

Interim Report

as of March 31, 2005



Deutsche Bank



Deutsche Bank – The Group at a Glance

	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Share price at period end	€ 66.55	€ 67.65
Share price high	€ 69.90	€ 77.77
Share price low	€ 63.35	€ 62.20
Basic earnings per share	€ 2.36	€ 1.81
Diluted earnings per share ¹	€ 2.09	€ 1.67
Average shares outstanding, in m., basic	468	521
Average shares outstanding, in m., diluted	509	563
Return on average total shareholders' equity (after tax)	16.7%	13.2%
Adjusted return on average active equity (after tax)	19.2%	15.1%
Pre-tax return on average total shareholders' equity	27.0%	22.0%
Pre-tax return on average active equity	30.2%	24.4%
Cost/income ratio	71.5%	72.6%
	in € m.	in € m.
Total revenues	6,583	6,154
Provision for loan losses	94	123
Total noninterest expenses	4,706	4,470
Income before income tax expense and cumulative effect of accounting changes	1,783	1,561
Net income	1,103	941
Underlying revenues	6,456	5,921
Provision for credit losses	81	141
Operating cost base	4,526	4,400
Underlying pre-tax profit	1,837	1,377
Underlying pre-tax return on average active equity	31.1%	21.5%
Underlying cost/income ratio	70.1%	74.3%
	Mar 31, 2005	Dec 31, 2004
	in € bn.	in € bn.
Total assets	901	840
Loans, net	143	136
Shareholders' equity	26.8	25.9
BIS core capital ratio (Tier I)	9.2%	8.6%
	Number	Number
Branches	1,561	1,559
thereof in Germany	831	831
Employees (full-time equivalent)	64,527	65,417
thereof in Germany	27,026	27,093
Long-term rating		
Moody's Investors Service, New York	Aa3	Aa3
Standard & Poor's, New York	AA–	AA–
Fitch Ratings, New York	AA–	AA–

The reconciliation of average active equity, underlying measures and ratios from reported figures is provided on pages 31 and 32 of this report.

¹ Including numerator effect of assumed conversions. The effect for the three months ended March 31, 2005 was € (0.08).



In the first quarter of 2005, Deutsche Bank produced a record performance. Our results were substantially better than in previous quarters, even after expenses related to restructuring. Conditions on the world's capital markets were favourable for much of the quarter, and we reaped the fruits of previous years' efforts to refine our business model. In addition, we invested in our platform, and made important progress in positioning ourselves for continued success in the future.

Our revenues were € 6.6 billion – growth of 10% over the first quarter of 2004, adjusting for exchange rate movements. Income before income taxes for the quarter was € 1.8 billion, after restructuring expenses of € 168 million. Net income was € 1.1 billion, a rise of 17% over the first quarter 2004. Before restructuring expenses, pre-tax return on average active equity was 33%. This is substantially above our published target of 25% for the full year, although we recognise that the first quarter is typically strong for us. Diluted earnings per share for the quarter were € 2.09, a rise of 25%.

The strong growth of the Group was predominantly attributable to the performance of the Corporate and Investment Bank (CIB). CIB's underlying revenues grew by 14%, and underlying pre-tax profits by 40%, compared to the first quarter of 2004. In particular, revenues in debt sales and trading, adjusted for currency movements, grew 30% – clearly outperforming our peer group. As a result, we ranked no. 1 globally in sales and trading in the first quarter, as measured by revenues. This achievement was driven by positive market conditions, a business model which emphasises higher-value, 'intellectual capital' products, and revenue synergies we are already deriving from the integration of our debt and equity platforms as part of our Business Realignment Program.

Our origination and advisory business also delivered underlying revenue growth of 16%, adjusted for currency movements, over the same quarter of 2004, and ranked top-5 globally as measured by share of fee pool, according to *Dealogic*.

In Private Clients and Asset Management (PCAM), we attracted net inflows of € 28 billion of customer money for investment. All three businesses – Asset Management, Private Wealth Management and Private and Business Clients – saw positive inflows of new money. PCAM's revenues and underlying profitability were comparable to the strong first quarter of 2004, while underlying pre-tax profits rose 12% compared to the fourth quarter 2004.

Both revenue and profit growth was driven predominantly by our international business, and this reflects our operating environment. On international markets, conditions were favourable. However, our home market, Germany, remains challenging, given the weak economic climate.

Implementation of our Business Realignment Program, which we launched at the end of last year, is proceeding on schedule. Our goal is to drive profitable growth and further enhance our position in the market. The alignment of our CIB businesses, and investments in key parts of our franchise, are important elements of this program. However, competition is relentless. If we are to safeguard our future, we must also tackle the issue of cost-efficiency in those parts of our business where we still need to match our world-class competitors. There can be no let-up in our determination to meet this challenge. The measures we have had to take are painful, but there is no alternative. Only by taking this course we can invest in the long-term success of the bank, in innovation and quality for our clients, and in growth and jobs for our employees.

Credit quality continues to improve. Problem loans continued to decline as a proportion of our loan book, accounting for 3.3% of total loans at the end of the quarter, compared to 4.2% at the end of the first quarter 2004. Provision for credit losses was € 81 million, down by € 60 million compared to the first quarter of 2004.

In the last few days, we completed our third share buyback program. This involved the repurchase of 45.5 million shares, or 8.3% of the total outstanding. At the same time, our Tier 1 capital ratio rose from 8.6% at the end of 2004, to 9.2% by the end of the first quarter this year.

All of us at Deutsche Bank are proud of what we have achieved in the first quarter. This excellent result underlines our leading position, both in Germany and internationally. Conditions in international financial markets became more challenging in mid-March. However, given the strong platform we have, combined with the progress we are making in our Business Realignment Program, I have great confidence in the mid-term prospects for the continued growth of our business.

I look forward to meeting many of you at our Annual General Meeting in Frankfurt, on 18th May, to discuss with you our strategy and outlook for the future.

Yours sincerely,



Josef Ackermann
Spokesman of the Board of Managing Directors and
Chairman of the Group Executive Committee

Frankfurt am Main, April 2005

Discussion of Results

Deutsche Bank reported income before income taxes of € 1.8 billion for the first quarter 2005, after restructuring expenses of € 168 million. Pre-tax return on average active equity was 30%, compared to 24% in the prior year first quarter. Before restructuring expenses, pre-tax return on average active equity was 33%. This figure compares with the Group's published target of 25% for 2005 (for the RoE target definition see page 29).

Net income for the quarter was € 1.1 billion, up 17% compared to € 941 million in the first quarter 2004. Adjusted after-tax return on average active equity was 19%, compared to 15% in the first quarter 2004 and 11% for the full year 2004. Diluted earnings per share for the quarter were € 2.09, up 25% compared to € 1.67 per share in the first quarter 2004.

The Group also announced progress on the Business Realignment Program: all significant organisational changes have been implemented, investments in growth areas have been made, and cost-efficiency measures are underway. Restructuring expenses in connection with the Business Realignment Program were lower than anticipated. However, the original targets of the program remain on track.

Group Highlights

Income before income taxes for the first quarter 2005 was € 1.8 billion, after restructuring expenses of € 168 million, up € 222 million, or 14%, compared to last year. Pre-tax return on average active equity improved from 24% in last year's first quarter to 30% in the first quarter 2005. The negative impact of restructuring expenses on the current quarter's pre-tax return on average active equity was 3 percentage points.

Net income for the quarter was € 1.1 billion, up 17% compared to € 941 million for the first quarter 2004. Earnings per share (diluted) improved by 25% to € 2.09. The effective tax rate was 38%, compared to 39% for the full year 2004, both including the reversal of 1999/2000 credits for tax rate changes.

Revenues for the first quarter 2005 were € 6.6 billion, up € 429 million, or 7%, compared to the prior year first quarter. Debt Sales and Trading registered a record quarter with total revenues up 26% to € 2.4 billion, driven by the bank's global leadership in high-value structured products.

Noninterest expenses for the first quarter 2005 were € 4.7 billion, compared to € 4.5 billion in the prior year first quarter. The current quarter included restructuring charges of € 168 million.

