incentive ("MTI").* As further part of the variable compensation we grant a performance-based mid-term-incentive which reflects, for a rolling two year period, the ratio between our total shareholder return and the corresponding average figure for a peer group. The mid-term-incentive payment consists of a cash component (1/3) and equity-based awards (2/3) which contain long-term risk elements under the DB Global Partnership Plan.

The aggregate remuneration, including performance-based compensation, earned by the members of our Board of Managing Directors for the year ended December 31, 2004 was € 25,101,614. This aggregate remuneration was comprised of the following:

in €	2004
Salary	3,550,000
Bonuses, mid-term-incentive (cash and equity-based)	20,901,900
Other remuneration <sup>1</sup>	649,714
<b>Total remuneration</b>	<b>25,101,614</b>

<sup>1</sup> Insurance premiums, payments in kind and taxes.

The members of our Board of Managing Directors received as part of the mid-term-incentive share-based awards, the ultimate value of which to the members of the Board of Managing Directors will depend on the price of Deutsche Bank shares. The units of each portion of this share-based compensation are described below.

*DB Equity Units.* In February 2005, we awarded an aggregate of 138,713 deferred share awards to members of our Board of Managing Directors. These shares are scheduled to be delivered on August 1, 2008.

For further information on the terms of our DB Global Partnership Plan, pursuant to which DB Equity Units are issued, see Note [20] to the consolidated financial statements.

Pursuant to the service contracts we have entered into with each of the members of our Board of Managing Directors, the board members are entitled to receive certain transitional payments upon termination of their board membership. If a member is terminated other than for cause, he or she is entitled to receive a severance payment generally consisting of his or her base salary for the remaining term of the service contract, as well as an amount corresponding to the member's average annual bonus and MTI paid in the three years preceding the termination.

Our board members as of December 31, 2004 received the following remuneration for the year 2004:

Members of the Board of Managing Directors in €	Annual cash compensation		Equity-based MTI	Total Compensation
	Salary	Cash bonus/cash MTI	Value of share-based awards*	
Dr. Josef Ackermann	1,150,000	5,016,000	3,915,000	10,081,000
Dr. Clemens Börsig	800,000	2,235,300	1,755,000	4,790,300
Dr. Tessen v. Heydebreck	800,000	2,235,300	1,755,000	4,790,300
Hermann-Josef Lamberti	800,000	2,235,300	1,755,000	4,790,300

\* The number of DB Equity Units granted to each member was determined by dividing such euro amounts by € 66.18, the closing price of our shares on the grant date (February 1, 2005). The number of DB Equity Units granted to each member was as follows: Dr. Josef Ackermann 59,157, Dr. Clemens Börsig 26,519, Dr. Tessen v. Heydebreck 26,519, and Hermann-Josef Lamberti 26,519.

In addition to the above amounts that we paid to members of the Board of Managing Directors in 2004, we paid former members of the Board of Managing Directors or their surviving dependents an aggregate of € 17,918,080 in 2004. During 2004 we set aside € 1,087,064 for pension, retirement or similar benefits for our Board of Managing Directors.

### Supervisory Board

The compensation of Supervisory Board members is set forth in our Articles of Association, which our shareholders amend from time to time at their annual meetings. Such compensation provisions were last amended at our Annual General Meeting on June 10, 2003.

