DEUTSCHE BANK AKTIENGESELLSCHAFT
Form 20-F
March 20, 2015
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As filed with the Securities and Exchange Commission on March 20, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 20-F

¨ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

or

¨ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report .

Commission file number 1-15242

Deutsche Bank Aktiengesellschaft

(Exact name of Registrant as specified in its charter)

Deutsche Bank Corporation

(Translation of Registrant s name into English)

Federal Republic of Germany

(Jurisdiction of incorporation or organization)

Taunusanlage 12, 60325 Frankfurt am Main, Germany

(Address of principal executive offices)

Karin Dohm, +49-69-910-31183, karin.dohm@db.com, Taunusanlage 12, 60325 Frankfurt am Main, Germany

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

See following page

Securities registered or to be registered pursuant to Section 12(g) of the Act.

NONE

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

NONE

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report:

Ordinary Shares, no par value	1,379,021,949

(as of December 31, 2014)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨ International Financial Reporting Standards x Other ¨

as issued by the International Accounting Standards Board

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow

Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ¨ No x

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Securities registered or to be registered pursuant to Section 12(b) of the Act (as of February 28, 2015).

Title of each class	Name of each exchange on which registered
Ordinary shares, no par value	New York Stock Exchange
6.375 % Noncumulative Trust Preferred Securities of Deutsche Bank Capital Funding Trust VIII 6.375 % Noncumulative Company Preferred Securities of Deutsche Bank Capital Funding LLC VIII* Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*	New York Stock Exchange
6.55 % Trust Preferred Securities of Deutsche Bank Contingent Capital Trust II 6.55 % Company Preferred Securities of Deutsche Bank Contingent Capital LLC II* Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*	New York Stock Exchange
6.625 % Noncumulative Trust Preferred Securities of Deutsche Bank Capital Funding Trust IX** 6.625 % Noncumulative Company Preferred Securities of Deutsche Bank Capital Funding LLC IX*,** Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*,**	New York Stock Exchange
7.60 % Trust Preferred Securities of Deutsche Bank Contingent Capital Trust III 7.60 % Company Preferred Securities of Deutsche Bank Contingent Capital LLC III* Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*	New York Stock Exchange
8.05 % Trust Preferred Securities of Deutsche Bank Contingent Capital Trust V 8.05 % Company Preferred Securities of Deutsche Bank Contingent Capital LLC V* Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*	New York Stock Exchange
Fixed to Fixed Reset Rate Subordinated Tier 2 Notes Due 2028	New York Stock Exchange
DB Agriculture Short Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Agriculture Long Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Agriculture Double Short Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Agriculture Double Long Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Base Metals Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Base Metals Long Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Base Metals Double Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Base Metals Double Long Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Commodity Short Exchange Traded Notes due April 1, 2038	NYSE Arca

DB Commodity Long Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Commodity Double Long Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Commodity Double Short Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Crude Oil Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Crude Oil Long Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Crude Oil Double Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB German Bund Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB Gold Double Long Exchange Traded notes due February 15, 2038	NYSE Arca
DB Gold Double Short Exchange Traded notes due February 15, 2038	NYSE Arca
DB Gold Short Exchange Traded notes due February 15, 2038	NYSE Arca
DB Italian Treasury Bond Futures Exchange Traded Notes due March 31, 2021***	NYSE Arca
DB Japanese Govt Bond Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB Inverse Japanese Govt Bond Futures Exchange Traded Notes due November 30, 2021	NYSE Arca
DB US Deflation Exchange Traded Notes due November 30, 2021***	NYSE Arca
DB US Inflation Exchange Traded Notes due November 30, 2021***	NYSE Arca
DB 3x German Bund Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB 3x Italian Treasury Bond Futures Exchange Traded Notes due March 31, 2021***	NYSE Arca
DB 3x Japanese Govt Bond Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB 3x Inverse Japanese Govt Bond Futures Exchange Traded Notes due November 30, 2021	NYSE Arca
DB 3x Long US Dollar Index Futures Exchange Traded Notes due June 30, 2031***	NYSE Arca
DB 3x Short US Dollar Index Futures Exchange Traded Notes due June 30, 2031***	NYSE Arca
DB 3x Long 25+ Year Treasury Bond Exchange Traded Notes due May 31, 2040	NYSE Arca
DB 3x Short 25+ Year Treasury Bond Exchange Traded Notes due May 31, 2040	NYSE Arca
ELEMENTS Dogs of the Dow Linked to the Dow Jones High Yield Select 10 Total Return Index due November 14, 2022	NYSE Arca
ELEMENTS Linked to the Morningstar® Wide Moat Focus(SM) Total Return Index due October 24, 2022	NYSE Arca
FI Enhanced Global High Yield Exchange Traded Notes Linked to the MSCI World High Dividend Yield USD Gross Total Return Index due October 12, 2023	NYSE Arca