The operating cost base (which excludes restructuring charges) was € 4.5 billion, up 3% compared to € 4.4 billion in last year's first quarter. The increase was mainly due to higher performance-related compensation resulting from the improved operating results. Non-compensation operating costs were 4% below the first quarter 2004. The operating cost base was favourably impacted by cost savings achieved from the Business Realignment Program.

Provision for credit losses was € 81 million in the first quarter 2005, down 42% from € 141 million in the prior year first quarter, mainly reflecting the low level of provisions required for our corporate loan book. Problem loans were € 4.8 billion, down 23% from € 6.3 billion at the end of the first quarter 2004.

The Group completed its third share buyback program on April 20, 2005. Since July 2004 a total of 45.5 million shares had been repurchased at an average price of € 62.32, for a total consideration of € 2.8 billion. However, our BIS Tier 1 capital ratio increased to 9.2% at the end of the first quarter, compared to 8.6% at the end of the fourth quarter 2004.

Business Segment Review

Corporate and Investment Bank Group Division

In the Corporate and Investment Bank (CIB) underlying pre-tax profit was € 1.6 billion for the first quarter 2005, an increase of € 457 million, or 40%, from € 1.1 billion in the first quarter 2004. Underlying revenues of € 4.5 billion increased € 563 million, or 14%, on the same period in 2004, largely driven by debt sales and trading. This significant improvement reflects in part some early benefits from the realignment of our sales and trading platform but also the highly favourable trading conditions that persisted during the first quarter.

Sales and Trading (Debt and other products) generated record revenues of € 2.4 billion in the first quarter, an increase of € 486 million, or 26%, over the same period in 2004. Deutsche Bank continued to benefit from its global leadership in high-value structured products. Our Global Rates business showed exceptional growth based on its ability to develop cutting-edge liability management solutions for corporate and sovereign clients. Our Global Credit business continued to grow volumes and revenues off the back of strong client flows. Similarly, our Emerging Markets group performed well thanks to the creation of a cross-asset class platform. Our “market access” businesses, while facing ongoing margin erosion, have nonetheless shown consistent growth in market share. Our FX businesses, for example, topped this year’s annual Euromoney Global Foreign Exchange Survey with a market share of 16.7%, the largest market share ever recorded by a winner of this survey.

Revenues in Sales and Trading (Equity) totaled € 823 million in the quarter, € 31 million, or 4%, higher than the first quarter 2004. Revenues were driven by a strong performance in our customer-focused businesses, especially Global Equity Derivatives. In particular, Corporate Derivatives benefited from access to a wider network of client relationships as a result of the recent reorganisation. Global Prime Services also had a strong quarter. Our Equity Proprietary business took advantage of the favourable market conditions in the first quarter although overall revenues were down year on year. Difficult market conditions affected Cash Equities’ performance while the absolute level of activity in the convertibles market was greatly reduced versus the same period in 2004.

Origination and Advisory generated revenues of € 510 million in the first quarter 2005, an increase of € 56 million, or 12%, from the same period last year. Origination (Debt) revenues continued to reflect our strong position in corporate bonds, investment grade and high-yield debt and the good growth this quarter in the European market. Origination (Equity) revenues fell marginally compared to the same period last year reflecting lower levels of activity in the U.S. and Asian issuance markets. Advisory revenues have increased from last year due to market share gains in both Europe and Japan.

Loan Products revenues of € 382 million for the first quarter 2005 were similar to the same period last year. Lending revenues decreased compared to the first quarter of 2004, mainly due to lower loan demand and lower fee income. However, these factors were offset by mark-to-market gains on our credit risk hedge positions as credit spreads have widened.

Transaction Services revenues in the first quarter 2005, at € 485 million, were slightly below the same period in 2004 which included some revenues from the disposed Global Securities Services business. Trade Finance revenues increased driven by a stronger cross-selling of interest risk and currency risk products while Trust & Securities Services rose slightly as a result of a stronger performance from the Structured Finance Services business.

Provision for credit losses was € 4 million in the first quarter, down from € 72 million in the same period last year, reflecting the quality of our corporate loan book as well as additional releases from successful workout cases.

CIB's operating cost base in the first quarter totaled € 2.9 billion, a 6% increase from the comparable period last year. This increase is due entirely to higher performance-related compensation in line with the development of operational performance. Non-performance-related staff costs decreased reflecting headcount reductions announced as part of the Business Realignment Program whereas non-compensation-related expenses dropped € 84 million compared to the first quarter 2004.

In addition to its underlying results, CIB took a restructuring charge of € 122 million, representing its share of the aforementioned Business Realignment Program announced during the fourth quarter of 2004.

Private Clients and Asset Management Group Division

In Private Clients and Asset Management (PCAM), underlying pre-tax profit of € 408 million was in line with the first quarter 2004. Underlying revenues of € 2.0 billion were marginally higher than in the first quarter 2004. The operating cost base of € 1.6 billion was essentially unchanged compared to the first quarter 2004.

Asset and Wealth Management (AWM) delivered underlying pre-tax profit of € 163 million in the first quarter of 2005, a slight increase of 5% compared to the first quarter 2004. Underlying revenues of € 880 million remained virtually unchanged from the first quarter 2004 as improvements in the Private Wealth Management business were offset by the effect of the strengthening of the Euro on dollar-denominated revenues and lower revenues in Asset Management. The operating cost base of € 719 million in the first quarter of 2005 was € 14 million lower than in the first quarter 2004.

Revenues from Asset Management activities decreased compared to the first quarter 2004 due to lower investment management fees in the Americas as a result of net asset outflows in the retail business. In addition, our businesses in the Americas were negatively impacted by the aforementioned effect of the strengthening of the Euro. These declines were partially offset by net gains on the sale of assets in our real estate business and better performance in Continental Europe. Net asset inflows were € 24 billion during the first quarter 2005. Net inflows in Continental Europe were € 29 billion, of which € 24 billion related to the institutional business and € 5 billion to the retail business. These net inflows were partially offset by net outflows in the UK Institutional, Asia Pacific Institutional, and the Americas Retail business.

Revenues in our Private Wealth Management business increased compared to the first quarter 2004, mainly reflecting the continuing growth in high-value-added products and services sold to our clients. Net new assets were € 2 billion in the first quarter 2005.

Private & Business Clients (PBC) generated an underlying pre-tax profit of € 245 million in the first quarter 2005, a decrease of € 10 million compared to last year's first quarter. Revenues of € 1.2 billion were slightly higher than in the first quarter 2004. The operating cost base of € 832 million was € 12 million higher than in the same quarter last year, also reflecting investments in the growth of our franchise. Provision for credit losses of € 77 million was € 9 million higher than in the first quarter 2004, partly accounted for by loan volume growth.

In addition to its underlying results, PCAM recorded restructuring charges of € 45 million in the first quarter 2005, representing its share of the Business Realignment Program.

Corporate Investments Group Division

Corporate Investments (CI) reported an underlying pre-tax loss of € 44 million in the first quarter of 2005, an improvement of € 63 million compared to a loss of € 107 million in the first quarter 2004. This improvement mainly reflected charges of € 32 million incurred in last year's first quarter, which related to the elimination of excess space resulting from headcount reductions and the sale of businesses.

CI's reported income before income taxes was € 69 million in the first quarter 2005. Major contributors to the difference between reported and underlying results were net gains of € 87 million from our industrial holdings portfolio, mainly from the sale of our stake in Südzucker AG, and net gains from other investments of € 27 million. In last year's first quarter, net gains from industrial holdings and other investments together with gains from the disposal of businesses were € 161 million.

The book value of CI's alternative assets declined by 41% to € 1.6 billion at March 31, 2005 from € 2.7 billion at the end of last year's first quarter.

Share buyback program

The Group completed its third share buyback program on April 20, 2005. Since July 2004, a total of 45.5 million shares had been repurchased at an average price of € 62.32, for a total consideration of € 2.8 billion. Total shares repurchased under this program account for 8.3% of the Bank's current share capital. Including residual buybacks in June 2004 to complete the second buyback program, this represents a complete utilization of the 10% buyback authorization obtained from the last Annual General Meeting on June 2, 2004. After completion of the third program, the holding of own shares amounts to 33.4 million shares, or 6.1% of shares issued. The difference between the repurchase volume and the current inventory is mainly attributable to the use of treasury shares in February 2005 to hedge share awards granted to Deutsche Bank staff.

