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Transition to IFRS

Analyst and Media Workshop

Workshop

Frankfurt, 19 April 2007

A Passion to Perform.

Deutsche Bank





Agenda

1 Introduction

Anthony di Iorio

2 Impact and key differences

Martin Edelman,
Charlotte Jones

3 Summary

Anthony di Iorio





Background

- In the past, consolidated financial statements of listed German companies could be based on U.S. GAAP, IFRS or HGB
- EU regulation and *Bilanzrechtsreformgesetz* require DB to prepare consolidated financial statements under IFRS (International Financial Reporting Standards) from fiscal year 2007
- DB has to present one year of comparatives, therefore the transition date was 1 Jan 2006
- The SEC only accepts IFRS financial statements with a reconciliation to U.S. GAAP, which will be provided

Documents published today

Transition Report



Workshop presentation



IFRS FDS

Financial Data Supplement - 2006 IFRS Comparatives	
Deutsche Bank Consolidated	Page
Financial Summary	2
Consolidated Statement of Income	3
Certain key ratios and figures	4
Net Revenues	5
Net interest revenues and net gain (loss) on financial assets/liabilities at fair value through profit or loss	6
Segment Detail	
Corporate and Investment Bank	7
Corporate Banking & Securities	8
Global Transaction Banking	9
Private Clients and Asset Management	10
Asset and Wealth Management	11
Private & Business Clients	12
Corporate Investments	13
Consolidation & Adjustments	14
Risk and Capital	
Credit Risk	15
Regulatory Capital and Market Risk	16
Consolidated Balance Sheet	
Assets	17
Liabilities and total equity	18
Performance against targets	19
Definitions of Certain Financial Measures	20

Due to rounding, numbers presented throughout this document may not add up precisely to the totals we provide and percentages may not precisely reflect the absolute figures. All segment figures reflect segment composition as of 31 December 2006.

As of 19 April 2007

A Passion to Perform. Deutsche Bank



Scope of information

The information provided today...

- ... gives an overview of the impact of IFRS on 2006 comparatives; it is not a full set of financial statements
- ... was prepared on the basis of standards and interpretations issued and effective at 31 Dec 2006
- ... complies fully with IFRS as issued by IASB, i.e. no use of EU-IAS 39 carve-out
- ... is unaudited, and could be subject to change when the 2007 IFRS Financial Statements are prepared
- ... is, for transition differences, not directly comparable to our European peers who transitioned from different European accounting standards, because DB transitioned from U.S. GAAP



Impact on key 2006 financial and risk measures not material

2006 / 31 Dec 2006, in EUR m

	U.S. GAAP	IFRS	Difference
Revenues	28,008	28,196	188
Expenses	19,883	19,857	(26)
Pre-tax income	8,125	8,339	214
Net income	5,986	6,070	84
Shareholders' equity	32,808	32,666	(142)
Total assets (EUR bn)	1,126	1,572	446
BIS risk position (EUR bn)	276	275	(0)
BIS core capital (Tier I)	24,498	23,539	(959)
BIS core capital ratio (Tier I)	8.9%	8.5%	(0.4) ppt
Pre-tax RoE*	30.4%	32.8%	2.4 ppt
EPS (diluted)	EUR 11.55	EUR 11.48	EUR (0.07)

* On average active equity

Note: Numbers may not add up due to rounding

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1

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IFRS first-time adoption

■ General principle

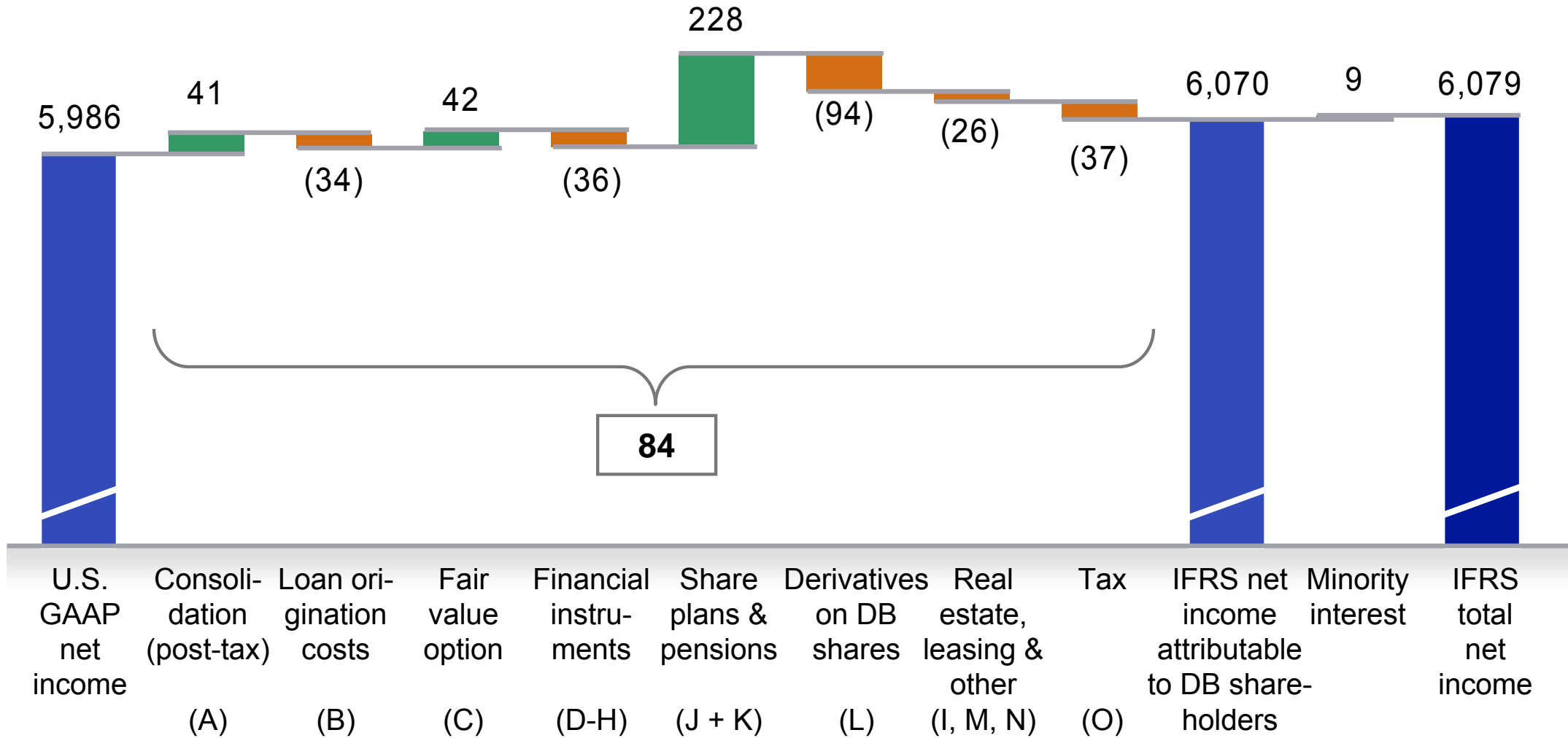
- All IFRS were applied retrospectively
- Adjustments between previous GAAP and IFRS relating to events and transactions prior to the transition date were recognized directly in retained earnings (or another category of equity where appropriate) as at 1 January 2006