For 2004, the following compensation policies apply. The compensation generally consists of a fixed remuneration of € 30,000 per year (plus value-added tax (*Umsatzsteuer*)) and a dividend-based bonus of € 1,000 per year for every full or fractional € 0.05 increment by which the dividend we distribute to our shareholders exceeds € 0.15 per share. We increase both the fixed remuneration and the dividend-based bonus of each Supervisory Board member by 25% for each committee on which the Supervisory Board member sits, except that for the chair of a committee the rate of increment is 50% and if the committee chairman is not identical with the Supervisory Board chairperson the rate of increment is 75%. These amounts are based on the premise that the respective committee has met during the financial year. We pay the chairperson three times the total compensation of a regular member, and we pay the deputy chairperson one and a half times the total compensation of a regular member. The members of the Supervisory Board also receive an annual remuneration linked to our long-term success; this remuneration varies in size depending on how the ratio between the total return on our shares – based on share price development, dividend and capital actions – and the average total return of shares of a group of peer companies currently consisting of Citigroup Inc., Credit Suisse Group, J. P. Morgan Chase & Co., Merrill Lynch & Co. Inc. and UBS AG, has developed in the three financial years immediately preceding the year for which the remuneration is paid. If the ratio lies between –10% and +10% each member receives an amount of € 15,000; if our shares outperform the peer group by 10% to 20%, the payment increases to € 25,000; and in case of a more than 20% higher performance it rises to € 40,000. The members of the Supervisory Board receive a meeting fee of € 1,000 for each meeting of the Supervisory Board and its committees in which they take part. In addition, in our interest, the members of the Supervisory Board will be included in any financial liability insurance policy held in an appropriate amount by us, with the corresponding premiums being paid by us.

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

We compensate our Supervisory Board members after the end of each fiscal year. In January 2005, we paid each Supervisory Board member the fixed portion of their remuneration for their services

in 2004 and their meeting fees. The remuneration linked to our long-term success was defined to be zero. In addition, we will pay each of them for their services in 2004 a dividend-based bonus after the Annual General Meeting in May 2005. The following table shows the individual remuneration of the members of the Supervisory Board for their services in 2004 (excluding value-added tax), assuming that the Annual General Meeting in May 2005 approves the envisaged dividend of € 1.70 per share.

Members of the Supervisory Board in €	Compensation for fiscal year 2004			
	Fixed	Variable	Meeting fee	Total
Dr. Rolf-E. Breuer	127,500	131,750	20,000	279,250
Heidrun Förster	60,000	62,000	14,000	136,000
Dr. Karl-Hermann Baumann	60,000	62,000	15,000	137,000
Dr. Ulrich Cartellieri <sup>3</sup>	48,125	49,729	16,000	113,854
Dr. Karl-Gerhard Eick <sup>2</sup>	13,125	13,563	1,000	27,688
Klaus Funk	30,000	31,000	4,000	65,000
Ulrich Hartmann	38,125	39,396	8,000	85,521
Sabine Horn	37,500	38,750	9,000	85,250
Rolf Hunck	37,500	38,750	8,000	84,250
Sir Peter Job	37,500	38,750	9,000	85,250
Prof. Dr. Henning Kagermann	30,625	31,646	4,000	62,271
Ulrich Kaufmann	37,500	38,750	9,000	85,250
Prof. Dr. Paul Kirchhof <sup>4</sup>	2,500	2,583	–	5,083
Henriette Mark	30,000	31,000	4,000	65,000
Margret Mönig-Raane	30,000	31,000	4,000	65,000
Dr. Michael Otto <sup>1</sup>	17,500	18,083	3,000	38,583
Gabriele Platscher	30,000	31,000	4,000	65,000
Karin Ruck	30,000	31,000	4,000	65,000
Tilman Todenhöfer	30,000	31,000	4,000	65,000
Dipl.-Ing. Dr.-Ing. E.h. Jürgen Weber	30,000	31,000	4,000	65,000
Dipl.-Ing. Albrecht Woeste	30,000	31,000	4,000	65,000
Leo Wunderlich	30,000	31,000	4,000	65,000
<b>Total</b>	<b>817,500</b>	<b>844,750</b>	<b>152,000</b>	<b>1,814,250</b>

<sup>1</sup> Member until July 29, 2004.

<sup>2</sup> New member since August 3, 2004.

<sup>3</sup> Member until November 28, 2004.

<sup>4</sup> New member since November 30, 2004.

As mentioned above, most of the employee-elected members of the Supervisory Board are employed by us. In addition, Dr. Breuer and Dr. Cartellieri were formerly employed by us. The aggregate compensation we and our consolidated subsidiaries paid to such members as a group during the year ended December 31, 2004 for their services as employees or status as former employees (including retirement, pension and deferred compensation) was € 3,160,198.