At the upcoming Annual General Meeting on May 18, 2005, management will seek new authorization to acquire own shares of up to 10% of the current share capital.

Report of Independent Registered Public Accounting Firm

To the Supervisory Board of Deutsche Bank Aktiengesellschaft

We have reviewed the accompanying consolidated balance sheet of Deutsche Bank Aktiengesellschaft and subsidiaries (Deutsche Bank Group) as of March 31, 2005, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three month periods ended March 31, 2005 and 2004. These condensed consolidated financial statements are the responsibility of Deutsche Bank Group's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements for them to be in conformity with U. S. generally accepted accounting principles.

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Frankfurt am Main (Germany), April 28, 2005

Consolidated Statement of Income

Income Statement

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Interest revenues	8,907	6,728
Interest expense	7,464	5,334
Net interest revenues	1,443	1,394
Provision for loan losses	94	123
Net interest revenues after provision for loan losses	1,349	1,271
Commissions and fees from fiduciary activities	809	798
Commissions, broker's fees, markups on securities underwriting and other securities activities	918	983
Fees for other customer services	607	622
Trading revenues, net	2,411	2,035
Net gains on securities available for sale	110	65
Net income from equity method investments	132	163
Other revenues	153	94
Total noninterest revenues	5,140	4,760
Compensation and benefits	2,998	2,816
Net occupancy expense of premises	245	305
Furniture and equipment	40	45
IT costs	378	450
Agency and other professional service fees	182	170
Communication and data services	147	156
Other expenses	548	528
Goodwill impairment/impairment of intangibles	–	–
Restructuring activities	168	–
Total noninterest expenses	4,706	4,470
Income before income tax expense and cumulative effect of accounting changes	1,783	1,561
Income tax expense	649	597
Reversal of 1999/2000 credits for tax rate changes	31	23
Income before cumulative effect of accounting changes, net of tax	1,103	941
Cumulative effect of accounting changes, net of tax	–	–
Net income	1,103	941

Earnings per Share

in €	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Earnings per common share		
Basic		
Income before cumulative effect of accounting changes, net of tax	2.36	1.81
Cumulative effect of accounting changes, net of tax	–	–
Net income	2.36	1.81
Diluted		
Income before cumulative effect of accounting changes, net of tax ¹	2.09	1.67
Cumulative effect of accounting changes, net of tax	–	–
Net income	2.09	1.67
Number of shares in m.		
Denominator for basic earnings per share – weighted-average shares outstanding	467.7	521.1
Denominator for diluted earnings per share – adjusted weighted-average shares after assumed conversions	509.1	563.2

¹ Including numerator effect of assumed conversions. The effect for the three months ended March 31, 2005 was € (0.08).

Consolidated Statement of Comprehensive Income

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Net income	1,103	941
Other comprehensive income (loss):		
Reversal of 1999/2000 credits for tax rate changes	31	23
Unrealized gains (losses) on securities available for sale:		
Unrealized net gains (losses) arising during the period, net of tax and other	59	(413)
Net reclassification adjustment for realized net (gains) losses, net of applicable tax and other	(97)	(57)
Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax	(4)	16
Foreign currency translation:		
Unrealized net gains arising during the period, net of tax	378	350
Net reclassification adjustment for realized net (gains) losses, net of tax	(1)	6
Total other comprehensive income (loss)	366	(75)
Comprehensive income	1,469	866

Consolidated Balance Sheet

Assets

in € m.	Mar 31, 2005	Dec 31, 2004
Cash and due from banks	8,263	7,579
Interest-earning deposits with banks	21,004	18,089
Central bank funds sold and securities purchased under resale agreements	131,335	123,921
Securities borrowed	85,652	65,630
Bonds and other fixed-income securities	229,633	224,536
Equity shares and other variable-yield securities	81,201	73,176
Positive market values from derivative financial instruments	65,142	67,173
Other trading assets	8,799	8,262
Total trading assets	384,775	373,147
Securities available for sale	24,113	20,335
Other investments	7,644	7,936
Loans, net	142,501	136,344
Premises and equipment, net	5,035	5,225
Goodwill	6,643	6,378
Other intangible assets, net	1,116	1,069
Other assets	82,790	74,415
Total assets	900,871	840,068

Liabilities and Shareholders' Equity

in € m.	Mar 31, 2005	Dec 31, 2004
Noninterest-bearing deposits	29,594	27,274
Interest-bearing deposits	319,263	302,195
Total deposits	348,857	329,469
Bonds and other fixed-income securities	78,461	77,080
Equity shares and other variable-yield securities	26,069	20,567
Negative market values from derivative financial instruments	67,398	71,959
Total trading liabilities	171,928	169,606
Central bank funds purchased and securities sold under repurchase agreements	113,249	105,292
Securities loaned	20,887	12,881
Other short-term borrowings	25,295	20,118
Other liabilities	74,780	66,870
Long-term debt	115,177	106,870
Obligation to purchase common shares	3,872	3,058
Total liabilities	874,045	814,164
Common shares, no par value, nominal value of € 2.56	1,404	1,392
Additional paid-in capital	11,314	11,147
Retained earnings	20,982	19,814
Common shares in treasury, at cost	(1,909)	(1,573)
Equity classified as obligation to purchase common shares	(3,872)	(3,058)
Share awards	1,872	1,513
Accumulated other comprehensive income (loss)		
Deferred tax on unrealized net gains on securities available for sale relating to 1999 and 2000 tax rate changes in Germany	(2,677)	(2,708)
Unrealized net gains on securities available for sale, net of applicable tax and other	1,722	1,760
Unrealized net gains on derivatives hedging variability of cash flows, net of tax	33	37
Minimum pension liability, net of tax	(1)	(1)
Foreign currency translation, net of tax	(2,042)	(2,419)
Total accumulated other comprehensive loss	(2,965)	(3,331)
Total shareholders' equity	26,826	25,904
Total liabilities and shareholders' equity	900,871	840,068

Consolidated Statement of Changes in Shareholders' Equity

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Common shares		
Balance, beginning of year	1,392	1,490
Common shares issued under employee benefit plans	12	–
Balance, end of period	1,404	1,490
Additional paid-in capital		
Balance, beginning of year	11,147	11,147
Common shares issued under employee benefit plans	167	–
Balance, end of period	11,314	11,147
Retained earnings		
Balance, beginning of year	19,814	20,486
Net income	1,103	941
Net gains on treasury shares sold	64	80
Other	1	(3)
Balance, end of period	20,982	21,504
Common shares in treasury, at cost		
Balance, beginning of year	(1,573)	(971)
Purchases of shares	(8,650)	(7,752)
Sale of shares	8,311	8,067
Treasury shares distributed under employee benefit plans	3	–
Balance, end of period	(1,909)	(656)
Equity classified as obligation to purchase common shares		
Balance, beginning of year	(3,058)	(2,310)
Additions	(814)	(1,241)
Deductions	–	–
Balance, end of period	(3,872)	(3,551)
Share awards – common shares issuable		
Balance, beginning of year	2,965	2,196
Deferred share awards granted, net	904	1,231
Deferred shares distributed	(3)	–
Balance, end of period	3,866	3,427
Share awards – deferred compensation		
Balance, beginning of year	(1,452)	(1,242)
Deferred share awards granted, net	(904)	(1,231)
Amortization of deferred compensation, net	362	355
Balance, end of period	(1,994)	(2,118)
Accumulated other comprehensive loss		
Balance, beginning of year	(3,331)	(2,594)
Reversal of 1999/2000 credits for tax rate changes	31	23
Change in unrealized net gains on securities available for sale, net of applicable tax and other	(38)	(470)
Change in unrealized net gains/losses on derivatives hedging variability of cash flows, net of tax	(4)	16
Foreign currency translation, net of tax	377	356
Balance, end of period	(2,965)	(2,669)
Total shareholders' equity, end of period	26,826	28,574

