Basis of Preparation (unaudited)

The accompanying condensed consolidated interim financial statements, which include Deutsche Bank AG and its subsidiaries (collectively the "Group"), are stated in euros, the presentation currency of the Group. They are presented in accordance with the requirements of IAS 34, "Interim Financial Reporting", and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU"). The Group's application of IFRS results in no differences between IFRS as issued by the IASB and IFRS as endorsed by the EU.

Deutsche Bank's condensed consolidated interim financial statements are unaudited and include supplementary disclosures on segment information, income statement, balance sheet and other financial information. They should be read in conjunction with the audited consolidated financial statements of Deutsche Bank for 2011, for which the same accounting policies have been applied.

The preparation of financial statements under IFRS requires management to make estimates and assumptions for certain categories of assets and liabilities. Areas where this is required include the fair value of certain financial assets and liabilities, the reclassification of financial assets, the impairment of loans and provision for off-balance-sheet positions, the impairment of other financial assets and non-financial assets, the recognition and measurement of deferred tax assets, and the accounting for legal and regulatory contingencies and uncertain tax positions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates and the results reported should not be regarded as necessarily indicative of results that may be expected for the entire year.

Since the second quarter 2011, the Group's valuation approach for substantially all of its collateralized derivative contracts has moved to using the overnight indexed swap (OIS) curve in order to more consistently manage the interest rate and funding risks associated with collateralized derivatives in line with their pricing. This change in approach to OIS did not have a material impact on the Group's consolidated financial statements in the three months ended March 31, 2012.

In the first quarter 2012, the Group has changed the discount rate assumption for its pension plans in Germany. Please refer to the section "Information on the Income Statement – Pensions and Other Post-employment Benefits" for further details.

Impact of Changes in Accounting Principles (unaudited)

Recently Adopted Accounting Pronouncements

Since January 1, 2012 no new accounting pronouncements which are relevant to the Group have been adopted.

New Accounting Pronouncements

The amendments to IAS 1, “Presentation of Financial Statements”, IAS 19, “Employee Benefits”, IAS 32, “Offsetting Financial Assets and Financial Liabilities”, IFRS 7, “Disclosures – Offsetting Financial Assets and Financial Liabilities”, IFRS 10, “Consolidated Financial Statements”, IFRS 11, “Joint Arrangements”, IFRS 12, “Disclosures of Interests in Other Entities”, IFRS 13, “Fair Value Measurement”, IFRS 9 and IFRS 9 R, “Financial Instruments” will be relevant to the Group but were not effective as of March 31, 2012 and therefore have not been applied in preparing these financial statements. IFRS 7, “Disclosures – Transfers of Financial Assets”, which requires annual disclosures for transfers of financial assets, became effective for the Group on January 1, 2012 but will only be applied in the 2012 year-end financial statements. While approved by the IASB, each of the standards – except for IFRS 7, “Disclosures – Transfers of Financial Assets” – have yet to be endorsed by the EU. The Group is currently evaluating the potential impact that the adoption of these new accounting pronouncements will have on its consolidated financial statements. The adoption of the amendments to IAS 1 and IFRS 7, “Disclosures – Transfers of Financial Assets” is not expected to have a material impact on the consolidated financial statements.

Segment Information (unaudited)

The following segment information has been prepared in accordance with the “management approach”, which requires presentation of the segments on the basis of the internal reports about components of the entity which are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

Business Segments

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. During the first quarter 2012, there were no material changes in the organizational structure which affected the composition of the business segments. Generally, restatements due to minor changes in the organizational structure were implemented in the presentation of prior period comparables if they were considered in the Group’s management reporting systems.

Measurement of Segment Profit or Loss

The management reporting systems follow a “matched transfer pricing concept” in which the Group’s external net interest income is allocated to the business segments based on the assumption that all positions are funded or invested via the wholesale money and capital markets. The Group reviewed its internal funding methodology as a reaction to the significant changes of funding costs during the sovereign debt crisis and in the first quarter 2012 adopted a refinement of internal funding rates used to more adequately reflect external funding cost and the benefit of liquidity provided by unsecured funding sources.

The net financial impact from the refinement on the business segments for the first quarter 2012 was as follows:

— AWM (€ 12 million), GTB (€ 10 million), PBC (€ 7 million), and CI (€ 2 million) received additional funding benefit.
— CB&S (€ 31 million) received additional funding cost.

Allocation of Average Active Equity

In the first quarter 2011, the Group changed the methodology used for allocating average active equity to the business segments. Under the new methodology, economic capital as basis for allocation is substituted by risk weighted assets and certain regulatory capital deduction items. All other items of the capital allocation framework remained unchanged. The total amount allocated is determined based on the higher of the Group’s overall economic risk exposure or regulatory capital demand. Starting 2012, the Group derives its demand for regulatory capital assuming a Core Tier 1 ratio of 9.0 %, reflecting increased regulatory requirements (previously, this was calculated based on a Tier 1 ratio of 10.0 %). As a result, the amount of capital allocated to the segments has increased, predominantly in CIB. If the Group’s average active equity exceeds the higher of the overall economic risk exposure or the regulatory capital demand, this surplus is assigned to Consolidation & Adjustments.

Segmental Results of Operations

The following tables present the results of the business segments, including the reconciliation to the consolidated results under IFRS, for the three months ended March 31, 2012 and March 31, 2011.

Three months ended Mar 31, 2012	Corporate & Investment Bank			Private Clients and Asset Management					
in € m. (unless stated otherwise)	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total	Corporate Investments	Consolidation & Adjustments	Total Consolidated
Net revenues	5,220	967	6,187	883	2,501	3,384	4[1]	(382)	9,193
Provision for credit losses	85	33	118	0	194	194	2	0	314
Total noninterest expenses	3,412	593	4,005	739	1,865	2,604	312	79	7,000
therein:									
Policyholder benefits and claims	149	–	149	0	–	0	–	–	149
Impairment of intangible assets	–	–	–	–	10	10	–	–	10
Restructuring activities	–	–	–	–	(0)	(0)	–	–	(0)
Noncontrolling interests	6	–	6	1	29	30	(7)	(29)	–
Income (loss) before income taxes	1,717	340	2,058	142	413	555	(303)	(431)	1,879
Cost/income ratio	65 %	61 %	65 %	84 %	75 %	77 %	N/M	N/M	76 %
Assets[2]	1,673,607	81,887	1,732,405	56,644	342,673	399,294	22,946	8,642	2,103,295
Average active equity[3]	26,840	2,986	29,825	5,732	13,490	19,222	1,300	3,709	54,056
Pre-tax return on average active equity[4]	26 %	46 %	28 %	10 %	12 %	12 %	(93) %	N/M	14 %

N/M – Not meaningful
1 Includes an impairment of € 257 million related to the exposure in Actavis.
2 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 group division level. The same approach holds true for the sum of group divisions compared to “Total Consolidated”.
3 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. Starting 2011, the Group’s average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their regulatory capital requirements, which comprises of the regulatory capital required to support risk weighted assets and certain capital deduction items, goodwill and unamortized other intangible assets. Starting 2012, the Group derives its demand for regulatory capital assuming a Core Tier 1 ratio of 9.0 % (previously, this was calculated based on a Tier 1 ratio of 10.0 %). Prior periods were adjusted to reflect this change.
4 For an explanation of the return on average active equity please refer to Note 05 “Business Segments and Related Information” of the Financial Report 2011. For “Total Consolidated”, pre-tax return on average shareholders’ equity is 14 %.