■ There are certain exemptions which DB elected to take, with the following impact:

- Business combinations were not adjusted retrospectively
- U.S. GAAP carrying values of premises were taken as deemed cost
- For pension schemes, unrecognized actuarial gains (losses) were reflected in retained earnings
- Cumulative translation differences were reclassified to retained earnings
- Derecognition rules of IAS 39 were applied prospectively from 1 Jan 2004
- IFRS 2 'Share based payment' was adopted with effect from 7 Nov 2002

Overview of impact – Net income 2006

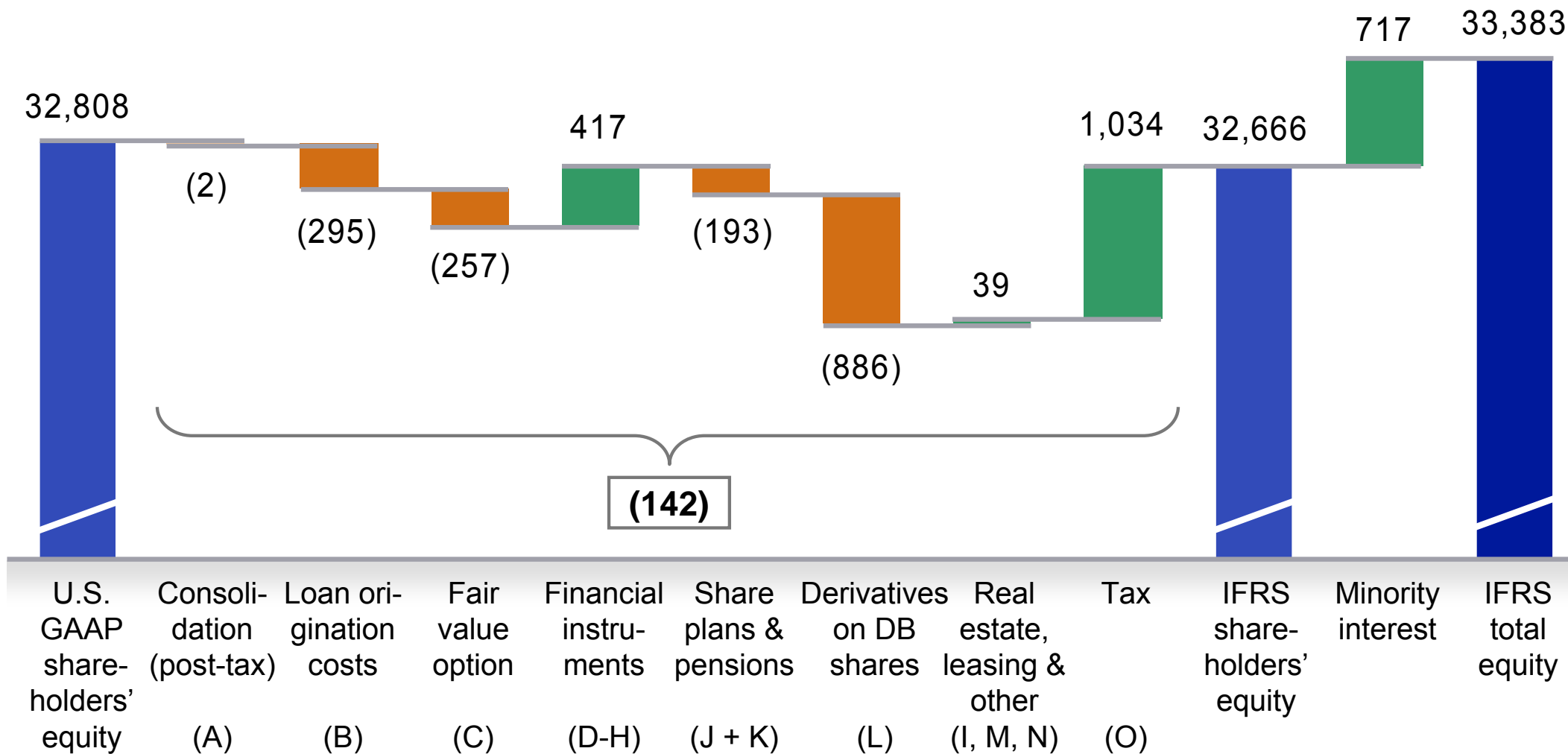
In EUR m



Note: Letters in brackets refer to impacts by accounting topic as used in the Transition Report. Numbers may not add up due to rounding
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Overview of impact – Equity as at 31 Dec 2006

In EUR m



Note: Letters in brackets refer to impacts by accounting topic as used in the Transition Report. Numbers may not add up due to rounding
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Key difference: Consolidation (A)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Net income (post-tax)
2006

41

Shareholders' equity
31 Dec 2006

(2)

Total assets
31 Dec 2006

39,648

Accounting background

- Different approach to consolidation of special purpose entities
- No exemption for QSPEs (qualifying special purpose entities) from consolidation