Consolidated Statement of Cash Flows

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Net income	1,103	941
Adjustments to reconcile net income to net cash used in operating activities:		
Provision for loan losses	94	123
Restructuring activities	168	–
Gain on sale of securities available for sale, other investments, loans and other	(198)	(145)
Deferred income taxes, net	312	213
Impairment, depreciation and other amortization and accretion	489	630
Cumulative effect of accounting changes, net of tax	–	–
Share of net income from equity method investments	(117)	(69)
Net change in:		
Trading assets	(11,268)	(34,216)
Other assets	(8,023)	(8,428)
Trading liabilities	2,176	17,310
Other liabilities	7,641	7,970
Other, net	(887)	284
Net cash used in operating activities	(8,510)	(15,387)
Net change in:		
Interest-earning deposits with banks	(2,911)	(7,435)
Central bank funds sold and securities purchased under resale agreements	(7,415)	(9,849)
Securities borrowed	(20,022)	(31,511)
Loans	(5,897)	262
Proceeds from:		
Sale of securities available for sale	1,659	9,994
Maturities of securities available for sale	1,088	838
Sale of other investments	662	287
Sale of loans	2,682	2,762
Sale of premises and equipment	36	23
Purchase of:		
Securities available for sale	(6,145)	(12,031)
Other investments	(503)	(283)
Loans	(1,855)	(1,918)
Premises and equipment	(167)	(102)
Net cash paid for business combinations/divestitures	–	(33)
Other, net	21	12
Net cash used in investing activities	(38,767)	(48,984)
Net change in:		
Deposits	19,384	44,852
Securities loaned and central bank funds purchased and securities sold under repurchase agreements	15,962	20,178
Other short-term borrowings	5,177	(96)
Issuances of long-term debt	15,782	6,560
Repayments and extinguishments of long-term debt	(8,485)	(7,509)
Common shares issued under employee benefit plans	179	–
Purchases of treasury shares	(8,650)	(7,752)
Sale of treasury shares	8,380	8,141
Cash dividends paid	–	–
Other, net	33	14
Net cash provided by financing activities	47,762	64,388
Net effect of exchange rate changes on cash and due from banks	199	109
Net increase in cash and due from banks	684	126
Cash and due from banks, beginning of period	7,579	6,636
Cash and due from banks, end of period	8,263	6,762
Interest paid	6,994	5,680
Income taxes paid, net	298	535

Basis of Presentation

The accompanying consolidated financial statements as of March 31, 2005 and 2004 and for the three months then ended are unaudited and include the accounts of Deutsche Bank AG and its subsidiaries (collectively, the Deutsche Bank Group or the Company). In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results of operations, financial position and cash flows have been reflected. Certain prior period amounts have been reclassified to conform to the current presentation. The results reported in these financial statements, which include supplementary information, should not be regarded as necessarily indicative of results that may be expected for the entire year. The financial statements included in this Interim Report should be read in conjunction with the consolidated financial statements and related notes included in the Company's 2004 Financial Report and Form 20-F. Certain financial statement information that is normally included in annual financial statements prepared in accordance with U.S. GAAP has been condensed or omitted. Following is supplementary information on the impact of changes in accounting principles, segment information, supplementary information on the income statement, the balance sheet, other financial information and other information.

Impact of Changes in Accounting Principles

EITF 03-1 and FSP EITF 03-1-1

In March 2004, the FASB ratified the consensus reached in EITF Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("EITF 03-1"). The decisions establish a common approach to evaluating other-than-temporary impairment for equity securities accounted for at cost, and debt and equity securities available for sale. In September 2004, the FASB issued a final FASB Staff Position, No. EITF 03-1-1 ("FSP EITF 03-1-1"), which delayed the effective date for the measurement and recognition guidance included in EITF 03-1. The disclosure requirements under EITF 03-1 were effective beginning December 31, 2004. Once the effective date of the measurement and recognition guidance has been confirmed, management will assess the impact EITF 03-1 will have on our consolidated financial statements.

FSP 109-2

In December 2004, the FASB issued Staff Position No. 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" ("FSP 109-2"). The Act, which was signed into law in the U.S. on October 22, 2004, provides for, among other things, a reduced rate of U.S. tax on dividends received from foreign subsidiaries of U.S. taxpayers. FSP 109-2 provides additional time beyond the financial reporting period of the enactment to evaluate the effects of this provision of the Act for purposes of applying SFAS No. 109, "Accounting for Income Taxes." We estimate that approximately U.S.\$ 500 million may be eligible for repatriation under this provision. We are evaluating the effect of such a repatriation but do not expect that this provision will have a material impact on our consolidated financial statements.

SFAS 123 (Revised 2004)

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123(R)"). SFAS 123(R) replaces SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees". The new standard requires companies to recognize compensation cost relating to share-based payment transactions in their financial statements. That cost is to be measured based on the fair value of the equity or liability instruments issued. Starting January 1, 2003, we accounted for our share-based compensation awards under the fair value method prescribed under SFAS 123. The method was applied prospectively for all employee awards granted, modified or settled after January 1, 2003. Currently, we use a Black-Scholes option pricing model to estimate the fair value of stock options granted to employees and expect to continue to use this option valuation model upon the adoption of SFAS 123(R). SFAS 123(R) also includes some changes regarding the timing of expense recognition, the treatment of forfeitures and the re-measurement of liability classified awards at their current fair value. SFAS 123(R) indicates that it is effective for reporting periods beginning after June 15, 2005.

In March 2005, the SEC released Staff Accounting Bulletin No. 107, "Share-Based Payment" ("SAB 107"), which provides interpretive guidance related to the interaction between SFAS 123(R) and certain SEC rules and regulations. It also provides the SEC staff's views regarding valuation of share-based payment arrangements. In April 2005, the SEC amended the compliance dates for SFAS 123(R), to allow companies to implement the standard at the beginning of their next fiscal year, instead of the next reporting period beginning after June 15, 2005.

Management is currently evaluating the transition method to be used and the impact SFAS 123(R) will have on our consolidated financial statements. Management intends to adopt SFAS 123(R) effective January 1, 2006, as permitted by the SEC, and is assessing the impact of SAB 107 on our implementation.

SOP 03-3

In December 2003, the American Institute of Certified Public Accountants issued Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer" ("SOP 03-3"). SOP 03-3 addresses the accounting for differences between contractual and expected cash flows for loans or debt securities acquired in a transfer if those differences are attributable, at least in part, to credit quality. The SOP prohibits the creation of an allowance for loan losses in the initial accounting for all loans within its scope. The SOP also limits the income that can be recognized and specifies the accounting for future changes in expected cash flows on the acquired loans or securities. SOP 03-3 is effective for loans or debt securities acquired in fiscal years beginning after December 15, 2004. The adoption did not have a material impact on our consolidated financial statements.

IFRS

EU and German regulations require the Group to adopt International Financial Reporting Standards (IFRS) for purposes of preparing consolidated financial statements filed with EU and German regulatory authorities beginning no later than fiscal year 2007 (with 2006 comparative amounts presented). Financial statements prepared according to IFRS are accepted in SEC filings provided a reconciliation to certain U.S. GAAP financial statement amounts is disclosed.

The adoption of IFRS will not result in any adjustment to U.S. GAAP amounts, however there are a number of differences between the two accounting regimes which will cause earnings and balance sheet amounts under IFRS and U.S. GAAP to differ, perhaps significantly. The special transition rules for this adoption require, with some exceptions, that the IFRS in effect at the reporting date be applied in the opening balance sheet. Because of this, future rule changes could have an impact on the opening IFRS balance sheet and thus the difference between U.S. GAAP and IFRS earnings or balance sheet amounts cannot be predicted at this time.

Segment Information

The Group's segment reporting follows the organizational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to the business segments.

In the first quarter 2005, the Group implemented structural changes associated with the Business Realignment Program. Most of the revisions related to organizational changes below the business segment level. Since January 1, 2005, the business support areas formerly reported as part of CIB, PCAM and CI were centralized into one infrastructure group (which also covers the Corporate Center functions). As a group-internal service provider, the infrastructure group acts on a non-profit basis and allocates its total noninterest expenses to the recipients of the services (i.e. the business segments) as part of their non-compensation expenses. Within the group divisions (CIB, PCAM, CI) employee numbers and compensation and benefits expenses declined due to this organizational change. This was, however, offset by a corresponding increase in non-compensation expenses, due to higher allocated costs from the infrastructure group. Total noninterest expenses of the group divisions, therefore, remained essentially unchanged compared to previous periods.