Three months ended Mar 31, 2011 in € m. (unless stated otherwise)	Corporate & Investment Bank			Private Clients and Asset Management					
	Corporate Banking & Securities	Global Transaction Banking	Total	Asset and Wealth Management	Private & Business Clients	Total	Corporate Investments	Consoli-dation & Adjustments	Total Consolidated
Net revenues	5,843	853	6,696	1,002	3,072	4,074	180	(476)	10,474
Provision for credit losses	12	21	33	19	320	338	1	(0)	373
Total noninterest expenses	3,533	558	4,091	792	1,888	2,680	344	(34)	7,080
therein:									
Policyholder benefits and claims	65	–	65	0	–	0	–	–	65
Impairment of intangible assets	–	–	–	–	–	–	–	–	–
Restructuring activities	–	–	–	–	–	–	–	–	–
Noncontrolling interests	11	–	11	1	77	78	(0)	(89)	–
Income (loss) before income taxes	2,287	274	2,561	190	788[1]	978	(165)	(353)	3,021
Cost/income ratio	60 %	65 %	61 %	79 %	61 %	66 %	191 %	7 %	68 %
Assets (as of Dec 31, 2011)[2]	1,727,156	96,404	1,796,954	58,601	335,516	394,094	25,203	11,154	2,164,103
Average active equity[3]	23,310	3,091	26,401	5,876	13,765	19,641	1,399	1,536	48,977
Pre-tax return on average active equity[4]	39 %	35 %	39 %	13 %	23 %	20 %	(47) %	N/M	24 %

N/M – Not meaningful

1 Includes € 236 million positive impact related to the stake in Hua Xia Bank for which equity method accounting was applied. The amount is based on its presentation in the first quarter 2011. It included a gross gain of € 263 million, which was in part reduced by anticipated cost components of € 26 million that did not materialize later in 2011. This positive impact is excluded from the Group's target definition.

2 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 group division level. The same approach holds true for the sum of group divisions compared to "Total Consolidated".

3 For management reporting purposes goodwill and other intangible assets with indefinite useful lives are explicitly assigned to the respective divisions. Starting 2011, the Group's average active equity is allocated to the business segments and to Consolidation & Adjustments in proportion to their regulatory capital requirements, which comprises of the regulatory capital required to support risk weighted assets and certain capital deduction items, goodwill and unamortized other intangible assets. Starting 2012, the Group derives its demand for regulatory capital assuming a Core Tier 1 ratio of 9.0 % (previously, this was calculated based on a Tier 1 ratio of 10.0 %). Prior periods were adjusted to reflect this change.

4 For an explanation of the return on average active equity please refer to Note 05 "Business Segments and Related Information" of the Financial Report 2011. For "Total Consolidated" pre-tax return on average shareholders' equity is 24 %.

Reconciliation of Segmental Results of Operations to Consolidated Results of Operations

Loss before income taxes in Consolidation & Adjustments (C&A) was € 431 million in the first quarter 2012, compared to € 353 million in the prior year quarter.

Revenues in both periods included significant negative effects from different accounting methods used for management reporting and IFRS. These amounted to € 319 million in the current quarter, of which approximately half was driven by the development of U.S. dollar/euro basis swap spreads. The Group predominantly funds its operations in euro and then converts some of these funds into U.S. dollars using the basis swap market. The funding and the related basis swaps represent an economically hedged position and different accounting methods may result in material effects in C&A. While the funding instrument is accounted for at amortized costs, the mark-to-market valuation of the swaps is sensitive to movements in U.S. dollar/euro mid- to long-term basis swap spreads. These valuation related timing effects reverse over the life of these positions. In the current year quarter, these spreads narrowed significantly resulting in a mark-to-market loss. Revenues in the current quarter also included mark-to-market losses of approximately € 70 million from the narrowing of the credit spreads of certain of our own debt as well as effects of approximately € 80 million from different accounting methods related to economically hedged short-term positions which resulted from changes in short-term euro interest rates and from the reversal of prior period interest rate effects. This accounting difference was the main driver for the loss before income taxes of € 353 million in the first quarter 2011. Revenues in both periods

also reflected negative effects from the hedging of net investments in certain foreign operations.

Noninterest expenses in the current year quarter included the accrual for the German bank levy of € 73 million, whereas in the prior year, the accrual for the German bank levy only started in the second quarter. The positive effect in C&A from the reversal of noncontrolling interests, which are deducted from income before income taxes of the divisions, was mostly related to Postbank in both quarters. It significantly decreased in comparison to the prior year quarter.

Entity-Wide Disclosures

The following tables present the net revenue components of the CIB and PCAM Group Divisions for the three months ended March 31, 2012 and March 31, 2011, respectively.

	Corporate & Investment Bank	
	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
Sales & Trading (debt and other products)	3,390	3,691
Sales & Trading (equity)	726	943
Total Sales & Trading	4,116	4,634
Origination (debt)	379	378
Origination (equity)	138	181
Total Origination	517	559
Advisory	121	159
Loan products	303	452
Transaction services	967	853
Other products	162	40
Total[1]	6,187	6,696

1 Total net revenues presented above include net interest income, net gains (losses) on financial assets/liabilities at fair value through profit or loss and other revenues such as commissions and fee income.

	Private Clients and Asset Management	
	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
Discretionary portfolio management/fund management	539	598
Advisory/brokerage	455	520
Credit products	647	641
Deposits and payment services	617	554
Other products[1]	1,125	1,760
Total[2]	3,384	4,074

1 Revenues from Other products include Postbank.
2 Total net revenues presented above include net interest income, net gains (losses) on financial assets/liabilities at fair value through profit or loss and other revenues such as commissions and fee income.

Information on the Income Statement (unaudited)

Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss by Group Division

	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
Net interest income	4,193	4,167
Trading income[1]	2,248	2,767
Net gains (losses) on financial assets/liabilities designated at fair value through profit or loss[2]	151	(114)
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	2,399	2,653
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	6,592	6,820
Breakdown by Group Division/CIB product:		
Sales & Trading (equity)	524	647
Sales & Trading (debt and other products)	3,243	3,480
Total Sales & Trading	3,767	4,127
Loan products[3]	54	246
Transaction services	462	408
Remaining products[4]	199	161
Total Corporate & Investment Bank	4,483	4,941
Private Clients and Asset Management	1,873	1,945
Corporate Investments	37	44
Consolidation & Adjustments	198	(110)
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	6,592	6,820

1 Trading income includes gains and losses from derivatives held for trading and from derivatives not qualifying for hedge accounting.
2 Includes € 31 million and € (148) million from securitization structures for the three months ended March 31, 2012 and March 31, 2011, respectively. Fair value movements on related instruments of € (24) million and of € 307 million for the three months ended March 31, 2012 and March 31, 2011, respectively, are reported within trading income. Both are reported under Sales & Trading (debt and other products). The total of these gains and losses represents the Group's share of the losses in these consolidated securitization structures.
3 Includes the net interest spread on loans as well as the fair value changes of credit default swaps and loans designated at fair value through profit or loss.
4 Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss on origination, advisory and other products.

