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Consolidated Financial Statements

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Consolidated Statement of Income

in € m.	Notes	2011	2010	2009
Interest and similar income	6	34,878	28,779	26,953
Interest expense	6	17,433	13,196	14,494
Net interest income	6	17,445	15,583	12,459
Provision for credit losses	19	1,839	1,274	2,630
Net interest income after provision for credit losses		15,606	14,309	9,829
Commissions and fee income	7	11,544	10,669	8,911
Net gains on financial assets/liabilities at fair value through profit or loss	6	3,058	3,354	7,109
Net gains (losses) on financial assets available for sale	8	123	201	(403)
Net income (loss) from equity method investments	17	(264)	(2,004)	59
Other income (loss)	9	1,322	764	(183)
Total noninterest income		15,783	12,984	15,493
Compensation and benefits	33, 34	13,135	12,671	11,310
General and administrative expenses	10	12,657	10,133	8,402
Policyholder benefits and claims		207	485	542
Impairment of intangible assets	24	–	29	(134)
Restructuring activities		–	–	–
Total noninterest expenses		25,999	23,318	20,120
Income before income taxes		5,390	3,975	5,202
Income tax expense	35	1,064	1,645	244
Net income		4,326	2,330	4,958
Net income (loss) attributable to noncontrolling interests		194	20	(15)
Net income attributable to Deutsche Bank shareholders		4,132	2,310	4,973

Earnings per Common Share

in €	Notes	2011	2010	2009
Earnings per common share:¹	11			
Basic		€ 4.45	€ 3.07	€ 7.21
Diluted ²		€ 4.30	€ 2.92	€ 6.94
Number of shares in million:¹				
Denominator for basic earnings per share – weighted-average shares outstanding		928.0	753.3	689.4
Denominator for diluted earnings per share – adjusted weighted-average shares after assumed conversions		957.3	790.8	716.7

¹ The number of average basic and diluted shares outstanding has been adjusted for all periods before October 6, 2010 to reflect the effect of the bonus element of the subscription rights issue in connection with the capital increase.

² Includes numerator effect of assumed conversions. For further detail please see Note 11 "Earnings per Common Share".

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

in € m.	2011	2010	2009
Net income recognized in the income statement	4,326	2,330	4,958
Other comprehensive income			
Actuarial gains (losses) related to defined benefit plans, before tax¹	707	135	(792)
Unrealized net gains (losses) on financial assets available for sale: ²			
Unrealized net gains (losses) arising during the period, before tax	(697)	83	523
Net (gains) losses reclassified to profit or loss, before tax	(11)	39	556
Unrealized net gains (losses) on derivatives hedging variability of cash flows: ²			
Unrealized net gains (losses) arising during the period, before tax	(141)	(78)	118
Net (gains) losses reclassified to profit or loss, before tax	3	4	6
Unrealized net gains (losses) on assets classified as held for sale, before tax ³	25	(25)	-
Foreign currency translation: ²			
Unrealized net gains (losses) arising during the period, before tax	1,291	920	40
Net (gains) losses reclassified to profit or loss, before tax	-	(6)	11
Unrealized net gains (losses) from equity method investments	(5)	(26)	85
Tax on net gains (losses) in other comprehensive income	75	211	(141)
Other comprehensive income, net of tax	1,247	1,257	406
Total comprehensive income, net of tax	5,573	3,587	5,364
Attributable to:			
Noncontrolling interests	155	4	(1)
Deutsche Bank shareholders	5,418	3,583	5,365

¹ In the Consolidated Statement of Comprehensive Income, actuarial gains (losses) related to defined benefit plans, before tax are disclosed within other comprehensive income (loss) starting 2011. The corresponding deferred taxes are included in the position tax on net gains (losses) in other comprehensive income. The prior periods were adjusted accordingly. In the Consolidated Balance Sheet, actuarial gains (losses) related to defined benefit plans, net of tax, are recognized in retained earnings.

² Excluding unrealized net gains (losses) from equity method investments.