All prior periods have been restated to conform to the current year's presentation.

Effective January 3, 2005, the Group acquired asset manager Wilhelm von Finck AG as it continues to expand its Private Wealth Management franchise in Germany. Wilhelm von Finck AG covers large and complex sets of private and family assets in the areas of discretionary portfolio investment and wealth controlling.

Segmental Results of Operations

Three months ended Mar 31, 2005	Corporate and Investment Bank			Private Clients and Asset Management			Corporate Investments	Total Management Reporting
	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total		
in € m. (except percentages)								
Net revenues	4,052	485	4,537	891	1,154	2,045	112	6,694
Underlying revenues	4,052	485	4,537	880	1,154	2,034	(2)	6,570
Provision for loan losses	9	6	16	1	78	78	(0)	94
Provision ¹ for off-balance sheet positions	(1)	(11)	(11)	(0)	(1)	(1)	(0)	(12)
Total provision for credit losses	8	(4)	4	0	77	77	(0)	81
Operating cost base	2,587	336	2,924	719	832	1,550	42	4,516
Minority interest	10	–	10	(1)	0	(1)	1	10
Restructuring activities	107	15	122	34	11	45	0	168
Goodwill impairment/impairment of intangibles	–	–	–	–	–	–	–	–
Policyholder benefits and claims	–	–	–	11	–	11	–	11
Provision ¹ for off-balance sheet positions	(1)	(11)	(11)	(0)	(1)	(1)	(0)	(12)
Total noninterest expenses	2,704	341	3,045	762	842	1,604	43	4,692
Income before income taxes	1,339	138	1,477	129	234	363	69	1,908
Add (deduct):								
Net gains on securities available for sale/industrial holdings including hedging	–	–	–	–	–	–	(87)	(87)
Significant equity pick-ups/net gains from investments ²	–	–	–	–	–	–	(27)	(27)
Net (gains) losses from businesses sold/held for sale	–	–	–	–	–	–	–	–
Restructuring activities	107	15	122	34	11	45	0	168
Goodwill impairment/impairment of intangibles	–	–	–	–	–	–	–	–
Underlying pre-tax profit (loss)	1,446	153	1,599	163	245	408	(44)	1,962
Cost/income ratio in %	67	72	67	86	73	78	39	70
Underlying cost/income ratio in %	64	69	64	82	72	76	N/M	69
Assets ³	771,742	19,615	785,153	37,916	79,392	117,263	16,409	893,563
Risk-weighted positions (BIS risk positions)	135,774	11,628	147,402	12,415	55,450	67,864	10,099	225,366
Average active equity	11,469	1,317	12,786	4,835	1,713	6,548	3,328	22,663
Pre-tax return on average active equity in %	47	42	46	11	55	22	8	34
Underlying pre-tax return on average active equity in %	50	46	50	13	57	25	(5)	35

N/M – Not meaningful

¹ Provision for off-balance sheet positions is reclassified from "Noninterest expenses" to "Total provision for credit losses".

² Includes net gains/losses from significant equity method investments and other significant investments.

³ The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on the group division level. The same approach holds true for the sum of group divisions compared to Total Management Reporting.

Three months ended Mar 31, 2004	Corporate and Investment Bank			Private Clients and Asset Management			Corporate Investments	Total Management Reporting
	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total		
in € m. (except percentages)								
Net revenues	3,480	516	3,996	907	1,142	2,049	158	6,204
Underlying revenues	3,480	494	3,974	883	1,142	2,025	(3)	5,995
Provision for loan losses	57	(4)	53	(5)	69	64	6	123
Provision for off-balance sheet positions ¹	19	–	19	(1)	(1)	(1)	–	18
Total provision for credit losses	76	(4)	72	(5)	68	63	6	141
Operating cost base	2,362	396	2,758	732	819	1,551	99	4,408
Minority interest	1	–	1	1	–	1	(1)	2
Restructuring activities	–	–	–	–	–	–	–	–
Goodwill impairment/impairment of intangibles	–	–	–	–	–	–	–	–
Policyholder benefits and claims	–	–	–	25	–	25	–	25
Provision ¹ for off-balance sheet positions	19	–	19	(1)	(1)	(1)	–	18
Total noninterest expenses	2,382	396	2,778	757	819	1,576	98	4,452
Income before income taxes	1,041	124	1,165	155	255	409	54	1,628
Add (deduct):								
Net gains on securities available for sale/industrial holdings including hedging	–	–	–	–	–	–	(50)	(50)
Significant equity pick-ups/net gains from investments ²	–	–	–	–	–	–	(89)	(89)
Net gains from businesses sold/held for sale	–	(23)	(23)	–	–	–	(22)	(45)
Restructuring activities	–	–	–	–	–	–	–	–
Goodwill impairment/impairment of intangibles	–	–	–	–	–	–	–	–
Underlying pre-tax profit (loss)	1,041	101	1,142	155	255	409	(107)	1,444
Cost/income ratio in %	68	77	69	84	72	77	62	71
Underlying cost/income ratio in %	68	80	69	83	72	77	N/M	74
Assets (as of Dec 31, 2004) ³	720,596	16,589	729,872	34,945	78,930	113,818	16,442	832,933
Risk-weighted positions (BIS risk positions)	129,716	11,848	141,564	11,909	51,958	63,867	12,031	217,462
Average active equity	11,561	1,260	12,822	4,990	1,573	6,562	3,956	23,339
Pre-tax return on average active equity in %	36	39	36	12	65	25	5	28
Underlying pre-tax return on average active equity in %	36	32	36	12	65	25	(11)	25

N/M – Not meaningful

¹ Provision for off-balance sheet positions is reclassified from “Noninterest expenses” to “Total provision for credit losses”.

² Includes net gains/losses from significant equity method investments and other significant investments.

³ The sum of corporate divisions does not necessarily equal the total of the corresponding group division because of consolidation items between corporate divisions, which are to be eliminated on the group division level. The same approach holds true for the sum of group divisions compared to Total Management Reporting.

The following tables present the revenue components of the Corporate and Investment Bank Group Division and the Private Clients and Asset Management Group Division for the first quarter of 2005 and 2004:

Revenue components of the Corporate and Investment Bank Group Division

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Origination (equity)	128	130
Origination (debt)	268	229
Total Origination	396	359
Sales & Trading (equity)	823	792
Sales & Trading (debt and other products)	2,380	1,894
Total Sales & Trading	3,202	2,686
Advisory	114	95
Loan products	382	384
Transaction services	485	494
Other	(42)	(21)
Total	4,537	3,996

Revenue components of the Private Clients and Asset Management Group Division

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Portfolio/fund management	623	613
Brokerage	464	454
Loan/deposit	586	590
Payments, account & remaining financial services	212	199
Other	160	193
Total	2,045	2,049

Reconciliation of Segmental Results of Operations to Consolidated Results of Operations According to U.S. GAAP

in € m.	Three months ended					
	Mar 31, 2005			Mar 31, 2004		
	Total Management Reporting	Consolidation & Adjustments	Total Consolidated	Total Management Reporting	Consolidation & Adjustments	Total Consolidated
Net revenues	6,694	(110)	6,583	6,204	(49)	6,154
Provision for loan losses	94	–	94	123	–	123
Noninterest expenses	4,692	15	4,706	4,452	18	4,470
Income (loss) before income taxes¹	1,908	(125)	1,783	1,628	(67)	1,561
Total assets	893,563	7,308	900,871	832,933 ²	7,135 ²	840,068 ²
Risk-weighted positions (BIS risk positions)	225,366	1,439	226,804	217,462	1,589	219,050
Average active equity	22,663	957	23,620	23,339	2,252	25,591

¹ Income (loss) before income tax expense and cumulative effect of accounting changes.

² As of December 31, 2004.

Consolidation & Adjustments includes adjustments for differences in accounting methods used for management reporting versus U.S. GAAP and adjustments related to activities that are not the responsibility of the business segments.

In Consolidation & Adjustments, loss before income taxes was € 125 million versus € 67 million in the first quarter 2004. The increase is mainly due to higher charges related to the effects of asymmetrical accounting for non-trading derivatives used for hedging purposes. These hedges, although economically effective, do not qualify for hedge accounting under SFAS 133.