During 2004 we set aside € 0.1 million for pension, retirement or similar benefits for the members of the Supervisory Board who are employed by us.

## Share Plans

For a description of our employee share programs, please refer to Note [20] to the consolidated financial statements.

## Reporting and Transparency

### Directors' Share Ownership

**Board of Managing Directors.** As of February 28, 2005, the current members of our Board of Managing Directors held the following numbers of our shares, DB Equity Units and Performance Options:

Members of the Board of Managing Directors	Number of shares	Number of DB Equity Units	Number of Performance Options
Dr. Josef Ackermann	114,420	177,499	100,374
Dr. Clemens Börsig	10,250 <sup>1</sup>	83,921	63,684
Dr. Tessen von Heydebreck	10,000	85,172	64,919
Hermann-Josef Lamberti	21,558	85,172	64,919
<b>Total</b>	<b>156,228</b>	<b>431,764</b>	<b>293,896</b>

<sup>1</sup> Excluding 150 Deutsche Bank shares, pooled in a family held partnership, in which Dr. Clemens Börsig has an interest of less than 25%.

The current members of our Board of Managing Directors held an aggregate of 156,228 of our shares on February 28, 2005, amounting to approximately 0.03% of our outstanding share capital on that date. No member of the Board of Managing Directors beneficially owns 1% or more of our outstanding shares.

The table below shows information regarding the 431,764 DB Equity Units held by the current members of our Board of Managing Directors as of February 28, 2005:

Number of DB Equity Units	Vesting Date	Delivery Date
58,827	February 1, 2004	August 1, 2005
14,707	August 1, 2005	August 1, 2005
95,853	February 1, 2005	August 1, 2006
23,963	August 1, 2006	August 1, 2006
79,759	February 1, 2006	August 1, 2007
19,940	August 1, 2007	August 1, 2007
110,970	February 1, 2007	August 1, 2008
27,743	August 1, 2008	August 1, 2008

The table below shows information regarding the 293,896 Performance Options held by the current members of our Board of Managing Directors as of February 28, 2005. All Performance Options were granted under the DB Global Partnership Plan. Each Performance Option is accompanied by a Partnership Appreciation Right.

Number of Performance Options	Strike Price in €	Vesting Date	Expiration Date
32,772	89.96	February 1, 2004	February 1, 2008
32,772	89.96	February 1, 2005	February 1, 2008
32,772	89.96	February 1, 2006	February 1, 2008
80,700	47.53	February 1, 2005	February 1, 2009
38,293	76.61	February 1, 2006	February 1, 2010
38,293	76.61	February 1, 2007	February 1, 2010
38,293	76.61	February 1, 2008	February 1, 2010

For more information on DB Equity Units, Performance Options and Partnership Appreciation Rights, all of which are granted under the DB Global Partnership Plan, see Note [20] to the consolidated financial statements.

**Supervisory Board.** As of February 28, 2005, the current members of our Supervisory Board held the following numbers of our shares, share grants under our employee share plans and options on our shares:

Members of the Supervisory Board	Number of Shares	Number of Share Grants	Number of Options
Dr. Rolf-E. Breuer	20,107	29,013	57,310
Dr. rer. oec. Karl-Hermann Baumann	–	–	–
Dr. Karl-Gerhard Eick	–	–	–
Heidrun Förster	500	10	200
Klaus Funk	150	10	200
Ulrich Hartmann	–	–	–
Sabine Horn	35	10	100
Rolf Hunck	124	9,267	986
Sir Peter Job	–	–	–
Prof. Dr. Henning Kagermann	–	–	–
Ulrich Kaufmann	55	10	200
Prof. Dr. Paul Kirchhof	–	–	–
Henriette Mark	238	10	200
Margret Mönig-Raane	–	–	–
Dr. Michael Otto	–	–	–
Gabriele Platscher	699	10	100
Karin Ruck	70	10	120
Tilman Todenhöfer	–	–	–
Dipl.-Ing. Dr.-Ing. E.h. Jürgen Weber	300	–	–
Dipl.-Ing. Albrecht Woeste	–	–	–
Leo Wunderlich	672	10	200
<b>Total</b>	<b>22,950</b>	<b>38,360</b>	<b>59,616</b>

As of February 28, 2005, the members of the Supervisory Board held 22,950 shares, amounting to 0.0044% of our outstanding share capital on that date. No member of the Supervisory Board beneficially owns 1% or more of our outstanding shares.