* For listing purpose only, not for trading.

** Redeemed on February 20, 2015.

*** Redeemed on February 25, 2015.

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Deutsche Bank Aktiengesellschaft, which we also call Deutsche Bank AG, is a stock corporation organized under the laws of the Federal Republic of Germany. Unless otherwise specified or required by the context, in this document, references to we , us , our , the Group and Deuts Bank Group are to Deutsche Bank Aktiengesellschaft and its consolidated subsidiaries.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals we provide and percentages may not precisely reflect the absolute figures.

Our registered address is Taunusanlage 12, 60325 Frankfurt am Main, Germany, and our telephone number is +49-69-910-00.

Inclusion of Our Financial Report

We have included as an integral part of this Annual Report on Form 20-F our Financial Report 2014, to which we refer for the responses to certain items hereof. Certain portions of the Financial Report have been omitted, as indicated therein. The included Financial Report contains our consolidated financial statements, which we also incorporate by reference into this report, in response to Items 8.A and 18. Such consolidated financial statements differ from those contained in the Financial Report used for other purposes in that, for Notes 44 and 45 thereto, notes addressing non-U.S. requirements have been replaced with notes addressing U.S. requirements, and Note 46 thereto has been omitted. Such consolidated financial statements have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, as described in their Report of Independent Registered Public Accounting Firm included on page 455 of the Financial Report, which report is included only in the version of the Financial Report included in this Annual Report on Form 20-F.

Cautionary Statement Regarding Forward-Looking Statements

We make certain forward-looking statements in this document with respect to our financial condition and results of operations. In this document, forward-looking statements include, among others, statements relating to:

- the potential development and impact on us of economic and business conditions and the legal and regulatory environment to which we are subject;
- the implementation of our strategic initiatives and other responses there to;
- the development of aspects of our results of operations;
- our expectations of the impact of risks that affect our business, including the risks of losses on our trading processes and credit exposures; and
- other statements relating to our future business development and economic performance.

In addition, we may from time to time make forward-looking statements in our periodic reports to the United States Securities and Exchange Commission on Form 6-K, annual and interim reports, invitations to Annual General Meetings and other information sent to shareholders, offering circulars and prospectuses, press releases and other written materials. Our Management Board, Supervisory Board, officers and employees may also make oral forward-looking statements to third parties, including financial analysts.

Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. We use words such as believe , anticipate , expect , intend , seek , estimate , project , should , potential , reasonably possible , plan , aim and s identify forward-looking statements.

By their very nature, forward-looking statements involve risks and uncertainties, both general and specific. We base these statements on our current plans, estimates, projections and expectations. You should therefore not place too much reliance on them. Our forward-looking statements speak only as of the date we make them, and we undertake no obligation to update any of them in light of new information or future events.

We caution you that a number of important factors could cause our actual results to differ materially from those we describe in any forward-looking statement. These factors include, among others, the following:

- the potential development and impact on us of economic and business conditions;
- other changes in general economic and business conditions;
- changes and volatility in currency exchange rates, interest rates and asset prices;
- changes in governmental policy and regulation, including measures taken in response to economic, business, political and social conditions;
- the potential development and impact on us of legal and regulatory proceedings to which we are or may become subject;
- changes in our competitive environment;
- the success of our acquisitions, divestitures, mergers and strategic alliances;
- our success in implementing our strategic initiatives and other responses to economic and business conditions and the legal and regulatory environment and realizing the benefits anticipated there from; and
- other factors, including those we refer to in Item 3: Key Information Risk Factors and elsewhere in this document and others to which we do not refer.