Commissions and Fee Income

	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
Commissions and fees from fiduciary activities	816	834
Commissions, brokers' fees, mark-ups on securities underwriting and other securities activities	868	1,118
Fees for other customer services	1,165	1,129
Total commissions and fee income	2,849	3,081

Pensions and Other Post-Employment Benefits

	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
Expenses for retirement benefit plans:		
Current service cost	66	67
Interest cost	153	150
Expected return on plan assets	(143)	(133)
Past service cost (credit) recognized immediately	1	5
Total retirement benefit plans	77	89
Expenses for post-employment medical plans:		
Current service cost	1	1
Interest cost	2	2
Past service cost (credit) recognized immediately	–	–
Total post-employment medical plans	3	3
Total expenses defined benefit plans	80	92
Total expenses for defined contribution plans	106	106
Total expenses for post-employment benefits	186	198
Employer contributions to mandatory German social security pension plan	62	57

The Group expects to contribute approximately € 125 million to its retirement benefit plans in 2012. It is not expected that any plan assets will be returned to the Group during the year ending December 31, 2012.

For the Group’s most significant pension plans, the discount rate assumption at each measurement date is set based on a high quality corporate bond yield curve approach reflecting the actual timing and amount of the future expected benefit payments for the respective plans. With respect to the discount rate applied to determine the Group’s defined benefit pension obligations in Germany, the Group decided to broaden the underlying bond universe to include high quality covered bonds effective March 31, 2012. This recalibration resulted in an increase in discount rate of 30 basis points and consequently to an actuarial gain related to our defined benefits plans of approximately € 308 million before tax in the first quarter 2012. The resultant discount rate applied to determine the defined benefit pension obligations in Germany as of March 31, 2012 is 4.4 %.

General and Administrative Expenses

	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
General and administrative expenses:		
IT costs	587	561
Occupancy, furniture and equipment expenses	527	482
Professional service fees	402	371
Communication and data services	232	219
Travel and representation expenses	124	126
Payment and clearing services	131	125
Marketing expenses	85	94
Consolidated investments	176	161
Other expenses[1]	920	598
Total general and administrative expenses	3,184	2,737

[1] The increase in other expenses in the first quarter 2012 compared to the first quarter 2011 is primarily driven by litigation related expenses in CB&S and by an accrual for the German bank levy which did not occur in the prior year quarter.

Information on the Balance Sheet (unaudited)

Financial Assets/Liabilities at Fair Value through Profit or Loss

in € m.	Mar 31, 2012	Dec 31, 2011
Trading assets:		
Trading securities	233,732	214,087
Other trading assets[1]	24,773	26,837
Total trading assets	258,504	240,924
Positive market values from derivative financial instruments	759,231	859,582
Financial assets designated at fair value through profit or loss:		
Securities purchased under resale agreements	125,611	117,284
Securities borrowed	25,912	27,261
Loans	23,492	24,220
Other financial assets designated at fair value through profit or loss	11,893	11,528
Total financial assets designated at fair value through profit or loss	186,908	180,293
Total financial assets at fair value through profit or loss	1,204,643	1,280,799

1 Includes traded loans of € 15,808 million and € 18,039 million as of March 31, 2012 and December 31, 2011, respectively.

in € m.	Mar 31, 2012	Dec 31, 2011
Trading liabilities:		
Trading securities	66,849	60,005
Other trading liabilities	2,194	3,881
Total trading liabilities	69,043	63,886
Negative market values from derivative financial instruments	738,120	838,817
Financial liabilities designated at fair value through profit or loss:		
Securities sold under repurchase agreements	83,197	93,606
Loan commitments	762	1,192
Long-term debt	15,059	13,889
Other financial liabilities designated at fair value through profit or loss	12,591	9,631
Total financial liabilities designated at fair value through profit or loss	111,608	118,318
Investment contract liabilities[1]	7,406	7,426
Total financial liabilities at fair value through profit or loss	926,178	1,028,447

1 These are investment contracts where the policy terms and conditions result in their redemption values equaling fair values.

Financial Assets Available for Sale

in € m.	Mar 31, 2012	Dec 31, 2011
Debt securities	37,993	39,381
Equity securities	1,742	1,868
Other equity interests	1,020	1,116
Loans	3,093	2,916
Total financial assets available for sale	43,848	45,281

Debt securities included Greek government bonds (excluding the below mentioned European Financial Stability Facility securities) with a fair value of € 42 million as of March 31, 2012 and € 211 million as of December 31, 2011.

In March 2012, Deutsche Bank participated in the exchange offer and consent solicitations with all our Greek government bonds eligible in this respect. Under the terms for Private Sector Involvement, Greek Government Bonds holders, in exchange, received (i) new bonds issued by the Greek government having a face amount equal to 31.5 % of the face amount of their exchanged bonds (ii) European Financial Stability Facility notes

with a maturity date of two years or less and having a face amount of 15 % of the face amount of their exchanged bonds and (iii) detachable securities linked to the Greece gross domestic product. The Greek government also delivered short-term European Financial Stability Facility notes to discharge all unpaid interest accrued up to February 24, 2012 on exchanged bonds. The bonds that Deutsche Bank tendered in the debt exchange were derecognized and the new instruments recognized at fair value classified as either financial assets available for sale or at fair value through profit or loss.

In the first quarter 2012, Deutsche Bank recognized a loss in income before income taxes of € 33 million on Greek government bonds as a result of an impairment prior to the Greek debt rescheduling on March 12, 2012. More information on financial assets/liabilities related to certain European countries is included on page 30 of this report.

Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets"

Under the amendments to IAS 39 and IFRS 7, issued in October 2008, certain financial assets were reclassified in the second half of 2008 and the first quarter 2009 from the financial assets at fair value through profit or loss and the available for sale classifications into the loans classification. No reclassifications have been made since the first quarter 2009.

The Group identified assets, eligible under the amendments, for which at the reclassification date it had a clear change of intent and ability to hold for the foreseeable future rather than to exit or trade in the short term. The reclassifications were made at the fair value of the assets at the reclassification date.

The following table details the carrying values, unrealized fair value losses in accumulated other comprehensive income (loss), ranges of effective interest rates based on weighted average rates by business and expected recoverable cash flows estimated at reclassification date.

in € bn. (unless stated otherwise)	Trading assets reclassified to loans	Financial assets available for sale reclassified to loans
Carrying value at reclassification date	26.6	11.4
Unrealized fair value losses in accumulated other comprehensive income	–	(1.1)
Effective interest rates at reclassification date:		
upper end of range	13.1 %	9.9 %
lower end of range	2.8 %	3.9 %
Expected recoverable cash flows at reclassification date	39.6	17.6

The following table shows carrying values and fair values as of March 31, 2012 and December 31, 2011 of the assets reclassified in 2008 and 2009.

	Mar 31, 2012		Dec 31, 2011	
in € m.	Carrying value	Fair value	Carrying value	Fair value
Trading assets reclassified to loans:				
Securitized assets[1]	6,389	5,328	6,733	5,501
Debt securities	805	759	859	823
Loans	7,643	7,093	7,754	7,117
Total trading assets reclassified to loans	14,837	13,180	15,346	13,441
Financial assets available for sale reclassified to loans:				
Securitized assets[1]	5,951	5,181	6,220	5,359
Loans	1,293	1,400	1,337	1,427
Total financial assets available for sale reclassified to loans	7,244	6,581	7,557	6,786
Total financial assets reclassified to loans	22,081	19,761	22,903	20,227

[1] Securitized assets consist of mortgage- and asset-backed securities.