Information on the Income Statement

Net Interest and Trading Revenues

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Net interest revenues	1,443	1,394
Trading revenues, net	2,411	2,035
Total net interest and trading revenues	3,854	3,429
Breakdown by Group Division/CIB product:		
Sales & Trading (equity)	588	522
Sales & Trading (debt and other products)	2,217	1,653
Total Sales & Trading	2,805	2,175
Loan products ¹	226	227
Transaction services	221	208
Remaining products ²	1	19
Total Corporate and Investment Bank	3,253	2,628
Private Clients and Asset Management	694	876
Corporate Investments	(39)	(40)
Consolidation & Adjustments	(53)	(35)
Total net interest and trading revenues	3,854	3,429

¹ Includes the net interest spread on loans as well as the results of credit default swaps used to hedge our loan exposure.

² Includes net interest and trading revenues of origination, advisory and other products.

Pensions and Other Postretirement Benefits

in € m.	Pension benefits		Postretirement benefits	
	Three months ended		Three months ended	
	Mar 31, 2005	Mar 31, 2004	Mar 31, 2005	Mar 31, 2004
Service cost	65	63	1	2
Interest cost	96	97	2	3
Expected return on plan assets	(97)	(97)	–	–
Actuarial loss recognized	11	17	–	–
Settlement/curtailment	2	–	–	–
Amortization of unrecognized transition obligation (asset) in accordance with SFAS 87	–	3	–	–
Total defined benefit plans	77	83	3	5
Defined contribution plans	48	41	–	–
Net periodic benefit expense	125	124	3	5

In addition to the contributions expected for 2005 as disclosed in the Financial Report 2004 on page 95 and in the 2004 SEC Form 20-F on page F-54, special contributions of approximately € 5 million and approximately € 1 million were made in Germany and in the United Kingdom, respectively, in the first quarter 2005.

As a result, the Group expects to fund its pension schemes in 2005 for a total of approximately € 256 million.

A SFAS No. 88 charge of approximately € 2 million as a consequence of restructuring occurred in the United States during the first quarter 2005.

SFAS 123 Pro forma Information

in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Net income, as reported	1,103	941
Add: Share-based compensation expense included in reported net income, net of related tax effects ¹	149	125
Deduct: Share-based compensation expense determined under fair value method for all awards, net of related tax effects ¹	(147)	(127)
Pro forma net income	1,105	939
Earnings per share		
Basic – as reported	€ 2.36	€ 1.81
Basic – pro forma	€ 2.36	€ 1.81
Diluted – as reported ²	€ 2.09	€ 1.67
Diluted – pro forma ²	€ 2.09	€ 1.67

¹ Amounts for the three months ended March 31, 2005 and 2004 do not reflect any share-based awards related to the 2005 and 2004 performance year, respectively. The majority of our share-based awards are granted on a date shortly after the end of the performance year.

² Including numerator effect of assumed conversions. The effect for the three months ended March 31, 2005 was € (0.08).

Information on the Balance Sheet

Securities Available for Sale

in € m.	Mar 31, 2005				Dec 31, 2004			
	Fair Value	Gross unrealized holding		Amortized cost	Fair Value	Gross unrealized holding		Amortized cost
		gains	losses			gains	losses	
Debt securities	17,432	209	(93)	17,316	13,696	286	(127)	13,537
Equity securities	6,681	1,642	(9)	5,048	6,639	1,631	(7)	5,015
Total	24,113	1,851	(102)	22,364	20,335	1,917	(134)	18,552

Problem Loans

in € m.	Mar 31, 2005			Dec 31, 2004		
	Impaired loans	Non-performing homogeneous loans	Total	Impaired loans	Non-performing homogeneous loans	Total
Nonaccrual loans	3,386	1,135	4,522	3,401	1,098	4,499
Loans 90 days or more past due and still accruing	15	215	229	26	221	247
Troubled debt restructurings	92	–	92	89	–	89
Total problem loans	3,493	1,350	4,843	3,516	1,319	4,835

Allowances for Credit Losses

Allowance for on-balance sheet positions in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Balance, beginning of year	2,345	3,281
Provision for loan losses	94	123
Net charge-offs	(136)	(396)
Charge-offs	(172)	(429)
Recoveries	36	33
Allowance related to acquisitions/divestitures	–	–
Foreign currency translation	20	22
Balance, end of period	2,323	3,030

Allowance for off-balance sheet positions in € m.	Three months ended	
	Mar 31, 2005	Mar 31, 2004
Balance, beginning of year	345	416
Provision for credit losses on lending-related commitments	(12)	18
Allowance related to acquisitions/divestitures	–	–
Foreign currency translation	4	3
Balance, end of period	336	437

Other Assets and Other Liabilities

The largest individual component of other assets at March 31, 2005 and December 31, 2004 was pending securities transactions past settlement date of € 10,166 million and € 8,984 million, respectively. Other assets also included loans held for sale, which were € 8,567 million and € 8,194 million at March 31, 2005 and December 31, 2004, respectively. These loans held for sale were acquired in the course of our securitization activities or originated in our loan business. Among other items included in other assets were other assets related to insurance business of € 6,382 million and € 6,733 million at March 31, 2005 and December 31, 2004, respectively, accrued interest receivable of € 4,208 million and € 3,854 million at March 31, 2005 and December 31, 2004, respectively, and due from customers on acceptances of € 107 million and € 74 million at March 31, 2005 and December 31, 2004, respectively.

Pending securities transactions past settlement date of € 9,357 million and € 9,562 million at March 31, 2005 and December 31, 2004, respectively, were also the largest individual component of other liabilities. Among other items also included in other liabilities were insurance policy claims and reserves of € 6,885 million and € 7,935 million at March 31, 2005 and December 31, 2004, respectively, accrued interest payable of € 4,693 million and € 4,223 million at March 31, 2005 and December 31, 2004, respectively, and acceptances outstanding of € 107 million and € 74 million at March 31, 2005 and December 31, 2004, respectively.

Long-term Debt

in € m.	Mar 31, 2005	Dec 31, 2004
Senior debt		
Bonds and notes		
Fixed rate	56,196	53,834
Floating rate	43,649	39,463
Subordinated debt		
Bonds and notes		
Fixed rate	10,499	9,505
Floating rate	4,833	4,068
Total	115,177	106,870

Liability for Restructuring Activities

in € m.	BRP restructuring liability established in		Total
	4 th quarter 2004	1 st quarter 2005	
As of Dec 31, 2004	230	–	230
Additions	–	168	168
Utilization	142	84	226
Releases	–	–	–
Increases due to exchange rate fluctuations	6	–	6
As of Mar 31, 2005	94	84	178

Other Financial Information

Variable Interest Entities (VIEs)

The following table includes information on consolidated and significant non-consolidated VIEs under FIN 46(R).

Mar 31, 2005 in € m.	Consolidated VIEs		Significant VIEs
	Aggregated total assets	Aggregated total assets	Maximum exposure to loss
Commercial paper programs	1,289	18,116	21,469
Guaranteed value mutual funds	595	7,436	7,436
Asset securitization	11,356	–	–
Structured finance and other	14,375	2,419	484
Commercial real estate leasing vehicles and closed-end funds	1,011	1,333	88

Substantially all of the consolidated assets of the variable interest entities act as collateral for related consolidated liabilities. The holders of these liabilities have no recourse to the Group, except to the extent the Group guarantees the value of the mutual fund units that investors purchase. The maximum exposure to loss related to the significant non-consolidated guaranteed value mutual funds results from the above mentioned guarantees. The Group's maximum exposure to loss from the commercial paper programs that it has a significant interest in is equivalent to the contract amount of its liquidity facilities. The liquidity facilities create only limited credit exposure since the Group is not required to provide funding if the assets of the vehicle are in default.

Financial Instruments with Off-Balance Sheet Credit Risk

in € m.	Mar 31, 2005	Dec 31, 2004
Commitments to extend credit		
Fixed rates ¹	27,683	27,897
Variable rates ²	84,303	77,268
Financial guarantees, standby letters of credit and performance guarantees	26,944	26,870
Total	138,930	132,035

¹ Includes commitments to extend commercial letters of credit and guarantees of € 2.3 billion and € 2.4 billion at March 31, 2005 and December 31, 2004, respectively.