Use of Non-GAAP Financial Measures

This document and other documents we have published or may publish contain non-GAAP financial measures. Non-GAAP financial measures are measures of our historical or future performance, financial position or cash flows that contain adjustments which 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 our financial statements. Examples of our non-GAAP financial measures, and the most directly comparable IFRS financial measures, are as follows:

Non-GAAP Financial Measure	Most Directly Comparable IFRS Financial Measure
IBIT attributable to Deutsche Bank shareholders,	Income (loss) before income taxes
IBIT attributable to Deutsche Bank shareholders (adjusted)	
Average active equity	Average shareholders equity
Pre-tax return on average active equity	Pre-tax return on average shareholders equity
Post-tax return on average active equity,	Post-tax return on average shareholders equity
Post-tax return on average active equity (adjusted)	
Tangible book value	Total shareholders equity (book value)
Net revenues (adjusted)	Net revenues
Adjusted cost base	Noninterest expenses
Cost/income ratio (adjusted)	Cost/income ratio

CRR/CRD 4 Solvency Measures

Our regulatory assets, exposures, risk-weighted assets, capital and ratios thereof are calculated for regulatory purposes as of December 31, 2014 and set forth throughout this document under the regulation on prudential requirements for credit institutions and investment firms (CRR) and the Capital Requirements Directive 4 (CRD 4) implementing Basel 3, which were published on June 27, 2013 and which apply on and after January 1, 2014. CRR/CRD 4 provides for transitional rules, under which capital instruments that are no longer eligible under the new rules are permitted to be phased-out as the new rules on regulatory adjustments are phased in, as well as regarding the risk weighting of certain categories of assets. Unless otherwise noted, our CRR/CRD 4 solvency measures as of December 31, 2014 set forth in this document reflect these transitional rules.

We also set forth in this document such CRR/CRD 4 measures on a fully loaded basis, reflecting full application of the rules without consideration of the transitional provisions under CRR/CRD 4. As the final implementation of CRR/CRD 4 may differ from our expectations, and our competitors assumptions and estimates regarding such implementation may vary, our fully loaded CRR/CRD 4 measures, which are non-GAAP financial measures, may not be comparable with similarly labeled measures used by our competitors.

Because CRR/CRD 4 was not yet applicable prior to January 1, 2014, our regulatory assets, exposures, risk-weighted assets, capital and ratios thereof were calculated for regulatory purposes as of December 31, 2013 under the previously applicable the Basel 2.5 capital rules. We also set forth in several places such measures as of December 31, 2013 under a pro forma application of CRR/CRD 4, both on a transitional and a fully loaded basis. Because CRR/CRD 4 was not yet applicable as of such date, such measures are non-GAAP financial measures.

We believe that these fully loaded and pro forma CRR/CRD 4 calculations provide useful information to investors as they reflect our progress against the new regulatory capital standards and as many of our competitors have been describing CRR/CRD 4 calculations on a fully loaded basis.

Further Description and Reconciliation of Non-GAAP Financial Measures

For descriptions of these non-GAAP financial measures and the adjustments made to the most directly comparable financial measures under IFRS (or the CRR/CRD 4 rules, as applicable), please refer (i) for the CRR/CRD 4 regulatory capital, risk-weighted assets, capital ratios and leverage ratio, to Management Report: Risk Report: Regulatory Capital on pages 229 through 251 of the Financial Report and Management Report: Risk Report: Balance Sheet Management on pages 251 through 254 of the Financial Report, and (ii) for the other non-GAAP financial measures described above, to pages S-14 through S-18 of the Supplemental Financial Information, which are incorporated by reference herein.

When used with respect to future periods, our non-GAAP financial measures are also forward-looking statements. We cannot predict or quantify the levels of the most directly comparable financial measures under IFRS (or the CRR/CRD 4 rules) that would correspond to these non-GAAP financial measures for future periods. This is because neither the magnitude of such IFRS (or CRR/CRD 4) financial measures, nor the magnitude of the adjustments to be used to calculate the related non-GAAP financial measures from such IFRS (or CRR/CRD 4) financial measures, can be predicted. Such adjustments, if any, will relate to specific, currently unknown, events and in most cases can be positive or negative, so that it is not possible to predict whether, for a future period, the non-GAAP financial measure will be greater than or less than the related IFRS (or CRR/CRD 4) financial measure.