³ Please refer to Note 25 "Non-Current Assets and Disposal Groups Held for Sale" for additional information.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Balance Sheet

in € m.	Notes	Dec 31, 2011	Dec 31, 2010
Assets:			
Cash and due from banks		15,928	17,157
Interest-earning deposits with banks		162,000	92,377
Central bank funds sold and securities purchased under resale agreements	20, 21	25,773	20,365
Securities borrowed	20, 21	31,337	28,916
Financial assets at fair value through profit or loss			
Trading assets		240,924	271,291
Positive market values from derivative financial instruments		859,582	657,780
Financial assets designated at fair value through profit or loss		180,293	171,926
Total financial assets at fair value through profit or loss of which € 87 billion and € 91 billion were pledged to creditors and can be sold or repledged at December 31, 2011, and 2010, respectively	12, 14, 21, 36	1,280,799	1,100,997
Financial assets available for sale of which € 9 billion and € 4 billion were pledged to creditors and can be sold or repledged at December 31, 2011, and 2010, respectively	16, 20, 21	45,281	54,266
Equity method investments	17	3,759	2,608
Loans of which € 3 billion were pledged to creditors and can be sold or repledged each year ending December 31, 2011 and 2010	18, 19	412,514	407,729
Property and equipment	22	5,509	5,802
Goodwill and other intangible assets	24	15,802	15,594
Other assets	25, 26	154,794	149,229
Assets for current tax	35	1,870	2,249
Deferred tax assets	35	8,737	8,341
Total assets		2,164,103	1,905,630
Liabilities and equity:			
Deposits	27	601,730	533,984
Central bank funds purchased and securities sold under repurchase agreements	20, 21	35,311	27,922
Securities loaned	20, 21	8,089	3,276
Financial liabilities at fair value through profit or loss	12, 14, 36		
Trading liabilities		63,886	68,859
Negative market values from derivative financial instruments ¹		838,817	647,195
Financial liabilities designated at fair value through profit or loss		118,318	130,154
Investment contract liabilities		7,426	7,898
Total financial liabilities at fair value through profit or loss		1,028,447	854,106
Other short-term borrowings	30	65,356	64,990
Other liabilities	25, 26	187,816	181,827
Provisions	19, 28	2,621	2,204
Liabilities for current tax	35	2,524	2,736
Deferred tax liabilities	35	1,789	2,307
Long-term debt	31	163,416	169,660
Trust preferred securities	31	12,344	12,250
Total liabilities		2,109,443	1,855,262
Common shares, no par value, nominal value of € 2.56	32	2,380	2,380
Additional paid-in capital		23,695	23,515
Retained earnings ¹		30,119	25,975
Common shares in treasury, at cost	32	(823)	(450)
Accumulated other comprehensive income, net of tax		(1,981)	(2,601)
Total shareholders' equity		53,390	48,819
Noncontrolling interests		1,270	1,549
Total equity		54,660	50,368
Total liabilities and equity		2,164,103	1,905,630

¹ The initial acquisition accounting for ABN AMRO, which was finalized at March 31, 2011, resulted in a retrospective adjustment of retained earnings of € (24) million for December 31, 2010.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

in € m.	Common shares (no par value)	Additional paid-in capital	Retained earnings ¹	Common shares in treasury, at cost	Equity classified as obligation to purchase common shares
Balance as of December 31, 2008	1,461	14,961	20,074	(939)	(3)
Total comprehensive income, net of tax ²	-	-	4,973	-	-
Common shares issued	128	830	-	-	-
Cash dividends paid	-	-	(309)	-	-
Actuarial gains (losses) related to defined benefit plans, net of tax	-	-	(679)	-	-
Net change in share awards in the reporting period	-	(688)	-	-	-
Treasury shares distributed under share-based compensation plans	-	-	-	1,313	-
Tax benefits related to share-based compensation plans	-	35	-	-	-
Additions to Equity classified as obligation to purchase common shares	-	-	-	-	(5)
Deductions from Equity classified as obligation to purchase common shares	-	-	-	-	8
Option premiums and other effects from options on common shares	-	(149)	-	-	-
Purchases of treasury shares	-	-	-	(19,238)	-
Sale of treasury shares	-	-	-	18,816	-
Net gains (losses) on treasury shares sold	-	(177)	-	-	-
Other	-	18	(3)	-	-
Balance as of December 31, 2009	1,589	14,830	24,056	(48)	-
Total comprehensive income, net of tax ²	-	-	2,286	-	-
Common shares issued	791	9,413	-	-	-
Cash dividends paid	-	-	(465)	-	-
Actuarial gains (losses) related to defined benefit plans, net of tax	-	-	94	-	-
Net change in share awards in the reporting period	-	(296)	-	-	-
Treasury shares distributed under share-based compensation plans	-	-	-	1,439	-
Tax benefits related to share-based compensation plans	-	(11)	-	-	-
Additions to Equity classified as obligation to purchase common shares	-	-	-	-	(93)
Deductions from Equity classified as obligation to purchase common shares	-	-	-	-	93
Option premiums and other effects from options on common shares	-	(115)	-	-	-
Purchases of treasury shares	-	-	-	(15,366)	-
Sale of treasury shares	-	-	-	13,525	-
Net gains (losses) on treasury shares sold	-	-	-	-	-
Other	-	(306)	4	-	-
Balance as of December 31, 2010	2,380	23,515	25,975	(450)	-
Total comprehensive income, net of tax ²	-	-	4,132	-	-
Common shares issued	-	-	-	-	-
Cash dividends paid	-	-	(691)	-	-
Actuarial gains (losses) related to defined benefit plans, net of tax	-	-	666	-	-
Net change in share awards in the reporting period	-	153	-	-	-
Treasury shares distributed under share-based compensation plans	-	-	-	1,108	-
Tax benefits related to share-based compensation plans	-	(76)	-	-	-
Additions to Equity classified as obligation to purchase common shares	-	-	-	-	-
Deductions from Equity classified as obligation to purchase common shares	-	-	-	-	-
Option premiums and other effects from options on common shares	-	(131)	-	-	-
Purchases of treasury shares	-	-	-	(13,781)	-
Sale of treasury shares	-	-	-	12,300	-
Net gains (losses) on treasury shares sold	-	(32)	-	-	-
Other	-	266	37	-	-
Balance as of December 31, 2011	2,380	23,695	30,119	(823)	-