Sales of reclassified assets are individually subject to a governance and approval process to determine if a sale is the best course of action for the Group's overall profitability, capital position and regulatory compliance. For the three months ended March 31, 2012 the Group sold reclassified assets with a carrying value of € 234 million. Of the sales that occurred in this period € 174 million were for assets that were previously classified as trading including € 89 million of mortgage-backed securities. Sales in this period resulted in net losses of € 16 million, of which € 13 million of net losses related to assets that were previously classified as trading. The aforementioned governance and approval process determined that the assets sold were due to circumstances that were not foreseeable at the time of reclassification, including amendments to the capital rules that led to significantly higher absolute capital requirements for the Group as a whole.

In addition to sales, the decrease in the carrying value of reclassified assets includes redemptions and maturities of € 137 million on assets previously classified as trading and € 125 million on assets previously classified as available for sale.

The unrealized fair value gains (losses) that would have been recognized in profit or loss and the net gains (losses) that would have been recognized in other comprehensive income (loss) if the reclassifications had not been made are shown in the table below.

in € m.	Three months ended Mar 31, 2012	Mar 31, 2011
Unrealized fair value gains (losses) on the reclassified trading assets, gross of provisions for credit losses	186	202
Impairment (losses) on the reclassified financial assets available for sale which were impaired	(5)	1
Net gains (losses) recognized in other comprehensive income representing additional unrealized fair value gains (losses) on the reclassified financial assets available for sale which were not impaired	98	149

After reclassification, the pre-tax contribution of all reclassified assets to the income statement was as follows.

in € m.	Three months ended Mar 31, 2012	Mar 31, 2011
Interest income	156	196
Provision for credit losses	(42)	(22)
Other income[1]	(13)	18
Income before income taxes on reclassified trading assets	101	192
Interest income	38	36
Provision for credit losses	(12)	–
Other income[1]	(2)	–
Income before income taxes on reclassified financial assets available for sale	24	36

[1] Predominantly relates to losses from the sale of reclassified assets.

Financial Instruments carried at Fair Value

The financial instruments carried at fair value have been categorized under the three levels of the IFRS fair value hierarchy as follows:

Level 1 – Instruments valued using quoted prices in active markets: These are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced in the Group's inventory.

These instruments include: highly liquid treasury securities and derivative, equity and cash products traded on high-liquidity exchanges.

Level 2 – Instruments valued with valuation techniques using observable market data: These are instruments where the fair value can be determined by reference to similar instruments trading in active markets, or where a technique is used to derive the valuation but where all inputs to that technique are observable.

These instruments include: many over-the-counter (OTC) derivatives; many investment-grade listed credit bonds; some credit default swaps (CDS); many collateralized debt obligations (CDO); and many less liquid equities.

Level 3 – Instruments valued using valuation techniques using market data which is not directly observable: These are instruments where the fair value cannot be determined directly by reference to market-observable information, and some other pricing technique must be employed. Instruments classified in this category have an element which is unobservable and which has a significant impact on the fair value.

These instruments include: more complex OTC derivatives; distressed debt; highly structured bonds; illiquid asset-backed securities (ABS); illiquid CDOs (cash and synthetic); monoline exposures; private equity placements; many commercial real-estate (CRE) loans; illiquid loans; and some municipal bonds.

The following table presents the carrying value of the financial instruments held at fair value across the three levels of the fair value hierarchy. Amounts in the table are generally presented on a gross basis, in line with the Group's accounting policy regarding offsetting of financial instruments, as described in Note 01 "Significant Accounting Policies" of the Financial Report 2011.

			Mar 31, 2012			Dec 31, 2011
in € m.	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)
Financial assets held at fair value:						
Trading securities	111,591	111,575	10,565	99,487	103,327	11,272
Positive market values from derivative financial instruments	14,215	726,325	18,691	15,947	822,009	21,626
Other trading assets	808	19,988	3,977	847	20,773	5,218
Financial assets designated at fair value through profit or loss	6,978	175,231	4,699	6,907	168,224	5,162
Financial assets available for sale	9,396	29,975	4,477	3,960	37,026	4,295
Other financial assets at fair value	–	7,547[1]	–	–	7,511[1]	–
Total financial assets held at fair value	142,988	1,070,641	42,409	127,148	1,158,870	47,573
Financial liabilities held at fair value:						
Trading securities	43,589	23,027	234	35,033	24,625	347
Negative market values from derivative financial instruments	11,682	716,137	10,301	12,815	814,696	11,306
Other trading liabilities	35	2,150	9	22	3,845	14
Financial liabilities designated at fair value through profit or loss	89	110,057	1,462	116	116,198	2,004
Investment contract liabilities[3]	–	7,406	–	–	7,426	–
Other financial liabilities at fair value	–	3,393[1]	(123)[2]	–	4,159[1]	(250)[2]
Total financial liabilities held at fair value	55,395	862,170	11,883	47,986	970,949	13,421

1 Predominantly relates to derivatives qualifying for hedge accounting.
2 Relates to derivatives which are embedded in contracts where the host contract is held at amortized cost but for which the embedded derivative is separated. The separated embedded derivatives may have a positive or a negative fair value but have been presented in this table to be consistent with the classification of the host contract. The separated embedded derivatives are held at fair value on a recurring basis and have been split between the fair value hierarchy classifications.
3 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 40 "Insurance and Investment Contracts" of the Financial Report 2011 for more detail on these contracts.

The decrease in total level 3 assets during the three months ended March 31, 2012 mainly resulted from a decrease in positive market values from derivative financial instruments. This decrease was attributable to a combination of transfers from level 3 into level 2 due to increased observability of input parameters, settlements and mark-to-market movements. Other trading assets decreased predominantly due to transfers from level 3 into level 2 due to increased observability of input parameters.

The decrease in total level 3 liabilities during the three months ended March 31, 2012 came predominantly from negative market values from derivative financial instruments. This decrease was due to both mark-to-market movements and transfers from level 3 to level 2 due to increased observability of parameter inputs used to value these liabilities.

There have been no significant transfers of instruments between level 1 and level 2 of the fair value hierarchy during the period.

Allowance for Credit Losses

Allowance for loan losses	Three months ended Mar 31, 2012			Three months ended Mar 31, 2011		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Balance, beginning of year	2,011	2,150	4,162	1,643	1,653	3,296
Provision for loan losses	184	139	324	154	215	369
Net charge-offs	(274)	(96)	(370)	(129)	(101)	(230)
Charge-offs	(283)	(179)	(462)	(135)	(157)	(292)
Recoveries	9	83	92	6	56	62
Changes in the group of consolidated companies	–	–	–	–	–	–
Exchange rate changes/other	(34)	0	(34)	(47)	(26)	(73)
Balance, end of period	1,887	2,194	4,081	1,621	1,741	3,362

Allowance for off-balance sheet positions	Three months ended Mar 31, 2012			Three months ended Mar 31, 2011		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Balance, beginning of year	127	98	225	108	110	218
Provision for off-balance sheet positions	(10)	1	(9)	5	(1)	4
Usage	–	–	–	–	–	–
Changes in the group of consolidated companies	–	–	–	–	–	–
Exchange rate changes	–	(1)	(1)	(1)	(5)	(5)
Balance, end of period	117	97	214	112	104	216