Use of Internet Addresses

This document contains inactive textual addresses of Internet websites operated by us and third parties. Reference to such websites is made for informational purposes only, and information found at such websites is not incorporated by reference into this document.

PART I

Item 1: Identity of Directors, Senior Management and Advisers

Not required because this document is filed as an annual report.

Item 2: Offer Statistics and Expected Timetable

Not required because this document is filed as an annual report.

Item 3: Key Information

Selected Financial Data

We have derived the data we present in the tables below from our audited consolidated financial statements for the years presented. You should read all of the data in the tables below together with the consolidated financial statements and notes included in Item 18: Financial Statements and the information we provide in Item 5: Operating and Financial Review and Prospects. Except where we have indicated otherwise, we have prepared all of the consolidated financial information in this document in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU). Our corporate division and segment data comes from our management reporting systems and is not in all cases prepared in accordance with IFRS. For a discussion of the major differences between our management reporting systems and our consolidated financial statements under IFRS, see Note 4 Business Segments and Related Information to the consolidated financial statements.

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Income Statement Data

	in U.S.$ m.[1]	2014 in m.	2013 in m.	2012 in m.	2011 in m.	2010 in m.
Net interest income	**17,327**	**14,272**	**14,834**	**15,975**	**17,445**	**15,583**
Provision for credit losses	1,377	1,134	2,065	1,721	1,839	1,274
Net interest income after provision for credit losses	**15,951**	**13,138**	**12,769**	**14,254**	**15,606**	**14,309**
Commissions and fee income[2]	15,066	12,409	12,308	11,809	11,878	10,669
Net gains (losses) on financial assets/liabilities at fair value through profit or loss[2]	5,219	4,299	3,817	5,608	2,724	3,354
Other noninterest income (loss)	1,177	969	956	344	1,181	(1,039)
Total net revenues	**38,789**	**31,949**	**31,915**	**33,736**	**33,228**	**28,567**
Compensation and benefits	15,191	12,512	12,329	13,490	13,135	12,671
General and administrative expenses	17,792	14,654	15,126	15,017	12,657	10,133
Policyholder benefits and claims	350	289	460	414	207	485
Impairment of intangible assets	135	111	79	1,886	0	29
Restructuring activities	161	133	399	394	0	0
Total noninterest expenses	**33,629**	**27,699**	**28,394**	**31,201**	**25,999**	**23,318**
Income before income taxes	**3,783**	**3,116**	**1,456**	**814**	**5,390**	**3,975**
Income tax expense	1,730	1,425	775	498	1,064	1,645
Net income	**2,053**	**1,691**	**681**	**316**	**4,326**	**2,330**
Net income attributable to noncontrolling interests	34	28	15	53	194	20
Net income attributable to Deutsche Bank shareholders	2,019	1,663	666	263	4,132	2,310

	in U.S.$	in	in	in	in	in

Basic earnings per share[3,4]	1.63	1.34	0.64	0.27	4.25	2.93
Diluted earnings per share[3,5]	1.59	1.31	0.62	0.26	4.11	2.80
Dividends paid per share[6]	0.91	0.75	0.75	0.75	0.75	0.75

1 Amounts in this column are unaudited. We have translated the amounts solely for your convenience at a rate of U.S.$ 1.2141 per , the euro foreign exchange reference rate for U.S. dollars published by the European Central Bank (ECB) for December 31, 2014.
2 Prior periods have been restated. For further details please refer to Note 1 Significant Accounting Policies and Critical Accounting Estimates to the consolidated financial statements.
3 The number of average basic and diluted shares outstanding has been adjusted in order to reflect the effect of the bonus element of the subscription rights issue in connection with the capital increases in June 2014 and October 2010.
4 We calculate basic earnings per share for each period by dividing our net income attributable to Deutsche Bank shareholders by the average number of common shares outstanding.
5 We calculate diluted earnings per share for each period by dividing our net income attributable to Deutsche Bank shareholders by the average number of common shares outstanding, both after assumed conversions.
6 Dividends we declared and paid in the year.