Business impact

- Consolidation of additional 205 entities
 - 116 securitization vehicles qualifying as QSPEs under U.S. GAAP
 - 33 commercial paper conduits
 - 14 fund entities
 - 13 leasing entities
 - 29 trust preferred entities





Key difference: Loan origination costs (B)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

(34)*

Shareholders' equity
31 Dec 2006

(295)

* Therein revenue impact (reversing amortization) of EUR 123 m and expense impact of EUR 157 m

Accounting background

- Internal loan origination costs are expensed if non-incremental (can be capitalized and recognized over lifetime of loan under U.S. GAAP)
- At transition (1 Jan 2006) any net deferred amount relating to non-incremental costs was reversed against retained earnings
- The pre-tax impact was
 - the reversal of the amortization in revenues and
 - the recognition of expenses

Business impact

- Difference primarily relating to standard loan products for Private & Business Clients (e.g., per unit costs of assessing borrowers' financial condition)





Key difference: Fair value option (C)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

42

Shareholders' equity
31 Dec 2006

(257)

- Assets with carrying value of EUR 228 bn and liabilities with carrying value of EUR 148 bn were reclassified as financial assets / liabilities at fair value through P&L
- P&L of EUR 12 m was reclassified from credit losses into 'Trading P&L'*

Accounting background

- Any financial asset and liability may be designated at fair value through P&L on initial recognition and at transition to IFRS where one of the following criteria is met:
 - (1) a measurement or recognition inconsistency is eliminated or significantly reduced
 - (2) it is managed within a portfolio that is evaluated on a fair value basis
 - (3) it contains one or more separable embedded derivatives

Business impact

- DB elected to apply the fair value option selectively to reduce accounting volatility
- Impairments of assets designated under the fair value option are part of the fair value calculation, i.e. are no longer reflected in "provisions for credit losses"

* "Net gain (loss) on financial assets / liabilities at fair value through profit or loss"
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Key difference: Fair value option (C) – Details

In EUR m

Businesses	Financial impact	Pre-tax income 2006	Shareholders' equity 31 Dec 2006	Rationale
Loan Exposure Management Group*		148	(142)	Reduce accounting asymmetry between certain investment grade loans / loan commitments and associated credit default swaps
Repos / reverse repos		(6)	(17)	Certain portfolios managed on fair value basis for performance and risk management purposes
Structured debt instruments		33	(17)	Reduce accounting asymmetry
Asset repackaging		(39)	(89)	Reduce accounting asymmetry and notes with embedded derivatives
Specific structured transactions		(94)	9	Managed on fair value basis for performance and risk management purposes
Total		42	(257)	

*Affects loan facilities with a total notional value of Euro 33.8 bn. Euro 6.2 bn thereof were drawn loans, and the remainder was undrawn loan commitments

Note: Numbers may not add up due to rounding

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Key difference: Equity method investments (D)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

(26)

Shareholders' equity
31 Dec 2006

78

Accounting background

- No specific guidance to use the equity method of accounting for 3 to 20% interests in limited liability partnerships or corporations
- Only use the equity method of accounting where interests represent significant influence
- Otherwise accounting under IAS 39, i.e.
 - at fair value through P&L; or
 - as available for sale

Business impact

- Of the investments in limited liability partnerships and corporations that were equity method accounted for under U.S. GAAP
 - 45 continue to be equity method accounted
 - 184 were reclassified as financial assets available for sale; and
 - 26 investments were designated under the fair value option





Key difference: Definition of a derivative (E)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

66

Shareholders' equity
31 Dec 2006

38

EUR 43 m increase in total assets

Accounting background

- No net settlement requirement to be met when assessing for derivative classification
- Therefore, more contracts are classified as derivatives

Business impact

- For example, forward starting repo and reverse repo transactions
- Options to buy equity interests without a net settlement mechanism





Key difference: Loans held for sale reclassified to trading (F)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

(50)

Shareholders' equity
31 Dec 2006

(6)

Asset reclassification of EUR 32 bn into
"Financial assets at fair value through P&L"

Accounting background

- No loans held for sale classification, thus, the rules of IAS 39 have to be applied
- The majority of loans held for sale were classified as trading as there is a trading intent
- As a result of this reclassification
 - they are carried at fair value instead of lower of cost or market
 - origination fees and direct costs were recognized at inception

Business impact

- Affects businesses which have the specific mandate to sell or securitize loans:
 - Residential and commercial mortgages which are specifically originated for securitization
 - Loan syndication business





Key difference: Financial assets available for sale (G)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

(46)

Shareholders' equity
31 Dec 2006

327*

* Therein EUR 383 m "net gains (losses) not recognised in the income statement, net of tax" (U.S. GAAP equivalent: "Accumulated other comprehensive income")

Accounting background

- Classification of non-marketable equity investments as AFS at fair value rather than as other investments at historical cost less impairment, if the fair value can be measured reliably
- FX changes for AFS debt is reflected in P&L
- AFS classification not restricted to securities
- Investments in financial assets with sales restrictions are classified as AFS because they cannot be carried at fair value through P&L

Business impact

- Mainly affected investments in Corporate Investments and some investments in the Corporate and Investment Bank (CIB)





Key difference: Financial asset derecognition (H)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

20

Shareholders' equity
31 Dec 2006

(20)

Minimal impact on total assets and liabilities

Accounting background

- Derecognition primarily based on risks and rewards
- Control only considered if the risks and rewards analysis is inconclusive

Business impact

- Different models mainly affect
 - the asset repackaging business; and
 - the trading businesses involving total return swaps





Key difference: Real estate & leasing (I)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

(17)

Shareholders' equity
31 Dec 2006

45

EUR 67 m decrease in balance sheet due to sale and leasebacks with continuing involvement where IFRS does not prohibit recognition as a sale

Accounting background

- No deferral and amortization of gains arising in sale and leasebacks if the sale is at fair value
- Different impairment trigger because the impairment assessment is performed on a net present value basis, not using undiscounted cash flows

Business impact

- The pre-tax impact mainly represents the reversal of amortization of gains on sale and leasebacks
- The equity impact is due to
 - upfront recognition of gains on sale and leasebacks of EUR 85 m
 - additional impairment of EUR 40 m