Other Assets and Other Liabilities

in € m.	Mar 31, 2012	Dec 31, 2011
Other assets:		
Brokerage and securities related receivables		
Cash/margin receivables	59,025	63,771
Receivables from prime brokerage	8,832	9,652
Pending securities transactions past settlement date	5,536	3,479
Receivables from unsettled regular way trades	97,426	45,907
Total brokerage and securities related receivables	170,820	122,810
Accrued interest receivable	3,766	3,598
Assets held for sale	251	2,366
Other	23,665	26,020
Total other assets	198,501	154,794

in € m.	Mar 31, 2012	Dec 31, 2011
Other liabilities:		
Brokerage and securities related payables		
Cash/margin payables	56,394	58,419
Payables from prime brokerage	31,217	32,255
Pending securities transactions past settlement date	2,374	2,823
Payables from unsettled regular way trades	93,789	46,236
Total brokerage and securities related payables	183,772	139,733
Accrued interest payable	3,847	3,665
Liabilities held for sale	2	1,669
Other	36,850	42,750
Total other liabilities	224,472	187,816

Long-Term Debt

in € m.	Mar 31, 2012	Dec 31, 2011
Senior debt:		
Bonds and notes		
Fixed rate	108,275	104,906
Floating rate	43,226	46,735
Subordinated debt:		
Bonds and notes		
Fixed rate	6,618	6,781
Floating rate	4,942	4,994
Total long-term debt	163,061	163,416

Shares Issued and Outstanding

in million	Mar 31, 2012	Dec 31, 2011
Shares issued	929.5	929.5
Shares in treasury	7.1	24.9
– thereof buyback	6.4	24.1
– thereof other	0.7	0.8
Shares outstanding	922.4	904.6

Other Financial Information (unaudited)

Regulatory Capital

Starting December 31, 2011, the calculation of the Group's capital and capital ratios incorporates the amended capital requirements for trading book and securitization positions following the Capital Requirements Directive 3, also known as "Basel 2.5", as implemented in the German Banking Act and the Solvency Regulation ("Solvabilitätsverordnung"). The following table presents the risk-weighted assets, regulatory capital and capital adequacy ratios for the Group of companies consolidated for regulatory purposes excluding transitional items pursuant to section 64h (3) of the German Banking Act.

in € m. (unless stated otherwise)	Mar 31, 2012	Dec 31, 2011
Credit risk	251,775	262,460
Market risk	64,929	68,091
Operational risk	51,718	50,695
Total risk-weighted assets	**368,422**	**381,246**
Core Tier 1 capital	37,003	36,313
Additional Tier 1 capital	12,416	12,734
Tier 1 capital	49,419	49,047
Tier 2 capital	5,764	6,179
Tier 3 capital	–	–
Total regulatory capital	**55,183**	**55,226**
Core Tier 1 capital ratio	10.0 %	9.5 %
Tier 1 capital ratio	13.4 %	12.9 %
Total capital ratio	15.0 %	14.5 %

The following table presents a summary of the components of the Group's Tier 1 and Tier 2 capital excluding transitional items pursuant to section 64h (3) of the German Banking Act.

in € m.	Mar 31, 2012	Dec 31, 2011
Tier 1 capital:		
Core Tier 1 capital:		
Common shares	2,380	2,380
Additional paid-in capital	23,436	23,695
Retained earnings, common shares in treasury, equity classified as obligation to purchase common shares, foreign currency translation, noncontrolling interests	30,267	29,400
Items to be fully deducted from Tier 1 capital pursuant to Section 10 (2a) KWG (inter alia goodwill and intangible assets)	(14,634)	(14,459)
Items to be partly deducted from Tier 1 capital pursuant to Section 10 (6) and (6a) KWG:		
Deductible investments in banking, financial and insurance entities	(1,326)	(1,332)
Securitization positions not included in risk-weighted assets	(2,651)	(2,863)
Excess of expected losses over risk provisions	(469)	(508)
Items to be partly deducted from Tier 1 capital pursuant to Section 10 (6) and (6a) KWG	(4,446)	(4,703)
Core Tier 1 capital	**37,003**	**36,313**
Additional Tier 1 capital:		
Noncumulative trust preferred securities[1]	12,416	12,734
Additional Tier 1 capital	**12,416**	**12,734**
Total Tier 1 capital	**49,419**	**49,047**
Tier 2 capital:		
Unrealized gains on listed securities (45 % eligible)	62	70
Profit participation rights	1,150	1,150
Cumulative trust preferred securities	296	294
Qualified subordinated liabilities	8,702	9,368
Items to be partly deducted from Tier 1 capital pursuant to Section 10 (6) and (6a) KWG	(4,446)	(4,703)
Total Tier 2 capital	**5,764**	**6,179**

[1] Included € 20 million silent participations both as of March 31, 2012 and as of December 31, 2011.

Basel 2 requires the deduction of goodwill from Tier 1 capital. However, for a transitional period, section 64h (3) of the German Banking Act allows the partial inclusion of certain goodwill components in Tier 1 capital. While such goodwill components are not included in the regulatory capital and capital adequacy ratios shown above, the Group makes use of this transition rule in its capital adequacy reporting to the German regulatory authorities.

As of March 31, 2012, the transitional item amounted to € 287 million compared to € 319 million as of December 31, 2011. In the Group's reporting to the German regulatory authorities, the Tier 1 capital, total regulatory capital and the total risk-weighted assets shown above were increased by this amount. Correspondingly, the Group's reported Tier 1 and total capital ratios including this item were 13.5 % and 15.0 %, respectively, at the end of the quarter compared to 12.9 % and 14.6 % on December 31, 2011.

Credit related Commitments and Contingent Liabilities

In the normal course of business the Group enters regularly into irrevocable lending commitments as well as lending-related contingent liabilities consisting of financial and performance guarantees, standby letters of credit and indemnity agreements on behalf of its customers. Under these contracts the Group is required to perform under an obligation agreement or to make payments to the beneficiary based on a third party's failure to meet its obligations. For these instruments it is not known to the Group in detail, if, when and to what extent claims will be made. The Group considers these instruments in monitoring its credit exposure and may agree upon collateral to mitigate inherent credit risk. If the credit risk monitoring provides sufficient evidence of a loss from an expected claim, a provision is established and recorded on the balance sheet.

The following table shows the Group's irrevocable lending commitments and lending-related contingent liabilities without considering collateral or provisions. It shows the maximum potential impact to the Group in the event that all of these liabilities must be fulfilled. The table does not show the expected future cash outflows from these obligations as many of them will expire without being drawn, arising claims will be honored by the customers, or such claims may be recovered from proceeds from obtained collateral.

in € m.	Mar 31, 2012	Dec 31, 2011
Irrevocable lending commitments	125,673	127,995
Contingent liabilities	69,686	73,653
Total	195,359	201,648

Other Contingencies

Litigation

The Group operates in a legal and regulatory environment that exposes it to significant litigation risks. As a result, 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. The Group's material contingent liabilities the possibility of which is more than remote relate to the legal and regulatory matters described below, some of which consist of a number of claims. In respect of certain of these matters provisions have also been taken. The provision, if any, or the estimated loss in respect of each, where such an estimate can be made, has not been disclosed for individual matters because the Group has concluded that such disclosure can be expected to seriously prejudice their outcome. Note 28 "Provisions" of the Group's Financial Report 2011 describes how the Group estimates provisions and expected losses in respect of its contingent liabilities, and the uncertainties and limitations inherent in such process. For the Group's significant legal and regulatory matters where an estimate can be made, the Group currently estimates that, as of March 31, 2012, the aggregate future loss the possibility of which is more than remote is € 2.1 billion in excess of provisions for such matters.