¹ The initial acquisition accounting for ABN AMRO, which was finalized at March 31, 2011, resulted in a retrospective adjustment of retained earnings of € (24) million for December 31, 2010.

² Excluding actuarial gains (losses) related to defined benefit plans, net of tax.

Unrealized net gains (losses) on financial assets available for sale, net of applicable tax and other ³	Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax ³	Unrealized net gains (losses) on assets classified as held for sale, net of tax	Foreign currency translation, net of tax ³	Unrealized net gains (losses) from equity method investments	Accumulated other comprehensive income, net of tax ²	Total shareholders' equity	Noncontrolling interests	Total equity
(855)	(346)	-	(3,628)	(22)	(4,851)	30,703	1,211	31,914
669	212	-	107	83	1,071	6,044	(1)	6,043
-	-	-	-	-	-	958	-	958
-	-	-	-	-	-	(309)	-	(309)
-	-	-	-	-	-	(679)	-	(679)
-	-	-	-	-	-	(688)	-	(688)
-	-	-	-	-	-	1,313	-	1,313
-	-	-	-	-	-	35	-	35
-	-	-	-	-	-	(5)	-	(5)
-	-	-	-	-	-	8	-	8
-	-	-	-	-	-	(149)	-	(149)
-	-	-	-	-	-	(19,238)	-	(19,238)
-	-	-	-	-	-	18,816	-	18,816
-	-	-	-	-	-	(177)	-	(177)
-	-	-	-	-	-	15	112	127
(186)	(134)	-	(3,521)	61	(3,780)	36,647	1,322	37,969
73	(45)	(11)	1,188	(26)	1,179	3,465	(8)	3,457
-	-	-	-	-	-	10,204	-	10,204
-	-	-	-	-	-	(465)	-	(465)
-	-	-	-	-	-	94	12	106
-	-	-	-	-	-	(296)	-	(296)
-	-	-	-	-	-	1,439	-	1,439
-	-	-	-	-	-	(11)	-	(11)
-	-	-	-	-	-	(93)	-	(93)
-	-	-	-	-	-	93	-	93
-	-	-	-	-	-	(115)	-	(115)
-	-	-	-	-	-	(15,366)	-	(15,366)
-	-	-	-	-	-	13,525	-	13,525
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(302)	223	(79)
(113)	(179)	(11)	(2,333)	35	(2,601)	48,819	1,549	50,368
(504)	(47)	11	1,167	(7)	620	4,752	162	4,914
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(691)	-	(691)
-	-	-	-	-	-	666	(7)	659
-	-	-	-	-	-	153	-	153
-	-	-	-	-	-	1,108	-	1,108
-	-	-	-	-	-	(76)	-	(76)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(131)	-	(131)
-	-	-	-	-	-	(13,781)	-	(13,781)
-	-	-	-	-	-	12,300	-	12,300
-	-	-	-	-	-	(32)	-	(32)
-	-	-	-	-	-	303	(434)	(131)
(617)	(226)	-	(1,166)	28	(1,981)	53,390	1,270	54,660