Key difference: Share-based compensation (J)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

163

Shareholders' equity
31 Dec 2006

(36)*

* Charge to retained earnings is EUR 380 m, largely offset by increase in additional paid-in capital of EUR 344 m. Initial charge against retained earnings as of 1 Jan 2006 was EUR 543 m under IFRS

Accounting background

- Expense amortization for early retirement is not from grant to vesting date but instead to the date when the employee meets the eligibility criteria
- Under IFRS this applies to all share awards granted from 7 Nov 2002 whereas under U.S. GAAP the application is only for awards granted from 2006
- The remaining equity impact represents the employee related taxes on these awards
- The positive P&L impact in 2006 arises from expenses recognized in U.S. GAAP on awards that under IFRS were fully recognized through retained earnings on transition

Business impact

- The majority of the difference is attributable to the Corporate and Investment Bank (CIB)
- Timing difference will disappear by 2010





Key difference: Pensions (K)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

65

Shareholders' equity
31 Dec 2006

(157)*

* Represents the difference in the actuarial valuation between 1 January 2006 and 31 December 2006 net of income statement and foreign exchange impacts. Initial charge against retained earnings as of 1 Jan 2006 was EUR 1,045 m (pre-tax) under IFRS

Accounting background

- DB elected to recognize all previously unrecognized actuarial gains / losses in retained earnings at transition
- Therefore, amortization of these gains and losses was not required in the IFRS income statement
- We will apply the corridor approach to recognize future changes to actuarial gains / losses
- During 2006, U.S. GAAP changed and the unrecognized actuarial gains / losses as of 31 Dec 2006 were recognized in equity, in accumulated OCI
- Income statement difference relating to the amortization of these gains and losses will continue due to different size of unrecognized actuarial gains / losses under IFRS compared to U.S. GAAP





Key difference: Derivatives on DB shares (L)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Pre-tax income
2006

(94)

Shareholders' equity
31 Dec 2006

(886)*

* Includes a decrease by EUR 850 m within "equity classified as obligation to purchase common shares"

Accounting background

- IFRS requires derivatives indexed to, and settled in, DB shares to be treated as equity instruments
- Under U.S. GAAP these instruments are treated as derivatives
- Therefore under IFRS no trading income arises compared to U.S. GAAP
- For physically settled short put options, a liability is established for the redemption amount

Business impact

- In 1Q2007, such transactions, which we enter into as part of our market making activities, have been restructured to a large extent to reverse the impact on shareholders' equity and Tier I capital as of 31 March 2007





Key difference: Tax (O)

Financial impact

In EUR m

IFRS vs U.S. GAAP

Tax
2006

(37)⁽¹⁾

Shareholders' equity
31 Dec 2006

1,034⁽²⁾

(1) Minimal impact from share-based compensation

(2) Thereof EUR 552 m from tax impact of all aforementioned differences (except consolidation), and EUR 482 m from share-based compensation

Accounting background

- Tax impact of aforementioned differences
- Share-based compensation impact:
 - Deferred tax assets on share-based compensation schemes are calculated
 - based on share price at quarter end
 - for all awards outstanding (proportionally) or delivered
 - Tax deduction driven by local tax law
 - UK and US: linked to share price at delivery
 - elsewhere: deduction is fixed