Balance Sheet Data

	in U.S. $ m.[1]	2014 in m.	2013 in m.	2012 in m.	2011 in m.	2010 in m.
Total assets	2,074,537	1,708,703	1,611,400	2,022,275	2,164,103	1,905,630
Loans	492,454	405,612	376,582	397,377	412,514	407,729
Deposits	647,032	532,931	527,750	577,210	601,730	533,984
Long-term debt	175,847	144,837	133,082	157,325	163,416	169,660
Common shares	4,287	3,531	2,610	2,380	2,380	2,380
Total shareholders equity[2]	82,985	68,351	54,719	54,001	53,390	48,819
Tier 1 capital[3]	61,549	50,695	50,717	50,483	49,047	42,565
Total regulatory capital[3]	76,576	63,072	55,464	57,015	55,226	48,688

1 Amounts in this column are unaudited. We have translated the amounts solely for your convenience at a rate of U.S.$ 1.2141 per , the euro foreign exchange reference rate for U.S. dollars published by the European Central Bank (ECB) for December 31, 2014.
2 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.
3 Figures presented for 2014 are based on the transitional rules of the CRR/CRD 4 framework. Figures presented for 2013, 2012 and 2011 are based on Basel 2.5 . Figures presented for 2010 are based on Basel 2 . The capital ratios relate the respective capital to risk-weighted assets. Until 2013 transitional items pursuant to the former Section 64h (3) of the German Banking Act are excluded.

Certain Key Ratios and Figures

	2014	2013	2012	2011	2010
Share price at period-end[1]	24.99	33.07	31.43	28.08	37.29
Share price high[1]	38.15	36.94	37.68	46.45	52.70
Share price low[1]	22.66	28.05	21.09	19.82	34.27
Book value per basic share outstanding[2,4]	49.32	50.80	54.74	55.44	49.95
Tangible book value per basic share outstanding[3,4]	38.53	37.87	40.32	39.03	34.00
Return on average shareholders equity (post-tax)[5]	2.7 %	1.2 %	0.5 %	8.2 %	5.5 %
Return on average active equity (post-tax)[6]	2.7 %	1.2 %	0.5 %	8.2 %	5.6 %
Pre-tax return on average shareholders equity[7]	5.0 %	2.6 %	1.3 %	10.2 %	9.5 %
Pre-tax return on average active equity[8]	5.1 %	2.6 %	1.4 %	10.3 %	9.6 %
Cost/income ratio[9]	86.7 %	89.0 %	92.5 %	78.2 %	81.6 %
Compensation ratio[10]	39.2 %	38.6 %	40.0 %	39.5 %	44.4 %
Noncompensation ratio[11]	47.5 %	50.3 %	52.5 %	38.7 %	37.3 %
Common Equity Tier 1 capital ratio[12]	15.2 %	12.8 %	11.4 %	9.5 %	8.7 %
Tier 1 capital ratio[12]	16.1 %	16.9 %	15.1 %	12.9 %	12.3 %
Employees at period-end (full-time equivalent):[13]					
In Germany	45,392	46,377	46,308	47,323	49,265
Outside Germany	52,746	51,877	51,911	53,673	52,797
Branches at period-end:					
In Germany	1,845	1,924	1,944	2,039	2,087
Outside Germany	969	983	1,040	1,039	996

1 Historical share prices have been adjusted on June 5, 2014 with retroactive effect to reflect the capital increase by multiplying a correcting factor of 0.9538. Historical share prices have been adjusted on October 6, 2010 with retroactive effect to reflect the capital increase by multiplying a correcting factor of

0.912477.

[2] Shareholders equity divided by the number of basic shares outstanding (both at period-end).

[3] Shareholders equity less goodwill and other intangible assets, divided by the number of basic shares outstanding (both at period-end).

[4] The number of average basic and diluted shares outstanding has been adjusted in order to reflect the effect of the bonus element of the subscription rights issue in connection with the capital increases in June 2014 and October 2010.