Some of the Supervisory Board members who are or were formerly employees received grants under our employee share plans entitling them to receive shares at specified future dates or granting them options to acquire shares at future dates. For a description of our employee share plans, please refer to Note [20] of the consolidated financial statements. Shares that have been delivered to such employees as a result of grants under the plans (including following the exercise of options granted thereunder), and that have not been disposed of by them, are shown in the “Number of Shares” column in the table above, as are shares otherwise acquired by them. Shares granted under the plans that have not yet been delivered to such employees are shown in the “Number of Share Grants” column.

The share grants to Dr. Rolf-E. Breuer consist of 29,013 shares granted under the DB Global Partnership Plan as compensation during his prior service as Spokesman of our Board of Managing Directors, which are scheduled to be delivered to him on August 1, 2005. The share grants to Rolf Hunck include 9,257 shares granted under the Restricted Equity Units Plan as part of his compensation as an employee, which are scheduled to be delivered to him in portions on August 1, 2007, 2008 and 2009. The other grants reflected in the table were made to employee members of our Supervisory Board under the DB Global Share Plan 2004, and are scheduled to be delivered on November 1, 2005.

Dr. Rolf-E. Breuer holds a total of 57,310 Performance Options granted under the DB Global Partnership Plan as compensation during his prior service as Spokesman of our Board of Managing Directors. Dr. Breuer’s options have a strike price of € 89.96, vesting dates of February 1, 2004, 2005 and 2006, and an expiration date of February 1, 2008. Rolf Hunck holds a total of 726 Performance Options granted under the DB Global Partnership Plan as part of his compensation as an employee,

which were received in February 2002 and have a strike price of € 89.96, vesting dates of February 1, 2004, 2005 and 2006, and an expiration date of February 1, 2008. Each Performance Option is accompanied by a Partnership Appreciation Right. Mr. Hunck also received 4,000 stock appreciation rights under the Stock Appreciation Rights Plan as part of his compensation as an employee, which were received in December 2000, have a strike price of € 86.50 and are exercisable from January 12, 2005 through January 5, 2007. The other options reflected in the table were acquired via the voluntary participation of employee members of our Supervisory Board in the DB Global Share Plan. DB Global Share Plan options issued in 2001 generally have a strike price of € 87.66, a vesting date of January 2, 2004 and an expiration date of November 13, 2007; those issued in 2002 generally have a strike price of € 55.39, a vesting date of January 2, 2005 and an expiration date of November 13, 2008; those issued in 2003 generally have a strike price of € 75.24, a vesting date of January 2, 2006 and an expiration date of December 11, 2009. All options are with respect to our ordinary shares.

### Directors' Dealings

Since October 30, 2004, the amended German law on directors' dealings (Section 15a of the German Securities Trading Act (Wertpapierhandelsgesetz) requires persons discharging managerial responsibilities within an issuer of financial instruments to disclose their personal transactions in shares of the issuer and financial instruments based on them, especially derivatives, to the issuer and to the Federal Financial Supervisory Authority (BaFin). As previously, the duty of disclosure applies to the members of the Board of Managing Directors and of the Supervisory Board. Moreover, the duty of disclosure now also applies to persons who have regular access to inside information about the company and are empowered to make significant managerial decisions. The duty of disclosure also applies to persons and certain legal entities closely associated with a person discharging managerial responsibilities at Deutsche Bank.