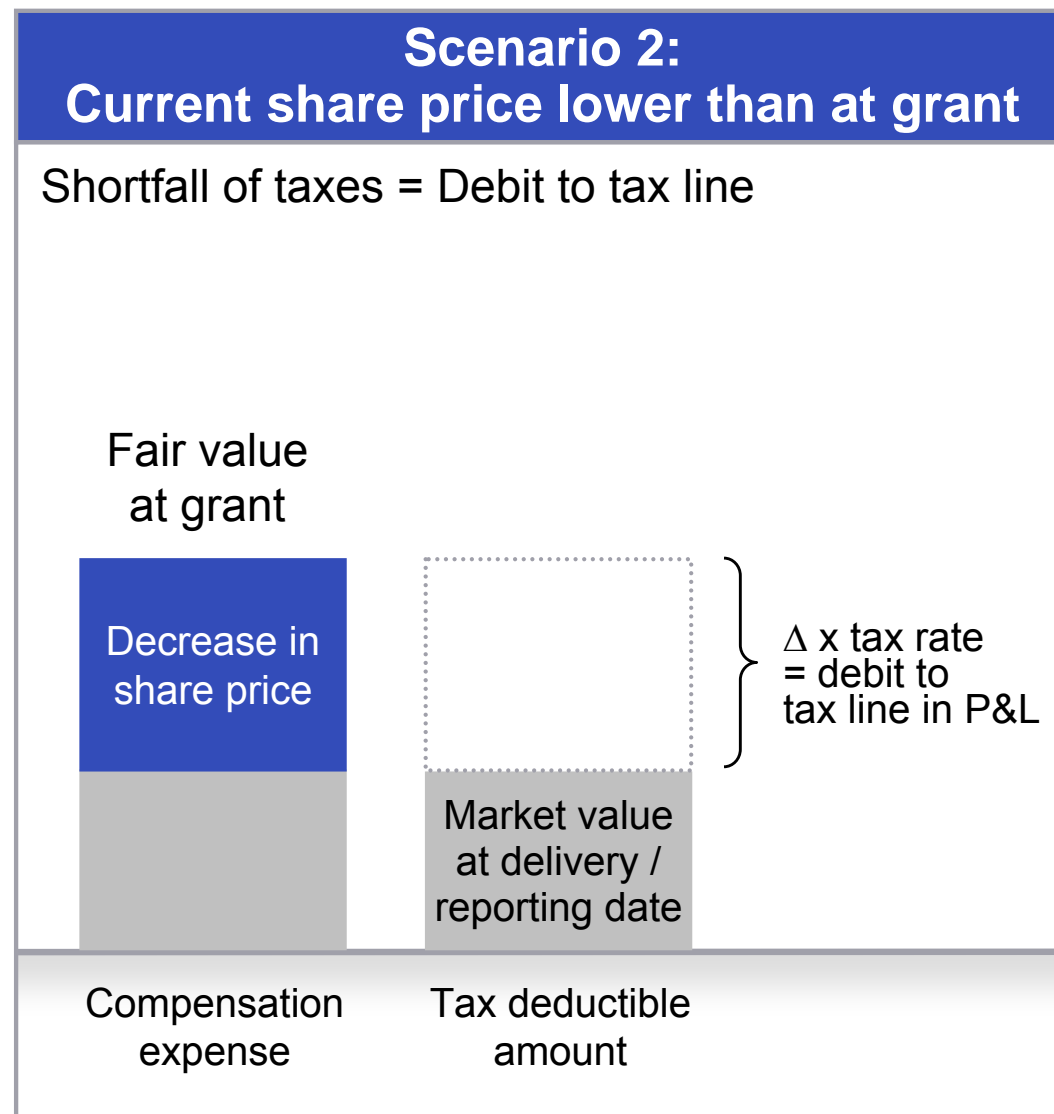
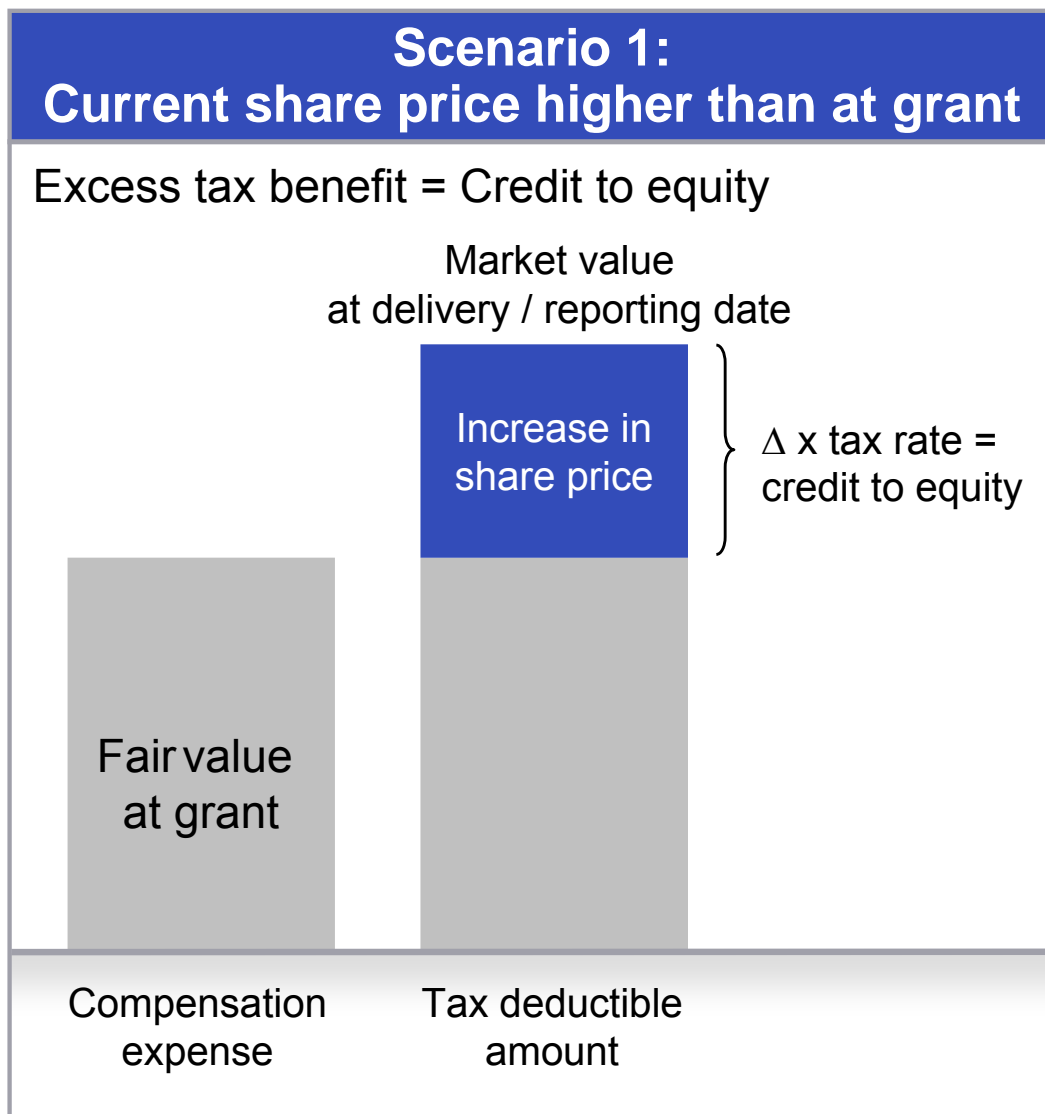
Share price impact

- **Share price movements can increase volatility of equity and tax line in P&L, thus also impact on ratios (RoE, BIS Tier I, EPS)**





Tax impact from share-based compensation: Two scenarios





Tax impact from share-based comp under IFRS: Example

Assumptions: Grant of one share on 1 Jan of year 1 at 100, 4-year vesting period, straight-line amortization, 40% tax rate

Scenario 1: Share price is 150 at end of year 2	
Accounting view	
Accumulated compensation expense after 2 years	(50)
Related deferred tax benefit	20
	<hr/> 30
Tax view	
Tax deductible amount after 2 years	(75)
Related deferred tax benefit	30

$\Delta 10$
 Excess tax benefit = credit to equity

Scenario 2: Share price is 50 at end of year 2	
Accounting view	
Accumulated compensation expense after 2 years	(50)
Related deferred tax benefit	20
	<hr/> 30
Tax view	
Tax deductible amount after 2 years	(25)
Related deferred tax benefit	10

$\Delta (10)$
 Shortfall of taxes = debit to tax line (P&L)



Equity reclassifications reduce future net income charges

Financial impact

As of 1 Jan 2006,
in EUR bn

	Debit to retained earnings	Credit to other equity components
Tax reversal	(2.1)	2.1
Currency translation adjustments (CTA)	(1.4)	1.4
Share-based comp / early retirement	(0.5)	0.5

Tax reversal

(2.1)