The Group may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. It may do so to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when the Group believes it has valid defenses to liability. It may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, the Group may, for similar reasons, reimburse counterparties for their losses even in situations where it does not believe that it is legally compelled to do so.

Kirch Litigation. In May 2002, Dr. Leo Kirch personally and as an assignee of two entities of the former Kirch Group, i.e., PrintBeteiligungs GmbH and the group holding company TaurusHolding GmbH & Co. KG, initiated legal action against Dr. Rolf-E. Breuer and Deutsche Bank AG alleging that a statement made by Dr. Breuer (then the Spokesman of Deutsche Bank AG's Management Board) in an interview with Bloomberg television on February 4, 2002 regarding the Kirch Group was in breach of laws and resulted in financial damage.

On January 24, 2006, the German Federal Supreme Court sustained the action for the declaratory judgment only in respect of the claims assigned by PrintBeteiligungs GmbH. Such action and judgment did not require a proof of any loss caused by the statement made in the interview. PrintBeteiligungs GmbH is the only company of the Kirch Group which was a borrower of Deutsche Bank AG. Claims by Dr. Kirch personally and by TaurusHolding GmbH & Co. KG were dismissed. In May 2007, Dr. Kirch filed an action for payment of approximately € 1.3 billion plus interest as assignee of PrintBeteiligungs GmbH against Deutsche Bank AG and Dr. Breuer. On February 22, 2011, the District Court Munich I dismissed the lawsuit in its entirety. Dr. Kirch has filed an appeal against the decision. In these proceedings Dr. Kirch has to prove that such statement caused financial damages to PrintBeteiligungs GmbH and the amount thereof.

On December 31, 2005, KGL Pool GmbH filed a lawsuit against Deutsche Bank AG and Dr. Breuer. The lawsuit is based on alleged claims assigned from various subsidiaries of the former Kirch Group. KGL Pool GmbH seeks a declaratory judgment to the effect that Deutsche Bank AG and Dr. Breuer are jointly and severally liable for damages as a result of the interview statement and the behavior of Deutsche Bank AG in respect of several subsidiaries of the Kirch Group. In December 2007, KGL Pool GmbH supplemented this lawsuit by a motion for payment of approximately € 2.0 billion plus interest as compensation for the purported damages which two subsidiaries of the former Kirch Group allegedly suffered as a result of the statement by Dr. Breuer. On March 31, 2009, the District Court Munich I dismissed the lawsuit in its entirety. The plaintiff appealed the decision. The appellate court has begun taking evidence and recommended that the parties consider a settlement of all legal proceedings pending between Deutsche Bank and Dr. Kirch and related parties. Deutsche Bank holds the view that the claims have no basis and neither the causality of the interview statement for any damages nor the scope of the claimed damages has been sufficiently substantiated. Dr. Kirch passed away in July 2011. The death of Dr. Kirch has no impact on the proceedings. On March 1, 2012, after thorough review, Deutsche Bank did not accept an out-of-court settlement proposal.

Mortgage-Related and Asset-Backed Securities Matters. Deutsche Bank AG, along with certain affiliates (collectively referred to as “Deutsche Bank”), have received subpoenas and requests for information from certain regulators and government entities concerning its activities regarding the origination, purchase, securitization, sale and/or trading of mortgage loans, residential mortgage-backed securities (RMBS), collateralized debt obligations, asset-backed commercial paper and credit derivatives. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information.

Deutsche Bank has been named as defendant in numerous civil litigations in various roles as issuer or underwriter in RMBS offerings. These cases include purported class action suits, actions by individual purchasers of securities, and actions by insurance companies that guaranteed payments of principal and interest for particular tranches of securities offerings. Although the allegations vary by lawsuit, these cases generally allege that the RMBS offering documents contained material misrepresentations and omissions, including with regard to the underwriting standards pursuant to which the underlying mortgage loans were issued, or assert that various representations or warranties relating to the loans were breached at the time of origination.

Deutsche Bank and several current or former employees were named as defendants in a putative class action commenced on June 27, 2008, relating to two Deutsche Bank-issued RMBS offerings. Following a mediation, the court has preliminarily approved a settlement of the case. The settlement remains subject to certain terms and final court approval, with a final approval hearing currently scheduled for July 10, 2012.

Deutsche Bank is a defendant in putative class actions relating to its role, along with other financial institutions, as underwriter of RMBS issued by various third-parties and their affiliates including Countrywide Financial Corporation, IndyMac MBS, Inc., Novastar Mortgage Corporation, and Residential Accredit Loans, Inc. These cases are in various stages up through discovery. On March 29, 2012, the court dismissed with prejudice and without leave to replead the putative Novastar Mortgage Corporation class action.

Deutsche Bank is a defendant in various non-class action lawsuits by alleged purchasers of, and counterparties involved in transactions relating to, RMBS, and their affiliates, including Allstate Insurance Company, Asset Management Fund, Assured Guaranty Municipal Corp., Cambridge Place Investments Management Inc., the Federal Deposit Insurance Corporation (as conservator for Franklin Bank S.S.B.), the Federal Home Loan Bank of Boston, the Federal Home Loan Bank of San Francisco, the Federal Home Loan Bank of Seattle, the Federal Housing Finance Agency (as conservator for Fannie Mae and Freddie Mac), Mass Mutual Life Insurance Company, Moneygram Payment Systems, Inc., Phoenix Light SF Limited, RMBS Recovery Holdings 4, LLC and VP Structured Products, LLC., Sealink Funding Ltd., Stichting Pensioenfonds ABP, The Charles Schwab Corporation, The Union Central Life Insurance Company, The Western and Southern Life Insurance Co., and the West Virginia Investment Management Board. These civil litigations are in various stages up through discovery.

In the actions against Deutsche Bank solely as an underwriter of other issuers' RMBS offerings, Deutsche Bank has contractual rights to indemnification from the issuers, but those indemnity rights may in whole or in part prove effectively unenforceable where the issuers are now in bankruptcy or otherwise defunct.

On February 6, 2012, the United States District Court for the Southern District of New York issued an order dismissing claims brought by Dexia SA/NV and Teachers Insurance and Annuity Association of America and their affiliates. The court dismissed some of the claims with prejudice and granted the plaintiffs leave to replead other claims.

A number of other entities have threatened to assert claims against Deutsche Bank in connection with various RMBS offerings and other related products, and Deutsche Bank has entered into agreements with a number of these entities to toll the relevant statutes of limitations. It is possible that these potential claims may have a material impact on Deutsche Bank.