In accordance with our policy and the German law, the transactions since January 1, 2004, were as follows (until February 28, 2005):

Date of Transaction	Name	Title of the Security or Right	WKN/ISIN	Type of Transaction	Quantity and Nominal	Price/Currency	Comments
<b>Members of the Board of Managing Directors</b>							
28.2.2004	Dr. Josef Ackermann	New DB Shares	DB0G1Q/ DE000DB0G1Q4	Acquisition by exercise of options	57,420	€ 47.53	Purchase within the DB Global Partnership Plan
<b>Members of the Supervisory Board</b>							
17.2.2005	Gabriele Platscher	New DB Shares	DB0G1Q/ DE000DB0G1Q4	Acquisition by Exercise of options	100	€ 55.39	Purchase within the employees' share program
10.2.2005	Gabriele Platscher	DB Shares	514000 DE0005140008	Sell	100	€ 67.78	
24.11.2004	Klaus Funk	DB Shares	514000	Sell	50	€ 63.69	
10.11.2004	Ulrich Kaufmann	DB Shares	514000	Sell	118	€ 63.39	
8.11.2004	Klaus Funk	DB Shares	514000	Sell	150	€ 63.34	
2.11.2004	Rolf Hunck	DB Shares	514000	Sell	602	€ 60.96	
2.8.2004 to 6.8.2004	Rolf Hunck	DB Shares	514000	Sell	93.104	€ 55.44	Partial sale to pay for incidental income tax payable, as a result of share based remuneration (average price of the lower prices from 02.08.2004 – 06.08.2004)
2.8.2004 to 6.8.2004	Rolf Hunck	DB Shares	514000	Remuneration	196.09		Share based remuneration, based on the contract of employment. Gross: 196.09 shares Net: 102 (rounded)
3.5.2004	Sabine Horn	DB Shares	514000	Sell	258	€ 68.20	
6.2.2004	Rolf Hunck	DB Shares	514000	Sell	450	€ 65.38	
<b>Other Executives</b>							
3.2.2005	Detlef Bindert Group Treasurer	DB Shares	514000	Sell	4,000	€ 66.80	
16.12.2004	Detlef Bindert Group Treasurer	Eurex traded Option	DBK 1204	Buy Closing	20 Contracts	€ 0.34	

### Related Party Transactions

We have business relationships with a number of the companies in which we own significant equity interests. We also have business relationships with a number of companies where members of our Board of Managing Directors also hold positions on boards of directors. Our business relationships with these companies cover many of the financial services we provide to our clients generally.

We believe that we conduct all of our business with these companies on terms equivalent to those that would exist if we did not have equity holdings in them or management members in common, and that we have conducted business with these companies on that basis in 2004 and prior years. None of these transactions is or was material to us.

Among our business with related party companies in 2004 there have been and currently are loans, guarantees and commitments. All of these lending-related credit exposures (excluding derivatives), which totaled € 3.5 billion (of which € 1.7 billion related to our equity method investment in EUROHYPO AG) as of February 28, 2005,

- were made in the ordinary course of business,
- were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and
- did not involve more than the normal risk of collectibility or present other unfavorable features.

We have not conducted material business with parties that fall outside of the definition of related parties, but with whom we or our related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's-length basis.

### EUROHYPO

Following an agreement in principle reached in 2001, in the third quarter of 2002 we merged our mortgage bank subsidiary, EUROHYPO AG Europäische Hypothekenbank der Deutsche Bank AG ("Eurohypo Old"), with the mortgage bank subsidiaries of Dresdner Bank AG and Commerzbank AG, to form the new EUROHYPO AG ("EUROHYPO"). After the merger, we contributed part of our London-based real estate investment banking business to EUROHYPO in December 2002. In January 2003, our German commercial real estate financing division in Germany and Dresdner Bank AG's U.S.-based real estate investment banking team were transferred to EUROHYPO. Subsequent to these transactions, we owned 37.7% of the outstanding share capital of EUROHYPO.

Two members of the supervisory board of EUROHYPO, including the Deputy Spokesman, are employees of Deutsche Bank. Additionally, two members of the Board of Managing Directors of EUROHYPO, including the Spokesman, were members of the management board of Eurohypo Old prior to the merger.