2.1

Currency translation adjustments (CTA)

(1.4)

1.4

Share-based comp / early retirement

(0.5)

0.5

Explanation

Tax reversal:

- Future sales of industrial holdings will not result in a change to the reported tax expense

CTA:

- Future sales of foreign operations would not result in charge to net income

Share-based comp:

- Acceleration of deferred compensation, therefore no further charge to net income





IFRS impact on provision for credit losses

- When a loan is identified as impaired, the impairment loss is measured as the difference between the carrying amount of the loan and the net present value of expected future cash flows
- Under IFRS the accretion of the net present value of the written down amount of the loan due to the passage of time is recognized as interest revenues; under U.S. GAAP this effect was recorded under provision for credit losses
 - ➔ **Impact: Higher provision for credit losses under IFRS**
- Conversely, any cash received on impaired loans must be recorded against principal under IFRS whilst under U.S. GAAP incoming cash payments were booked against principal or interest upon management's discretion
 - ➔ **Impact: Lower provision for credit losses under IFRS**
- The net effect of the above for 2006 was an increase in provision for credit losses and a corresponding increase in interest income under IFRS
- Other drivers for the difference in provision for credit losses include the use of the fair value option for loans and loan commitments as well as changes in the group of consolidated companies

IFRS vs U.S. GAAP

Provision for credit losses, 2006

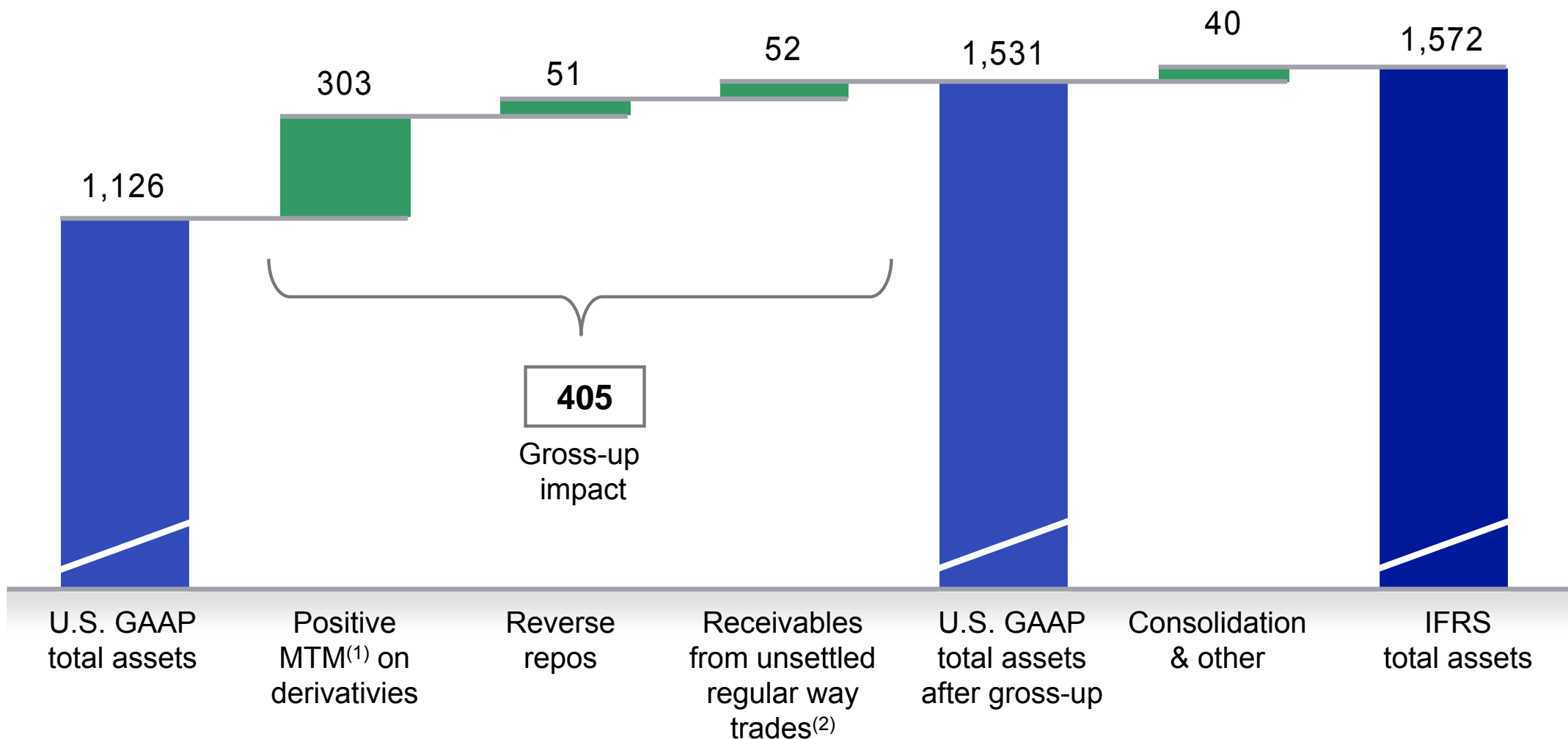
18





Overview of impact – Balance sheet as at 31 Dec 2006

In EUR bn



(1) Mark-to-market

(2) Relating to the period between trade and settlement dates for spot transactions

Note: Numbers may not add up due to rounding





IFRS grosses up the balance sheet, but risk is unchanged

Financial impact

Impact of different netting rules on the balance sheet, in EUR bn (31 Dec 2006)

IFRS vs U.S. GAAP

Positive MTM on derivatives

303

Reverse repos

51

Receivables from unsettled regular way trades*

52

Total gross-up impact

405

Explanation

- IFRS does not have specific netting guidance for derivatives, repos / reverse repos and unsettled regular way trades
- Consequently, IFRS requires gross presentation in many cases, resulting in a significant increase in total assets

Business impact

- The gross-up neither affected shareholders' equity nor reported income and expenses
- **Underlying risk and risk-weighted positions are unchanged**

* Relating to the period between trade and settlement dates for spot transactions