On May 3, 2011, the United States Department of Justice (USDOJ) filed a civil action against Deutsche Bank AG and MortgageIT, Inc. in the United States District Court for the Southern District of New York. The USDOJ filed an amended complaint on August 22, 2011. The amended complaint, which asserts claims under the U.S. False Claims Act and common law, alleges that Deutsche Bank AG, DB Structured Products, Inc., MortgageIT, Inc. and Deutsche Bank Securities Inc. (DBSI) submitted false certifications to the Department of Housing and Urban Development's Federal Housing Administration (FHA) concerning MortgageIT, Inc.'s compliance with FHA requirements for quality controls and concerning whether individual loans qualified for FHA insurance. As set forth in the amended complaint, the FHA has paid U.S.$ 368 million in insurance claims on mortgages that are allegedly subject to false certifications. The amended complaint seeks recovery of treble damages and indemnification of future losses on loans insured by FHA, and as set forth in the filings, the USDOJ seeks over U.S.$ 1 billion in damages. On September 23, 2011, the defendants filed a motion to dismiss the amended complaint. Following a hearing on December 21, 2011, the court granted the USDOJ leave to file a second amended complaint.

Auction Rate Securities Litigation. Deutsche Bank AG and DBSI have been named as defendants in 21 actions asserting various claims under the federal securities laws and state common law arising out of the sale of auction rate preferred securities and auction rate securities (together, "ARS"). Of those 21 actions, five are pending and sixteen have been resolved and dismissed with prejudice. Deutsche Bank AG and DBSI were the subjects of a putative class action, filed in the United States District Court for the Southern District of New York, asserting various claims under the federal securities laws on behalf of all persons or entities who purchased and continue to hold ARS offered for sale by Deutsche Bank AG and DBSI between March 17, 2003 and February 13, 2008. In December 2010, the court dismissed the putative class action with prejudice. After initially filing a notice of appeal, the plaintiff voluntarily withdrew and dismissed the appeal in December 2011. Deutsche Bank AG was also named as a defendant, along with ten other financial institutions, in two putative class actions, filed in the United States District Court for the Southern District of New York, asserting violations of the antitrust laws. The putative class actions allege that the defendants conspired to artificially support and then, in February 2008, restrain the ARS market. On or about January 26, 2010, the court dismissed the two putative class actions. The plaintiffs have filed appeals of the dismissals.

Trust Preferred Securities Litigation. Deutsche Bank AG and certain of its affiliates and officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. Claims are asserted under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 that registration statements and prospectuses for such securities contained material misstatements and omissions. An amended and consolidated class action complaint was filed on January 25, 2010. On August 19, 2011, the court granted in part and denied in part the defendants' motion to dismiss. Defendants have moved for reconsideration of the portion of the decision denying the motion to dismiss. On September 20, 2011, plaintiffs filed a second amended complaint, which no longer includes claims based on the October 2006 issuance of securities.

Interbank Offered Rates Matters. Deutsche Bank AG has received various subpoenas and requests for information from certain regulators and governmental entities in the United States and Europe, including the U.S. Department of Justice, the U.S. Commodity Futures Trading Commission, the U.S. Securities and Exchange Commission, and the European Commission, in connection with setting interbank offered rates for various currencies. These inquiries relate to various periods between 2005 and 2011. Deutsche Bank is cooperating with these investigations. In addition, a number of civil actions, including putative class actions, have been filed in federal courts in the United States against Deutsche Bank AG, an affiliate and numerous other banks on behalf of certain parties who allege that they transacted in LIBOR-based financial instruments and that the defendants manipulated, through various means, the U.S. dollar LIBOR rate and prices of U.S. dollar LIBOR-based derivatives in various markets. Claims for damages are asserted under various legal theories, including violations of the Commodity Exchange Act and the antitrust laws. The civil actions have been consolidated for pre-trial purposes in the United States District Court for the Southern District of New York. The litigations are in their early stages.

Mortgage Repurchase Demands

From 2005 through 2008, as part of Deutsche Bank's U.S. residential mortgage loan business, Deutsche Bank sold approximately U.S.$ 84 billion of private label securities and U.S.$ 71 billion of loans through whole loan sales, including to U.S. government-sponsored entities such as the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association. Deutsche Bank has been presented with demands to repurchase loans or indemnify purchasers, other investors or financial insurers with respect to losses allegedly caused by material breaches of representations and warranties. Deutsche Bank's general practice is to process valid repurchase demands that are presented in compliance with contractual rights. Where Deutsche Bank believes no such valid basis for repurchase demands exists, Deutsche Bank rejects them and no longer considers them outstanding for Deutsche Bank's tracking purposes.

As of March 31, 2012, Deutsche Bank has approximately U.S.$ 1.4 billion of outstanding mortgage repurchase demands (based on original principal balance of the loans). Against these outstanding demands, Deutsche Bank has established provisions that are not material and that Deutsche Bank believes to be adequate. There are other potential loan repurchase demands that, based on past experience, Deutsche Bank anticipates will be made but for which Deutsche Bank cannot reliably estimate the timing or level. Deutsche Bank also does not know whether its past success rate in rebutting such demands will be a good predictor of future success. Mortgage repurchase demands that are asserted via legal proceedings against Deutsche Bank, whether following rejection by Deutsche Bank or otherwise, are classified under Operational/Litigation.

As of March 31, 2012, Deutsche Bank has completed repurchases and otherwise settled claims on loans with an original principal balance of approximately U.S.$ 2.4 billion. In connection with those repurchases and settlements, Deutsche Bank has obtained releases for potential claims on approximately U.S.$ 40.7 billion of loans sold by Deutsche Bank as described above.

Related Party Transactions

Transactions with related parties are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other parties.

Transactions with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Deutsche Bank Group, directly or indirectly. The Group considers the members of the Management Board as currently mandated and the Supervisory Board to constitute key management personnel for purposes of IAS 24. Among the Group's transactions with key management personnel as of March 31, 2012, were loans and commitments of € 10 million and deposits of € 11 million. As of December 31, 2011, there were loans and commitments of € 11 million and deposits of € 9 million among the Group's transactions with key management personnel. In addition, the Group provides banking services, such as payment and account services as well as investment advice, to key management personnel and their close family members.

During 2010 and up to the first quarter of 2011, a member of key management personnel received payments from a Group company. At the time the contractual arrangement was closed the payor company was not included in the Group of consolidated companies.

Transactions with Subsidiaries, Associates and Joint Ventures

Transactions between Deutsche Bank AG and its subsidiaries meet the definition of related party transactions. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions. Transactions between the Group and its associated companies and joint ventures and their respective subsidiaries also qualify as related party transactions.

Loans

In the three months ended March 31, 2012, and in the year 2011 loans issued and guarantees granted to related parties developed as follows.

	Associated companies and other related parties	
in € m.	Mar 31, 2012	Dec 31, 2011
Loans outstanding, beginning of period	5,158	4,329
Loans issued during the period	147	1,211[1]
Loan repayments during the period	314	307
Changes in the group of consolidated companies	–	(13)
Exchange rate changes/other	(2)	(62)
Loans outstanding, end of period[2, 3]	4,989	5,158
Other credit risk related transactions:		
Allowance for loan losses	21	53
Provision for loan losses	(0)	22
Guarantees and commitments	273	262

1 The amount of loans issued during 2011 is mainly related to the restructuring of a loan transaction. Related interest income earned amounted to € 230 million.
2 Interest income earned from loans outstanding amounts up to € 70 million as of March 31, 2012.
3 Loans past due were nil as of March 31, 2012, and December 31, 2011, respectively.

Deposits

In the three months ended March 31, 2012, and in the year 2011 deposits received from related parties developed as follows.