Besides our equity stake, which had a book value of € 2.5 billion at December 31, 2004, we provide EUROHYPO with loans and commitments. Total loans and commitments (including derivative lines) as of December 31, 2004 were € 4.3 billion, of which € 2.2 billion were utilized at that date.

Deutsche Bank AG, Commerzbank AG and Dresdner Bank AG each granted EUROHYPO financial guarantees to protect EUROHYPO against losses resulting from loan loss provisions arising from loans each contributed to the new entity up to a fixed maximum amount for the period until December 31, 2006. While the maximum amount of the financial guarantees of Commerzbank AG and Dresdner Bank AG had already been utilized by the end of 2003, our financial guarantee, which had an initial maximum amount of € 283 million, is still in force with an unutilized amount of € 51 million as of December 31, 2004. Furthermore, we held fixed income securities issued by EUROHYPO, classified as securities available for sale, in the amount of € 665 million as of December 31, 2004.

Under the agreement in principle referred to above, Deutsche Bank, Commerzbank AG and Dresdner Bank AG have agreed to certain transfer restrictions regarding their shares in EUROHYPO which are in force until December 31, 2008, including preemptive rights.

In March 2004, the major shareholders waived their rights to a dividend payment in respect of the fiscal year 2003 and EUROHYPO announced that it had taken a decision in March 2004 to establish additional general banking reserves allowable under German accounting rules (HGB). We account for our investment in EUROHYPO under the equity method and as such recognize in our income statement our proportional share of the after-tax earnings or losses of EUROHYPO as reported applying U.S. GAAP. In November 2004, EUROHYPO's retail banking unit sold approximately 14,000 of its German nonperforming mortgage loans to a newly founded company, established for this purpose, of which EUROHYPO owns 33% and a Citibank-led consortium owns the balance.

#### **Xchanging etb GmbH**

Based on agreements reached in May 2004, we transferred our stake in etb to Xchanging etb GmbH (formerly Zweite Xchanging GmbH), which is located in Germany, and received in turn a 49% nonvoting capital stake in Xchanging etb GmbH. The remaining 51% is owned by Xchanging HoldCo No 3 Ltd (UK), a 100% subsidiary of Xchanging B.V. (NL) ('Xchanging'). Founded in 1998, Xchanging is an internationally positioned business process outsourcer and back office services provider, with locations in UK, France, Germany, the United States and Asia. etb is in general a provider for security settlement services we founded in 1999. The change of control was realized at May 31/June 1, 2004 when Xchanging took over management control and full operational responsibility for etb.

One of the four executive directors of Xchanging etb GmbH is an employee of Deutsche Bank Group (a supervisory board does not yet exist at Xchanging etb GmbH). Additionally, one member of the supervisory board of etb is an employee of ours. Furthermore, two members of the management board of etb were members of the management board of etb prior to the change of control when it was our wholly-owned subsidiary.

The arrangements with etb (under the control of Xchanging) include a 12-year service agreement. This agreement is aimed to reduce our costs for the agreed security settlement services while maintaining control over services provided as well as the desired quality and performance. It also ensures significant investments of Xchanging in order to enhance processes and etb's service delivery platform for additional new clients. In return for the services received, we provide services such as human resource, controlling, audit and corporate security to etb, as we did before the transfer. The volume of services received from etb in 2004 amounted to € 130 million while the volume of services provided to etb in 2004 amounted to € 43 million. We account for our investment in Xchanging etb GmbH under the equity method. Currently the Group intends to sell a 5% stake in Xchanging etb GmbH to a client of etb, who uses their services to a larger extent.

#### **Related Party Nonaccrual Loans**

Aside from our other shareholdings, we hold acquired equity interests in some of our clients arising from our efforts to protect our then-outstanding lending exposures to them.