Note: Numbers may not add up due to rounding





Key difference: Regulatory capital

Financial impact

31 Dec 2006,
in EUR m

IFRS

**IFRS vs
U.S. GAAP**

**BIS core capital
(Tier I)**

23,539

(959)

**BIS core capital
ratio (Tier I)**

8.5%

(0.4) ppt

BIS risk position

275,459

(178)

Explanation

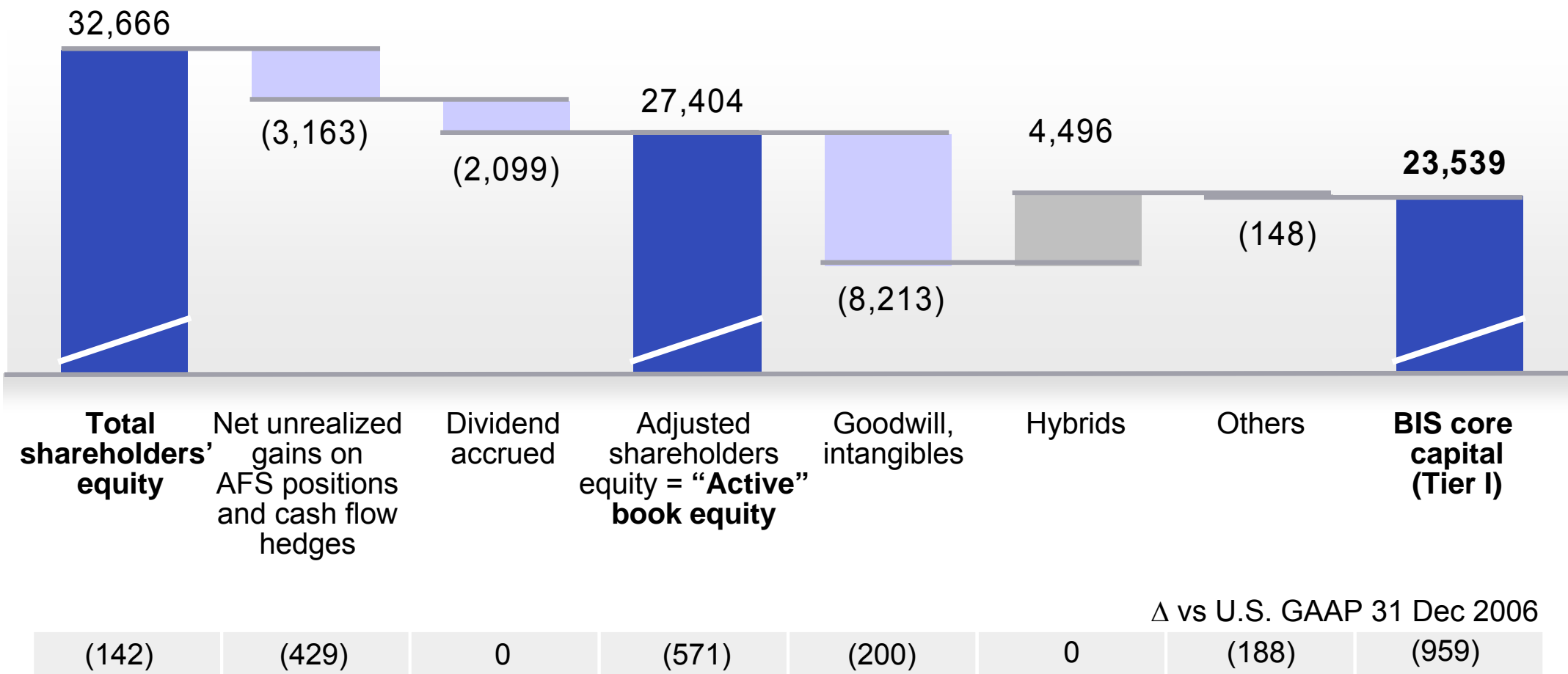
- IFRS requires derivatives indexed to and settled in DB shares to be treated as equity instruments which had the effect of reducing Tier I capital
- This effect will be substantially reduced in 2007 as the business activity has changed
- Decrease of the BIS risk position resulting from changes to the carrying value of assets which are part of the risk position





IFRS shareholders' equity vs IFRS BIS core capital

As of 31 Dec 2006, in EUR m





Key differences: EPS and RoE

Financial impact

2006, in EUR

		IFRS	IFRS vs U.S. GAAP
Earnings per share	basic	12.96	(0.35)
	diluted	11.48	(0.07)
Pre-tax return on average active equity		32.8 %	2.4 ppt

Explanation

- Basic EPS was negatively impacted by treating early retirement awards as outstanding shares
- Dilution increased due to accelerated expense amortization for share-based compensation and the different method to calculate the year to date average number of shares outstanding
- RoE is higher under IFRS in 2006 mainly due to
 - averaging effect arising from actuarial losses on pension schemes which reduced equity for IFRS on 1 Jan 2006 whereas for US GAAP it was only reflected as of 31 Dec 2006
 - derivatives linked to and settled by delivery of DB shares resulting in a decrease of equity





Agenda

1

Introduction

Anthony di Iorio

2

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Martin Edelmann,
Charlotte Jones

3

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Summary

The application of IFRS will not change...

- ... how we manage our businesses and our business strategy
- ... our cash flows
- ... our risk and capital management
- ... our dividend policy



Streamlining financial disclosure (1)

- Historical presentation has included different formats to provide greater transparency of the impact of our management agenda
 - Reported
 - Underlying
 - Target
- Significant progress on management agenda since 2002
- With transition to IFRS we take the opportunity to streamline our disclosure



Streamlining financial disclosure (2)

- Future focus will be on reported P&L
 - Previously indicated intent to eliminate ‘underlying’ results and focus on reported figures
 - Differences between ‘underlying’ and reported substantially reduced
 - IFRS presentation requires fewer adjustments (e.g. provision for off-balance-sheet exposure, minority interest)
 - Continue to highlight special financial events as part of results discussion

- Consistent definition of targets
 - Target definition will exclude significant gains or charges if they are not indicative of the future performance of our core businesses
 - All our targets (RoE, EPS, Vision 2008) will be tracked on this basis