³ Excluding unrealized net gains (losses) from equity method investments.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

in € m.	2011	2010	2009
Net income	4,326	2,330	4,958
Cash flows from operating activities:			
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Provision for credit losses	1,839	1,274	2,630
Restructuring activities	–	–	–
Gain on sale of financial assets available for sale, equity method investments, and other	(841)	(363)	(656)
Deferred income taxes, net	(387)	315	(296)
Impairment, depreciation and other amortization, and accretion	3,697	4,255	1,782
Share of net income from equity method investments	(222)	(457)	(189)
Income adjusted for noncash charges, credits and other items	8,412	7,354	8,229
Adjustments for net change in operating assets and liabilities:			
Interest-earning time deposits with banks	(53,427)	(34,806)	4,583
Central bank funds sold, securities purchased under resale agreements, securities borrowed	(8,202)	26,368	(4,203)
Financial assets designated at fair value through profit or loss	(11,582)	(24,502)	24,890
Loans	(7,092)	(2,823)	17,213
Other assets	(17,962)	(5,894)	21,960
Deposits	66,168	22,656	(57,330)
Financial liabilities designated at fair value through profit or loss and investment contract liabilities	(8,389)	53,450	(7,061)
Central bank funds purchased, securities sold under repurchase agreements, securities loaned	12,622	(40,709)	(40,644)
Other short-term borrowings	1,689	18,509	2,592
Other liabilities	21,476	2,851	(15,645)
Senior long-term debt	(5,991)	(3,457)	(7,150)
Trading assets and liabilities, positive and negative market values from derivative financial instruments, net ¹	10,558	(17,664)	40,023
Other, net	(478)	(5,009)	(1,243)
Net cash provided by (used in) operating activities	7,802	(3,676)	(13,786)
Cash flows from investing activities:			
Proceeds from:			
Sale of financial assets available for sale	21,948	10,652	9,023
Maturities of financial assets available for sale	10,635	4,181	8,938
Sale of equity method investments	336	250	574
Sale of property and equipment	101	108	39
Purchase of:			
Financial assets available for sale	(19,606)	(14,087)	(12,082)
Equity method investments	(602)	(145)	(3,730)
Property and equipment	(794)	(873)	(592)
Net cash received in (paid for) business combinations/divestitures	348	8,580	(20)
Other, net	(451)	(1,189)	(1,749)
Net cash provided by (used in) investing activities	11,915	7,477	401
Cash flows from financing activities:			
Issuances of subordinated long-term debt	76	1,341	457
Repayments and extinguishments of subordinated long-term debt	(715)	(229)	(1,448)
Issuances of trust preferred securities	37	90	1,303
Repayments and extinguishments of trust preferred securities	(45)	(51)	–
Capital increase	–	10,060	–
Purchases of treasury shares	(13,781)	(15,366)	(19,238)
Sale of treasury shares	12,229	13,519	18,111
Dividends paid to noncontrolling interests	(4)	(7)	(5)
Net change in noncontrolling interests	(266)	200	109
Cash dividends paid	(691)	(465)	(309)
Net cash provided by (used in) financing activities	(3,160)	9,092	(1,020)
Net effect of exchange rate changes on cash and cash equivalents	(964)	1,911	690
Net increase (decrease) in cash and cash equivalents	15,593	14,804	(13,715)
Cash and cash equivalents at beginning of period	66,353	51,549	65,264
Cash and cash equivalents at end of period	81,946	66,353	51,549
Net cash provided by (used in) operating activities include			
Income taxes paid (received), net	1,327	784	(520)
Interest paid	17,743	13,740	15,878
Interest and dividends received	35,216	29,456	28,211
Cash and cash equivalents comprise			
Cash and due from banks	15,928	17,157	9,346
Interest-earning demand deposits with banks (not included: time deposits of € 95,982 m. as of December 31, 2011, and € 43,181 m. and € 5,030 m. as of December 31, 2010 and 2009)	66,018	49,196	42,203
Total	81,946	66,353	51,549

¹ The initial acquisition accounting for ABN AMRO, which was finalized at March 31, 2011, resulted in a retrospective adjustment of retained earnings of € (24) million for December 31, 2010.

The accompanying notes are an integral part of the Consolidated Financial Statements.