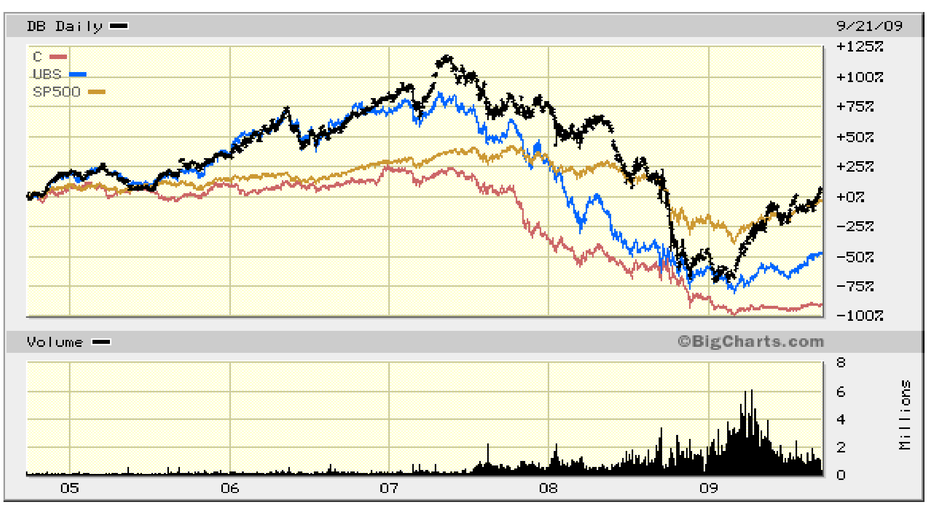
Deutsche Bank AG (DB) 9/21/09

DB is a global financial services firm which operates in three divisions; Corporate and Investment Bank (CIB), Private Clients and Asset Management (PCAM), and Corporate Investments (CI). The CIB division operates as an investment bank in the US would, and accounted for 61% of income in 2007. PCAM handles investment advisory and private banking to individuals and small businesses, making 23% of income in 2007. CI handles DB's own investments and corporate services, making 16% of income in 2007. DB is headquartered in Frankfurt, Germany and was founded in 1870.

Current Price	$75.40
52 Week High	$90.00
52 Week Low	$21.13
One Yr Target	n/a
Market Cap (in billions)	$46.60
P/E (Trailing)	n/a
P/E(1 Yr Forward)	13.35
P/E/G	1.55
ROA	-0.12%
ROE	-6.27%
EPS	-$6.36
Beta	1.89
Annualized Dividend	$0.00
Dividend Yield	0.00%
Analyst Consensus	2.50
Debt to Equity	47.90



Annual EPS

2005	$6.94	
2006	$11.65	67.87%
2007	$13.05	12.02%
2008	-$7.61	-158.31%
2009E	-$6.36	16.43%

Annual Revenue (in millions)

2005	n/a
2006	n/a
2007	n/a
2008	n/a

Annual Net Income (in millions)

2005	$3,529.00	
2006	$6,070.00	72.00%
2007	$6,474.00	6.66%
2008	-$3,835.00	-159.24%

Free Cash Flows (in millions)

2005	-$64,661.00	
2006	$10,558.00	116.33%
2007	$16,115.00	52.63%
2008	$36,178.00	124.50%

Required Rate of Return

15.81%

Dividend Growth Model

Present Value of 2014 Price	$0.00
Holding Period Return (5 years)	-100.00%

Expected Annualized Return Model

Present Value of 2014 Price	$15.97
Holding Period Return (5 years)	-30.43%

Residual Income Model

Intrinsic Stock Price	$178.31

Analysis

Positives

Greatly undervauled according to the RI valuation model

Negatives

No current dividends, negative EPS, negative ROA and ROE

Loss of Net Income for most recent year, a huge drop from 2007

Overvalued according to the DG and EAR valuation models

Financial Statements

Balance Sheet is average at best, but Equity has been increasing in past years

Income Statement has been beaten down with the economy but looks to rebound soon

Cash Flows are mostly positive and had a huge increase in the most recent year

Industry Analysis

Company is average size for the industry

Company's financial ratios are poor compared to competitors

Summary

DB is an interesting company and stock, yet is difficult to fully grasp. Its financial ratios have been poor for that past year, no doubt due to the economic conditions. The DG and EAR models have been adversely affected by the recently low numbers for EPS and Dividends, ratios which are usually good for DB. The RI model says that the current stock price is greatly undervalued, which is a good sign. DB's financial statements are interesting, especially the 2008 Cash Flow report which was a huge increase. Being a foreign operated company, DB is less affected by US economic factors, which is something that must be considered along with currency rates. DB's revenues are closely tied with mergers and acquisitions so that is something to watch for, and revenues could also decline due to the strengthening of the Euro. DB could be a good addition to a portfolio that is seeking international diversification, but overall DB is a somewhat risky company which requires higher returns which for DB seems questionable and thus earns a **hold** rating.