The table below shows information on loans to related party companies that we have classified as nonaccrual as of December 31, 2004. As such, these nonaccrual loans may exhibit more than normal risk of collectibility or present other unfavorable features. The amounts outstanding disclosed for February 28, 2005 aggregate to € 61 million, down € 201 million or 77% from February 29, 2004. We hold a significant portion of the outstanding equity interests in customers B and D noted below and account for these equity interests in our financial statements using the equity method of accounting (as described in Note [1] to the consolidated financial statements). Our participating interests in customers A and C and Radio Movil Digital Americas, Inc. are 10% or more of their voting rights.

in € m.	Amount outstanding as of February 28, 2005	Largest amount outstanding January 1, 2004 to February 28, 2005	Nature of the loan and transaction in which incurred
Customer A	34	97	Comprised of a € 33 million real estate finance loan bearing interest at 6.27% per annum and guarantees which were honored after the company filed for liquidation bearing no interest. The loan is payable on demand and interest accrual has been stopped.
Customer B	8	9	Former sale and leaseback transaction bearing interest at 5.2% per annum, for which we have demanded repayment and stopped accruing interest.
Customer C	1	4	Cash loan payable on demand, bearing interest at 8% per annum, for which interest accrual has been stopped.
Customer D	3	3	Long term refinancing of non-recourse lease, bearing interest at 6.9% per annum, maturing June 2019, for which interest accrual has been stopped.
Radio Movil Digital Americas, Inc.	15	18	Cash loan payable on demand, bearing interest at 12% per annum, for which interest accrual has been stopped.

We have not disclosed the names of the customers referred to by letters above because we have concluded that such disclosure would conflict with applicable privacy laws, such as customer confidentiality and data protection laws, and such customers have not waived application of these privacy laws.

## Auditing and Controlling

### Audit Committee Financial Expert

Our Supervisory Board has determined that the following members of its Audit Committee are “audit committee financial experts”, as such term is defined by the regulations of the Securities and Exchange Commission issued pursuant to Section 407 of the Sarbanes-Oxley Act of 2002: Dr. rer.oec. Karl-Hermann Baumann, Dr. Rolf-E. Breuer and Dr. Karl-Gerhard Eick.

### Code of Ethics

In response to Section 406 of the Sarbanes-Oxley Act of 2002, we have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of this code of ethics is available on our Internet website at <http://www.deutsche-bank.com/corporate-governance>.

### Principal Accounting Fees and Services

In accordance with German law, our principal accountants are appointed by our Annual General Meeting based on a recommendation of our Supervisory Board. The Audit Committee of our Supervisory Board prepares the board’s recommendation on the selection of the principal accountants. Subsequent to the principal accountants’ appointment, the Audit Committee awards the contract and in its sole authority approves the terms and scope of the audit and all audit engagement fees as well as monitors the principal accountants’ independence. At our 2003 and 2004 Annual General Meetings, our shareholders appointed KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, which had been our principal accountants for a number of years, as our principal accountants for the 2003 and 2004 fiscal years, respectively.

The table set forth below contains the aggregate fees billed for each of the last two fiscal years by our principal accountants in each of the following categories: (i) Audit Fees, which are fees for professional services for the audit of our annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years, (ii) Audit-Related Fees, which are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported as Audit Fees, (iii) Tax Fees, which are fees for professional services rendered for tax compliance, tax consulting and tax planning, and (iv) All Other Fees, which are fees for products and services other than Audit Fees, Audit- Related Fees and Tax Fees. These amounts exclude expenses and VAT.

Fee category in € m.	2004	2003
Audit Fees	40	32
Audit-Related Fees	6	12
Tax Fees	15	8
All Other Fees	–	1
<b>Total Fees</b>	<b>61</b>	<b>53</b>

Our Audit-Related Fees included fees for accounting advisory, due diligence relating to actual or contemplated acquisitions and dispositions, attestation engagements and other agreed-upon procedure engagements. Our Tax Fees included fees for services relating to the preparation and review of tax returns and related compliance assistance and advice, tax consultation and advice relating to Group tax planning strategies and initiatives and assistance with assessing compliance with tax regulations. Our Other Fees were incurred for project-related advisory services.