² Includes commitments to extend commercial letters of credit and guarantees of € 1.0 billion and € 902 million at March 31, 2005 and December 31, 2004, respectively.

In addition, the Group had loan commitments of € 19.0 billion and € 19.2 billion at March 31, 2005 and December 31, 2004, respectively, that were revocable at any time.

Value-at-risk of Trading Units^{1, 2}

in € m.	Total		Interest rate risk		Equity price risk		Foreign exchange risk		Commodity price risk	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Average ³	66.9	71.6	49.2	61.7	38.9	30.8	9.1	10.6	5.9	7.0
Maximum ³	79.2	97.9	60.2	91.1	43.1	45.1	18.2	25.9	8.4	10.8
Minimum ³	57.8	54.5	41.9	39.7	30.5	19.9	5.5	2.9	3.5	3.8
Period-end ⁴	64.0	66.3	53.1	41.1	31.7	42.6	8.6	17.2	5.6	5.1

¹ All figures for 1-day holding period; 99% confidence level.

² Value-at-risk is not additive due to correlation effects.

³ Amounts show the bands within which the values fluctuated during the period January 1 to March 31, 2005 and the year 2004, respectively.

⁴ Figures for 2004 as of December 31, 2004; figures for 2005 as of March 31, 2005.

Capital According to BIS

in € m.	Mar 31, 2005	Dec 31, 2004
Tier I		
Common shares	1,404	1,392
Additional paid-in capital	11,314	11,147
Retained earnings, common shares in treasury, equity classified as obligation to purchase common shares, share awards, foreign currency translation	15,031	14,277
Minority interests	772	548
Noncumulative trust preferred securities	3,479	2,520
Other (equity contributed on silent partnership interests)	551	525
Items deducted (principally goodwill and tax effect of available for sale securities)	(11,765)	(11,682)
Total core capital	20,786	18,727
Tier II		
Unrealized gains on listed securities (45% eligible)	775	788
Other inherent loss allowance	443	453
Cumulative preferred securities	800	762
Subordinated liabilities, if eligible according to BIS	8,704	7,882
Total supplementary capital	10,722	9,885
Total regulatory capital¹	31,508	28,612

¹ Currently we do not have Tier III capital components.

BIS Risk Position and Capital Adequacy Ratios

in € m., unless stated otherwise	Mar 31, 2005	Dec 31, 2004
BIS risk position ¹	226,804	216,787
BIS capital ratio (Tier I + II + III) ²	13.9%	13.2%
BIS core capital ratio (Tier I)	9.2%	8.6%

¹ Primarily comprised of credit risk weighted assets. Also includes market-risk equivalent assets of € 10.6 billion and € 10.1 billion at March 31, 2005 and December 31, 2004, respectively.

² Currently we do not have Tier III capital components.

Other Information

Litigation

WorldCom Litigation. Deutsche Bank AG and Deutsche Bank Securities Inc., the Group's U.S. broker-dealer subsidiary ("DBSI"), are defendants in more than 40 actions filed in federal and state courts arising out of alleged material misstatements and omissions in the financial statements of WorldCom Inc. DBSI was a member of the syndicate that underwrote WorldCom's May 2000 and May 2001 bond offerings, which are among the bond offerings at issue in the actions. Deutsche Bank AG, London branch was a member of the syndicate that underwrote the sterling and Euro tranches of the May 2001 bond offering. Plaintiffs are alleged purchasers of these and other WorldCom debt securities. The defendants in the various actions include certain WorldCom directors and officers, WorldCom's auditor and members of the underwriting syndicates for the debt offerings. Plaintiffs allege that the offering documents contained material misstatements and/or omissions regarding WorldCom's financial condition. The claims against DBSI and Deutsche Bank AG are made under federal and state statutes (including securities laws), and under various common law doctrines. The largest of the actions against Deutsche Bank AG and DBSI is a class action litigation in the U.S. District Court in the Southern District of New York, in which the class plaintiffs are the holders of a significant majority of the bonds at issue. On March 10, 2005, Deutsche Bank AG and DBSI reached a settlement agreement, subject to court approval, resolving the class action claims asserted against them, for a payment of approximately U.S.\$ 325 million. The settlement of the class action claims does not resolve the individual actions brought by investors who chose to opt out of the federal class action. The financial effects of the class action settlement are reflected in our 2004 consolidated financial statements.

Philipp Holzmann AG. Philipp Holzmann AG ("Holzmann") is a major German construction firm which filed for insolvency in March 2002. The Group had been a major creditor bank and holder of an equity interest of Holzmann for many decades, and, from April 1997 until April 2000, a former member of Deutsche Bank AG's Board of Managing Directors was the Chairman of its Supervisory Board. When Holzmann had become insolvent at the end of 1999, a consortium of banks led by Deutsche Bank participated in late 1999 and early 2000 in a restructuring of Holzmann that included the banks' extension of a credit facility, participation in a capital increase and exchange of debt into convertible bonds. In March 2002, Holzmann and several of its subsidiaries, including in particular imbau Industrielles Bauen GmbH ("imbau"), filed for insolvency. As a result of this insolvency, the administrators for Holzmann and for imbau and a group of bondholders have informed the Group they may assert claims against the Group because of its role as lender to the Holzmann group prior to and after the restructuring and as leader of the consortium of banks which supported the restructuring. The purported claims include claims that amounts repaid to the banks constituted voidable preferences that should be returned to the insolvent entities and claims of lender liability resulting from the banks' support for an allegedly infeasible restructuring. Although the Group is in ongoing discussions, the Group cannot exclude that some of the parties may file lawsuits against it. To date, the administrator for imbau filed a lawsuit against the Group in August 2004 alleging that payments received by the Group in respect of a loan made to imbau in 1997 and 1998 and in connection with a real estate transaction that was part of the restructuring constituted voidable preferences that should be returned to the insolvent entity. Additionally, Gebema N.V. filed a lawsuit in 2000 seeking damages against the Group alleging deficiencies in the offering documents based on which Gebema N.V. had invested in equity and convertible bonds of Holzmann in 1998.

Due to the nature of its business, the Group is involved in litigation, arbitration and regulatory proceedings in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of business. Such matters are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Although the final resolution of any such matters could have a material effect on the Group's consolidated operating results for a particular reporting period, the Group believes that it should not materially affect its consolidated financial position.

RoE Target Definition

During the implementation of our “transformation strategy” started in 2002, the Group disclosed its financial results on a U.S. GAAP basis and additionally on an underlying basis. After the completion of our transformation strategy, our underlying results and our reported U.S. GAAP results have substantially converged.

In light of this convergence, our 2005 pre-tax RoE target of 25% was defined as pre-tax income on a reported U.S. GAAP basis before restructuring charges divided by average active equity.

Below is a table which reconciles our pre-tax U.S. GAAP results to the adjusted results used for target tracking purposes.

in € m., unless stated otherwise	Three months ended Mar 31, 2005
Reported income before income taxes¹	1,783
Add:	
Restructuring activities (Business Realignment Program-related)	168
Income before income taxes (target definition)	1,951
Average active equity	23,620
Pre-tax return on average active equity (target definition)	33.0%

¹ Income before income tax expense and cumulative effect of accounting changes.

We continue to disclose the Group’s underlying results to permit the reader to compare current results to those previously disclosed on an underlying basis. In addition, we continue to report the results of our business segments on an underlying basis because that is the measure used internally by management to monitor the financial performance of those segments.

Reconciliation of Reported to Underlying Results

This document contains non-U.S. GAAP financial measures, including underlying revenues, total provision for credit losses, operating cost base, underlying pre-tax profit, average active equity and related ratios. Set forth below are

- definitions of such non-U.S. GAAP financial measures,
- reconciliation of such measures to the most directly comparable U.S. GAAP financial measures.

