

Breuer: We look forward into 2002 with confidence

Source: Deutsche Bank press release, Frankfurt am Main, 25 March 2002

2001 - Consolidated financial statements converted to U.S. GAAP First Corporate Governance Report:

Deutsche Bank today publishes its Annual Report for 2001 with detailed figures according to U.S. GAAP (in the Internet at www.deutsche-bank.com/01). The bank already informed the public on January 31, 2002, of the results for 2001 based on provisional figures.

"We have used the difficult year 2001 to make our bank even stronger", Rolf-E. Breuer, spokesman of the Board of Managing Directors of Deutsche Bank, writes in the Annual Report. "We feel well equipped for the current 2002 financial year, which promises to be another difficult one. We are facing the risks in our business with healthy caution, but at the same time we are preparing for the new upswing and the ongoing consolidation of our industry", says Breuer. "We look forward into the year 2002 with confidence."

Despite the overall difficult economic situation, which deteriorated further after the terrorist acts of September 11 in the United States, signs of an upturn in the United States are now becoming more visible, says the Annual Report. Deutsche Bank believes this development will also take hold in Europe and Germany. For the second half of 2002, the bank expects growth in the economy, which it anticipates should accelerate further in the upcoming year. The financial markets, the bank believes, will positively react to this development, allowing the bank to increase its revenues. However, the forecasts for Eastern Europe and the emerging markets in Asia and South America are somewhat more cautious. Japan, too, will probably recover only slowly from its recession.

Deutsche Bank expects the recovery of the markets in the second half of 2002 to have positive effects on the revenues of its three Group Divisions: Corporate and Investment Bank (CIB), Private Clients and Asset Management (PCAM) and Corporate Investments (CI).

As to the credit risk situation, the bank does not yet see a recovery. The bank must continue to carefully and attentively manage and assess its credit exposure.

2001 - Deutsche Bank's consolidated financial statements are converted to U.S. GAAP

The Net Income reported in 2001 (€ 0.2 bn) and 2000 (€ 13.5 bn) are strongly influenced by the treatment under U.S. GAAP of the reduction in the German corporate income tax rates and the elimination of taxes on gains from the sale of shareholdings in corporations.

Net Income adjusted for the effect of the tax law change and the prior years' effect of the change in accounting for derivatives is € 1.4 bn in 2001 (or € 2.21 basic earnings per share), and € 4.2 bn in 2000 (or € 6.88 basic earnings per share). The corresponding return on active equity is 4.4% in 2001 and 16.5% in 2000.

First Corporate Governance Report

In March 2001 Deutsche Bank was the first DAX 30 company to implement Corporate Governance Principles after their approval by the Board of Managing Directors and the Supervisory Board. These guidelines specifically tailored to Deutsche Bank regulate the relations with our shareholders, the task and duties of the board of Managing Directors and the Supervisory Board, the structure and disclosure of the performance-based compensation of these two bodies and the demands on reporting and transparency. In addition to the Annual Report Deutsche Bank published for the first time a comprehensive Corporate Governance Report 2001 (Internet: www.deutsche-bank.com).

Annex

Attached to this release are the following tables from the Annual Report (with page references), all relating to Deutsche Bank Group:

- B 1: Income Statement (page 98),
- B 2: Balance Sheet (page 100),
- B3 - B5: Segmental Results (pages 152-154),
- B 6: Trading performance (pages 68-69),
- B 6: Problem loans (page 178).

Selected changes in our accounting or reporting practices

The following sections highlight two selected changes in our accounting or reporting practices for the year 2001. We recommend you read the Annual Report in its entirety for a full understanding of our results.

Trading performance

Trading revenues do not include the following items that are part of the revenue and expense streams our trading businesses generate:

- Interest income on trading assets, which appears in interest revenues;
- Interest expense on trading liabilities, which appears in interest expense; and
- The cost of funding our net trading positions.

We believe, therefore, that you should include the above-mentioned items to assess the performance of our trading operations. For this purpose, we use a measure we call "trading performance".

The components of net trading related interest are shown in the first table on page B6; the composition of trading performance (trading revenues and net trading related interest) is explained in the second table on page B6.

For a more detailed discussion please see Annual Report, pages 67-69.

Changes in non-accrual practice and chargeoff methodology for loans

Our problem loans are comprised of non-accrual loans, loans ninety days past due and still accruing, troubled debt restructurings and potential problem loans. As we have previously disclosed in connection with our New York Stock Exchange listing on 3 October 2001 and the conversion to U.S. GAAP, we began in 2001 to apply the non-accrual practice of our entities regulated in the United States to our entities regulated outside the United States as well. This did not increase the overall level of problem loans but did increase non-accrual loans with a similar decrease in potential problem loans and loans ninety days past due and still accruing.

The change in our non-accrual practice did not significantly impact interest revenues as we continue to recognize interest payments received currently on a cash basis.

The components of our problems loans are shown in the third table on page B6.

As we have previously disclosed in connection with our New York Stock Exchange listing on 3 October 2001 and the conversion to U.S. GAAP, we began to develop a methodology in 2001 to bring our worldwide chargeoff practices more into line with industry practices in the United States and had anticipated that the timing of our chargeoffs would accelerate. In 2001, entities regulated outside the United States began to implement this change, which resulted in a higher level of chargeoffs relative to that which would have occurred under the prior practice. Our percentage of total chargeoffs to average loans for the year 2001 was 0.71% compared to 0.39% for 2000 and 0.31% for 1999. The full implementation of this change may continue to affect the timing of chargeoffs in future years.

For a more detailed discussion please see Annual Report, pages 177-179.

This press release contains forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Any statement in this press release 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.

Forward-looking statements involve inherent 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 restructuring including the envisaged reduction in headcount; 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 September 20, 2001 on pages 9 through 13 under the heading "Risk Factors." Copies of this document are readily available upon request or can be downloaded from www.deutsche-bank.com/ir.