	Associated companies and other related parties	
in € m.	Mar 31, 2012	Dec 31, 2011
Deposits, beginning of period	247	220
Deposits received during the period	157	258
Deposits repaid during the period	69	190
Changes in the group of consolidated companies	(2)	(41)
Exchange rate changes/other	(0)	0
Deposits, end of period	333	247

Other Transactions

Trading assets and positive market values from derivative financial transactions with associated companies amounted to € 294 million as of March 31, 2012, and € 221 million as of December 31, 2011. Trading liabilities and negative market values from derivative financial transactions with associated companies amounted to € 9 million as of March 31, 2012, and € 19 million as of December 31, 2011.

Transactions with Pension Plans

The Group has business relationships with a number of its pension plans pursuant to which it provides financial services to these plans, including investment management. Pension funds may hold or trade Deutsche Bank AG shares or securities. As of March 31, 2012, transactions with these plans were not material for the Group.

Non-Current Assets and Disposal Groups Held for Sale

Within the balance sheet non-current assets and disposal groups held for sale are reported in other assets and other liabilities. This note provides further explanation on the nature and the financial impact of the non-current assets and disposal groups held for sale as of March 31, 2012.

Non-Current Assets and Disposal Groups Held for Sale at the Reporting Date

Total assets and liabilities held for sale amounted to € 251 million (December 31, 2011: € 2.4 billion) and € 2 million as of March 31, 2012 (December 31, 2011: € 1.7 billion).

In the first quarter 2012, the Group classified a building being held as property and equipment within the Group Division Corporate Investments as held for sale. The classification as held for sale did not result in any impairment loss. The asset was sold as of April 2, 2012.

Additionally, the Group classified an investment in an associate within the Corporate Division Corporate Banking & Securities as held for sale in 2011 that is expected to be sold within one year. The classification as held for sale led to an initial impairment loss of € 2 million in 2011 and, due to a changed fair value less cost to sell, to a reversal of that impairment of € 2 million in the first quarter 2012 which were both recognized in other income.

As of March 31, 2012 and December 31, 2011, no unrealized net gains or losses relating to non-current assets and disposal groups classified as held for sale were recognized directly in accumulated other comprehensive income (loss).

Disposals

Division	Disposal	Financial impact [1]	Date of the disposal
Corporate Banking & Securities	A disposal group mainly including traded loans, mortgage servicing rights and financial guarantees	The classification as held for sale led to an impairment loss of € 22 million in 2011. In 2012, no additional impairment or reversal was recognized.	First quarter of 2012
Asset & Wealth Management	Several disposal groups and several assets previously acquired as part of the acquisition of the Sal. Oppenheim Group	None	First quarter of 2012

[1] Impairment losses and reversals are included in Other income.

Events after the Reporting Date

As a result of the substantial progress towards an agreement for a third party to acquire Actavis, CI recognized an impairment loss of € 257 million in the first quarter 2012.

As of April 25, 2012, the Group classified its exposure in Actavis (recorded within CI) as held for sale following further progress towards an agreement for a third party to acquire Actavis. Currently, the Group does not anticipate further material impacts in this regard.

Other Information (unaudited)

Target Definitions

This document and other documents the Group has published or may publish contain non-GAAP financial measures. Non-GAAP financial measures are measures of the Group's historical or future performance, financial position or cash flows that contain adjustments that exclude or include amounts that are included or excluded, as the case may be, from the most directly comparable measure calculated and presented in accordance with IFRS in the Group's financial statements. The Group refers to the definitions of certain adjustments as "target definitions" because the Group has in the past used and may in the future use the non-GAAP financial measures based on them to measure its financial targets.

The Group's non-GAAP financial measures that relate to earnings use target definitions that adjust IFRS financial measures to exclude certain significant gains (such as gains from the sale of industrial holdings, businesses or premises) and certain significant charges (such as charges from restructuring, impairments of intangible assets or litigation) if such gains or charges are not indicative of the future performance of the Group's core businesses.

Pre-Tax Return on Average Active Equity (Target Definition)

The over-the-cycle pre-tax return on average active equity non-GAAP financial measure is based on IBIT attributable to Deutsche Bank shareholders (target definition), as a percentage of the Group's average active equity. Both are defined below.

IBIT attributable to Deutsche Bank Shareholders (Target Definition): The IBIT attributable to Deutsche Bank shareholders non-GAAP financial measure is based on income before income taxes attributable to Deutsche Bank shareholders (i.e., excluding pre-tax noncontrolling interests), adjusted for certain significant gains and charges as follows:

	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
Income (loss) before income taxes (IBIT)	1,879	3,021
Less pre-tax noncontrolling interests	(29)	(89)
IBIT attributable to Deutsche Bank shareholders	1,850	2,932
Add (deduct):		
Certain significant gains (net of related expenses)	–	(236)[1]
Certain significant charges	–	–
IBIT attributable to Deutsche Bank shareholders (target definition)	1,850	2,696

1 Positive impact of € 236 million related to the stake in Hua Xia Bank (PBC) for which equity method accounting was applied. The amount is based on its presentation in the first quarter 2011. It included a gross gain of € 263 million, which was in part reduced by anticipated cost components of € 26 million that did not materialize later in 2011.

Average Active Equity: The Group calculates active equity to make comparisons to its competitors easier and refers to active equity in several ratios. However, active equity is not a measure provided for in IFRS and you should not compare the Group's ratios based on average active equity to other companies' ratios without considering the differences in the calculation. The items for which the Group adjusts the average shareholders' equity are average accumulated other comprehensive income (loss) excluding foreign currency translation (all components net of applicable taxes), as well as average dividends, for which a proposal is accrued on a quarterly basis and which are paid after the approval by the Annual General Meeting following each year. Tax rates applied in the calculation of average active equity are those used in the financial statements for the individual items and not an average overall tax rate.

	Three months ended	
in € m.	Mar 31, 2012	Mar 31, 2011
Average shareholders' equity	54,293	49,471
Add (deduct):		
Average accumulated other comprehensive income excluding foreign currency translation, net of applicable tax[1]	548	290
Average dividend accruals	(784)	(784)
Average active equity	54,056	48,977

[1] The tax effect on average accumulated other comprehensive income (loss) excluding foreign currency translation was € (472) million for the three months ended March 31, 2012. For the three months ended March 31, 2011, the tax effect was € (375) million.

Pre-tax return on average active equity (target definition) is presented below. For comparison, also presented are the pre-tax return on average shareholders' equity, which is defined as IBIT attributable to Deutsche Bank shareholders (i.e., excluding pre-tax noncontrolling interests), as a percentage of average shareholders' equity, and the pre-tax return on average active equity, which is defined as IBIT attributable to Deutsche Bank shareholders (i.e., excluding pre-tax noncontrolling interests), as a percentage of average active equity.

	Three months ended	
in %	Mar 31, 2012	Mar 31, 2011
Pre-tax return on average active equity (target definition)	13.7 %	22.0 %
Pre-tax return on average shareholders' equity	13.6 %	23.7 %
Pre-tax return on average active equity	13.7 %	23.9 %

Leverage Ratio (Target Definition)

As part of its balance sheet management, the Group uses an adjusted leverage ratio, which is calculated using a target definition for which adjustments are made to reported IFRS total assets and total equity. Such adjusted measures, which are non-GAAP financial measures, are described within this report in the section “Risk Report – Balance Sheet Management”.