Further increase clarity and consistency



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Additional Information

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Deutsche Bank





Our target definition

Pre-tax return on equity (target definition)

IBIT attributable to DB shareholders
(target definition)

Average active equity

IBIT attributable to DB shareholders (target definition)

Reported income before income tax expense

Less minority interest

IBIT attributable to DB shareholders

Deduct significant gains (net of related expenses)⁽¹⁾

Add significant charges⁽²⁾

= IBIT attributable to DB shareholders
(target definition)

Diluted earnings per share (target definition)

Net income attributable to DB shareholders
(basis for target definition)⁽³⁾

Diluted shares outstanding (average)

Net income attributable to DB shareholders (basis for target definition)

Net income attributable to DB shareholders

Adjust post-tax effect of significant gains / charges

Adjust significant tax effects

= Net income attributable to DB shareholders
(basis for target definition)

(1) Such as gains from the sale of industrial holdings or businesses
(2) Such as charges from restructuring, goodwill impairment, litigation
(3) After assumed conversions





Reconciliation of pre-tax targets (RoE / IBIT)

In EUR m

	2006				
	1Q	2Q	3Q	4Q	FY
Income before income tax expense (IBIT)	2,601	2,042	1,782	1,915	8,339
Less minority interest	(13)	(4)	(7)	15	(9)
IBIT attributable to DB shareholders	2,587	2,038	1,775	1,930	8,331
Significant gains (net of related expenses)	(131)	-	(217)	-	(348)
Significant charges	-	-	-	-	-
IBIT attributable to DB shareholders (target definition)	2,456	2,038	1,558	1,930	7,982
Average total shareholders' equity	28,981	28,684	28,833	31,172	29,659
Avg. unrealized net gains on assets afs / avg. fair value adjustments on cash flow hedges, net of appl. tax	(2,839)	(2,506)	(2,248)	(2,787)	(2,667)
Average dividend accruals	(1,605)	(1,768)	(1,210)	(1,766)	(1,615)
Average active equity	24,537	24,410	25,376	26,619	25,376
Pre-tax RoE (reported)	42.2%	33.4%	28.0%	29.0%	32.8%
Pre-tax RoE (target definition)	40.0%	33.4%	24.6%	29.0%	31.5%

(1) IBIT attributable to DB shareholders divided by average active equity

(2) IBIT attributable to DB shareholders (target definition) divided by average active equity

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Reconciliation of EPS target

In EUR m

	2006				
	1Q	2Q	3Q	4Q	FY
Net income attributable to DB shareholders	1,636	1,352	1,239	1,843	6,070
Post-tax effect of significant gains / charges	(131)	-	(160)	-	(291)
Significant tax effects	-	-	-	(355)	(355)
Net income attributable to DB shareholders (basis for target definition)	1,505	1,352	1,079	1,488	5,424
Diluted shares outstanding (average, in m)	526	519	510	517	521
Diluted earnings per share (reported) ⁽¹⁾	3.11	2.44	2.43	3.56	11.48
Diluted earnings per share (target definition)⁽²⁾	2.87	2.44	2.11	2.88	10.24

(1) Net income attributable to DB shareholders after assumed conversions divided by weighted-average number of diluted shares outstanding

(2) Net income attributable to DB shareholders (basis for target definition) after assumed conversions divided by weighted-average number of diluted shares outstanding





Number of shares for EPS calculation

In million

	Average 2006			31 Dec 2006		
	US GAAP	IFRS	Diff.	US GAAP	IFRS	Diff.
Common shares issued	522	522	-	525	525	-
Total shares in treasury	(22)	(22)	-	(26)	(26)	-
Common shares outstanding	500	500	-	499	499	-
SFAS 150 effect	(65)	(65)	-	(59)	(59)	-
Vested share awards*	15	33	18	12	31	19
Basic shares (denominator for basic EPS)	450	468	18	452	471	19
Dilution effect	61	53	(8)			
Diluted shares (denominator for diluted EPS)	511	521	10			

* Still restricted

Note: Numbers may not add up due to rounding

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How both U.S. GAAP and IFRS treat deferred taxes on share-based compensation

- The compensation expense for share awards equals the fair market value of the award at grant, i.e. share price at grant less discount for discounted dividend
- The compensation expense is not adjusted to reflect share price movements
- The amount of the tax deduction, however, will differ from compensation expense in all jurisdictions
 - in the UK and the US the amount of tax deduction equals the share price at delivery
 - in all other countries the amount of tax deduction is fixed as it follows the costs incurred (for instance, the cost of buying the stock in the market), but it slightly exceeds the compensation expense as tax law does not follow the concept of a dividend discount
- As a result of the dependency between share price at delivery and corporate tax deduction available in the UK and the US:
 - An increase in the share price will result in a tax benefit to be booked to equity (APIC*)
 - A decline in the share price will result in
 - a decrease of capital
 - potentially a negative impact on the P&L, and
 - if so, a negative effect to the tax rate

* Additional paid-in capital



Tax impact from share-based compensation: Where U.S. GAAP and IFRS differ

	U.S. GAAP	IFRS
Timing of adjustment	Adjusted at delivery only	Adjusted at every reporting date
Awards recognized	Awards vested	All awards outstanding (proportionally, as amortized) and vested
Tax paying position	Credit to Equity only if requirement is fulfilled	No such requirement
Offsetting possibilities	100% offsetting of P&L impact possible	Restrictions to offset



Cautionary statements

Preliminary information: The purpose of this presentation is to provide an overview of the impact of the transition of Deutsche Bank's consolidated financial statements from U.S. GAAP to IFRS on the 2006 results. The information provided herein does not represent a full set of financial statements in accordance with IAS 1 and IFRS 1. It is unaudited and subject to adjustments based on the preparation of the financial statements for 2007.

Forward-looking statements: This presentation also 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 27 March 2007 on pages 9 through 15 under the heading "Risk Factors." Copies of this document are readily available upon request or can be downloaded from www.deutsche-bank.com/ir.

Non-IFRS financial measures: This presentation contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS refer to the Financial Data Supplement – 2006 IFRS Comparatives, which is accompanying this presentation and available on our Investor Relations website at www.deutsche-bank.com/ir.