United States law and regulations in effect since May 6, 2003, and our own policies, generally require all engagements of our principal accountants be pre-approved by our Audit Committee or pursuant to policies and procedures adopted by it. Our Audit Committee has adopted the following policies and procedures for consideration and approval of requests to engage our principal accountants to perform non-audited services. Engagement requests must in the first instance be submitted to our Group Finance Committee, whose members consist of our Chief Financial Officer and senior members of our Controlling and Tax departments. If the request relates to services that would impair the independence of our principal accountants, the request must be rejected. Our Audit Committee has given its pre-approval for specified assurance, financial advisory and tax services, provided the expected fees for any such service do not exceed € 1 million. If the engagement request relates to such specified pre-approved services, it may be approved by the Group Finance Committee, which must thereafter report such approval to the Audit Committee. If the engagement request relates neither to prohibited non-audit services nor to pre-approved non-audit services, it must be forwarded by the Group Finance Committee to the Audit Committee for consideration. In addition, to facilitate the consideration of engagement requests between its meetings, the Audit Committee has delegated approval authority to several of its members who are “independent” as defined by the Securities and Exchange Commission and the New York Stock Exchange. Such members are required to report any approvals made by them to the Audit Committee at its next meeting.

Additionally, United States law and regulations in effect since May 6, 2003 permit the pre-approval requirement to be waived with respect to engagements for non-audit services aggregating no more than five percent of the total amount of revenues we paid to our principal accountants, if such engagements were not recognized by us at the time of engagement and were promptly brought to the attention of our Audit Committee or a designated member thereof and approved prior to the completion of the audit. In each of 2003 and 2004, the percentage of the total amount of revenue we paid to our principal accountants represented by non-audit services in each category that were subject to such a waiver was less than 5%.

## Compliance with the German Corporate Governance Code

### Declaration of Conformity 2004

The Board of Managing Directors and Supervisory Board issued a new Declaration of Conformity in accordance with § 161 German Stock Corporation Act (AktG) on October 28, 2004. It stated that Deutsche Bank AG complied with the recommendations of the "Government Commission of the German Corporate Governance Code" since its last Declaration of Conformity dated October 29, 2003 with the following exception:

- For the members of the Board of Managing Directors and of the Supervisory Board, there has been a directors and officers' liability insurance policy, without deductible (Code No. 3.8).

Deutsche Bank will act in conformity with the recommendations of the "Government Commission of the German Corporate Governance Code" in the version dated May 21, 2003 with the following exception:

- For the members of the Board of Managing Directors and Supervisory Board, there is a directors and officers' liability insurance policy without a deductible (Code No. 3.8). This is actually a group insurance policy for a large number of staff members in Germany and abroad. Internationally, a deductible is unusual. A differentiation between board members and staff members does not appear to be appropriate.

The Declaration of Conformity is also published on our Internet website at [www.deutsche-bank.com/corporate-governance](http://www.deutsche-bank.com/corporate-governance), where you can also find a copy of the German Corporate Governance Code.

### Statement on the Suggestions of the German Corporate Governance Code

Deutsche Bank voluntarily complies with the suggestions of the Code in the version dated May 21, 2003, with the following exceptions:

- The representatives appointed by Deutsche Bank to exercise shareholders' voting rights can be reached by those attending the General Meeting until just before voting commences. The representatives are reachable by those not attending until 12 noon on the day of the General Meeting using the instruction tool in the Internet (Code No. 2.3.3). In this manner, the risk of any technical disruptions directly before voting takes place can basically be excluded. The broadcast through the Internet also ends at the latest at this time, which means information useful for non-participants in forming an opinion can no longer be expected thereafter.
- Our broadcast of the General Meeting through the Internet (Code No. 2.3.4) covers the opening of the General Meeting by the Chairman and the report of the Board of Managing Directors. The shareholders are thus free to hold their discussions with management unencumbered by a public broadcast to a wide audience.
- Until now, all of the members of the Supervisory Board have been elected for a uniform period of office (Code No. 5.4.4). But according to § 9 (1) of the Articles of Association, it is possible to vary the periods of office in future elections.