Definitions of Financial Measures

We use the following terms with the following meanings:

- *Underlying revenues*: Net revenues less specific revenue items as referred to in the respective tables net of policyholder benefits and claims (reclassified from noninterest expenses).
- *Total provision for credit losses*: Provision for loan losses plus provision for off-balance sheet positions (reclassified from noninterest expenses).
- *Operating cost base*: Noninterest expenses less provision for off-balance sheet positions (reclassified to provision for credit losses), policyholder benefits and claims (reclassified to underlying revenues), minority interest, restructuring activities and goodwill impairment/impairment of intangibles.
- *Underlying pre-tax profit*: Income before income taxes less restructuring activities, goodwill impairment/impairment of intangibles and specific revenue items as referred to in the respective tables.
- *Underlying cost/income ratio in %*: Operating cost base as a percentage of underlying revenues. *Cost/income ratio in %*, which is defined as total noninterest expenses as a percentage of total net revenues, is also provided.

- *Average active equity*: The portion of adjusted average total shareholders' equity that has been allocated to a segment pursuant to the Group's capital allocation framework. The overriding objective of this framework is to allocate adjusted average total shareholders' equity based on the respective goodwill and other intangible assets with indefinite lifetimes as well as the economic capital of each segment. In determining the total amount of average active equity to be allocated, average total shareholders' equity is adjusted to exclude average unrealized net gains on securities available for sale, net of applicable tax and other, and average dividends.
- *Adjusted return on average active equity (after tax) in %*: Net income (loss) less the reversal of 1999/2000 credits for tax rate changes and the cumulative effect of accounting changes, net of tax, (annualized) as a percentage of average active equity. *Underlying pre-tax return on average active equity in %*: Underlying pre-tax profit (annualized) as a percentage of average active equity. *Pre-tax return on average active equity in %*, which is defined as income before income taxes (annualized) as a percentage of average active equity, is also provided. These returns, which are based on average active equity, should not be compared to those of other companies without considering the differences in the calculation of such ratios. Our capital allocation framework does not allocate all average active equity to the segments. As a result, the weighted average of the segment pre-tax return on average active equity will be larger than the corresponding pre-tax return on average active equity of the Group.
- *Underlying equity turnover (based on average active equity) in %*: Underlying revenues (annualized) as a percentage of average active equity. *Equity turnover (based on average active equity) in %*: Net revenues (annualized) as a percentage of average active equity. *Equity turnover (based on average shareholders' equity) in %*: Net revenues (annualized) as a percentage of average shareholders' equity.
- *Underlying profit margin in %*: Underlying pre-tax profit as a percentage of underlying revenues. *Profit margin in %*: Income before income taxes as a percentage of net revenue.

Management uses these measures as part of its internal reporting system because it believes that such measures provide it with a more useful indication of the financial performance of the business segments. The Group discloses such measures to provide investors and analysts with further insight into how management operates our businesses and to enable them to better understand our results. The rationale for excluding certain items in deriving the measures above are provided in our SEC-Form 20-F of March 24, 2005 on pages F-62 and F-63 and in our Financial Report 2004 on pages 103 to 105.

Reconciliation of Reported to Underlying Results

Set forth below are the reconciliations of non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures.

in € m.	Three months ended		Change in %
	Mar 31, 2005	Mar 31, 2004	
Reported net revenues¹	6,583	6,154	7
Add (deduct):			
Net gains on securities available for sale/ industrial holdings including hedging	(87)	(50)	73
Significant equity pick-ups/net gains from investments ²	(27)	(89)	(70)
Net gains from businesses sold/ held for sale	–	(45)	N/M
Policyholder benefits and claims ³	(15)	(50)	(71)
Underlying revenues	6,456	5,921	9
Reported provision for loan losses	94	123	(24)
Provision for off-balance sheet positions ⁴	(12)	18	N/M
Total provision for credit losses	81	141	(42)
Reported noninterest expenses	4,706	4,470	5
Add (deduct):			
Restructuring activities	(168)	–	N/M
Goodwill impairment/impairment of intangibles	–	–	N/M
Minority interest	(11)	(2)	N/M
Policyholder benefits and claims ³	(15)	(50)	(71)
Provision for off-balance sheet positions ⁴	12	(18)	N/M
Operating cost base	4,526	4,400	3
Reported income before income taxes⁵	1,783	1,561	14
Add (deduct):			
Net gains on securities available for sale/ industrial holdings including hedging	(87)	(50)	73
Significant equity pick ups/net gains from investments ²	(27)	(89)	(70)
Net gains from businesses sold/ held for sale	–	(45)	N/M
Restructuring activities	168	–	N/M
Goodwill impairment/impairment of intangibles	–	–	N/M
Underlying pre-tax profit	1,837	1,377	33

N/M – Not meaningful

¹ Net interest revenues before provision for loan losses and total noninterest revenues.

² Includes net gains/losses from significant equity method investments and other significant investments.

³ Policyholder benefits and claims are reclassified from "Noninterest expenses" to "Underlying revenues".

⁴ Provision for off-balance sheet positions is reclassified from "Noninterest expenses" to "Total provision for credit losses".

⁵ Income before income tax expense and cumulative effect of accounting changes.

Reconciliation of Group Reported and Underlying Ratios

in € m.	Three months ended		Change
	Mar 31, 2005	Mar 31, 2004	
Reconciliation of cost ratios			
Reported noninterest expenses	4,706	4,470	5%
Deduct:			
Compensation and benefits	2,998	2,816	6%
Non-compensation noninterest expenses	1,708	1,654	3%
Add (deduct):			
Restructuring activities	(168)	–	N/M
Goodwill impairment/impairment of intangibles	–	–	N/M
Minority interest	(11)	(2)	N/M
Policyholder benefits and claims	(15)	(50)	(71)%
Provision for off-balance sheet positions	12	(18)	N/M
Non-compensation operating cost base	1,528	1,585	(4)%
Cost/income ratio	71.5%	72.6%	(1.1) ppt
Underlying cost/income ratio	70.1%	74.3%	(4.2) ppt
Compensation ratio	45.5%	45.8%	(0.3) ppt
Underlying compensation ratio	46.4%	47.6%	(1.2) ppt
Non-compensation ratio	25.9%	26.9%	(1.0) ppt
Underlying non-compensation ratio	23.7%	26.8%	(3.1) ppt
Reconciliation of profitability ratios			
Net income	1,103	941	17%
Add (deduct):			
Reversal of 1999/2000 credits for tax rate changes	31	23	35%
Cumulative effect of accounting changes, net of tax	–	–	N/M
Adjusted net income	1,134	964	18%
Average shareholders' equity	26,400	28,422	(7)%
Add (deduct):			
Average unrealized gains on securities available for sale, net of tax and average deferred taxes relating to 1999 and 2000 tax rate changes in Germany	(1,739)	(1,885)	(8)%
Average dividends	(1,041)	(946)	10%
Average active equity	23,620	25,591	(8)%
Return on average shareholders' equity (after tax)	16.7%	13.2%	3.5 ppt
Adjusted return on average active equity (after tax)	19.2%	15.1%	4.1 ppt
Pre-tax return on average shareholders' equity	27.0%	22.0%	5.0 ppt
Pre-tax return average active equity	30.2%	24.4%	5.8 ppt
Underlying pre-tax return on average active equity	31.1%	21.5%	9.6 ppt
Equity turnover (based on average shareholders' equity)	99.7%	86.6%	13.1 ppt
Equity turnover (based on average active equity)	111.5%	96.2%	15.3 ppt
Underlying equity turnover (based on average active equity)	109.3%	92.5%	16.8 ppt
Profit margin	27.1%	25.4%	1.7 ppt
Underlying profit margin	28.5%	23.3%	5.2 ppt

ppt – percentage points N/M – Not meaningful

Impressum/Publications

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Cautionary statement regarding forward-looking statements

This report contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this presentation that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. 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 Business Realignment Program, 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 24 March 2005 in the section "Risk Factors". Copies of this document are available upon request or can be downloaded from www.deutsche-bank.com/ir.

Financial Calendar for 2005/2006

May 18, 2005	General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)
May 19, 2005	Dividend payment
July 29, 2005	Interim Report as of June 30, 2005
October 28, 2005	Interim Report as of September 30, 2005
February 2, 2006	Publications of figures for the 2005 financial year
May 3, 2006	Interim Report as of March 31, 2006
June 1, 2006	General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)
June 2, 2006	Dividend payment
August 1, 2006	Interim Report as of June 30, 2006
November 1, 2006	Interim Report as of September 30, 2006