[5] Net income attributable to our shareholders as a percentage of average shareholders equity.

[6] Net income attributable to our shareholders as a percentage of average active equity.

[7] Income before income taxes attributable to our shareholders as a percentage of average shareholders equity.

[8] Income before income taxes attributable to our shareholders as a percentage of average active equity.

[9] Total noninterest expenses as a percentage of net interest income before provision for credit losses, plus noninterest income.

[10] Compensation and benefits as a percentage of total net interest income before provision for credit losses, plus noninterest income.

[11] Noncompensation noninterest expenses, which is defined as total noninterest expenses less compensation and benefits, as a percentage of total net interest income before provision for credit losses, plus noninterest income.

[12] Figures presented for 2014 are based on the transitional rules of the CRR/CRD 4 framework. Figures presented for 2013, 2012 and 2011 are based on Basel 2.5 . Figures presented for 2010 are based on Basel 2 . The capital ratios relate the respective capital to risk-weighted assets. Until 2013 transitional items pursuant to the former Section 64h (3) of the German Banking Act are excluded.

[13] Deutsche Postbank aligned its FTE definition to that of Deutsche Bank which reduced the Group number as of December 31, 2011 by 260 (prior periods not restated).

Dividends

The following table shows the dividend per share in euro and in U.S. dollars for the years ended December 31, 2014, 2013, 2012, 2011, and 2010. We declare our dividends at our Annual General Meeting following each year. Our dividends are based on the non-consolidated results of Deutsche Bank AG as prepared in accordance with German accounting principles. Because we declare our dividends in euro, the amount an investor actually receives in any other currency depends on the exchange rate between euro and that currency at the time the euros are converted into that currency.

Effective January 1, 2009, the German withholding tax applicable to dividends is 26.375 % (consisting of a 25 % withholding tax and an effective 1.375 % surcharge). For individual German tax residents, the withholding tax paid after January 1, 2009 represents for private dividends, generally, the full and final income tax applicable to the dividends. Dividend recipients who are tax residents of countries that have entered into a convention for avoiding double taxation may be eligible to receive a refund from the German tax authorities for a portion of the amount withheld and in addition may be entitled to receive a tax credit for the German withholding tax not refunded in accordance with their local tax law.

U.S. residents will be entitled to receive a refund equal to 11.375 % of the dividends received after January 1, 2009. For U.S. federal income tax purposes, the dividends we pay are not eligible for the dividends received deduction generally allowed for dividends received by U.S. corporations from other U.S. corporations.

Dividends in the table below are presented before German withholding tax.

See Item 10: Additional Information Taxation for more information on the tax treatment of our dividends.

			Payout ratio [2,3]	
	Dividends per share[1]	Dividends per share	Basic earnings per share	Diluted earnings per share
2014 (proposed)	$ 0.91	0.75	56 %	57 %
2013	$ 1.03	0.75	117 %	121 %
2012	$ 0.99	0.75	N/M	N/M
2011	$ 0.97	0.75	17 %	17 %
2010	$ 1.00	0.75	24 %	26 %

N/M Not meaningful

1 For your convenience, we present dividends in U.S. dollars for each year by translating the euro amounts at the period end rate for the last business day at each year end as described below under Exchange Rate and Currency Information .

2 We define our payout ratio as the dividends we paid per share in respect of each year as a percentage of our basic and diluted earnings per share for that year.

3 The number of average basic and diluted shares outstanding has been adjusted in order to reflect the effect of the bonus element of the subscription rights issue in connection with the capital increases in June 2014 and October 2010.

Exchange Rate and Currency Information

Germany s currency is the euro. For your convenience, we have translated some amounts denominated in euro appearing in this document into U.S. dollars. Unless otherwise stated, we have made these translations at U.S.$ 1.2141 per euro, the euro foreign exchange reference rate for U.S. dollars published by the European Central Bank (ECB) for December 31, 2014. ECB euro foreign exchange reference rates are based on a regular daily concertation procedure between central banks across Europe and worldwide, which normally takes place at 2.15 p.m. CET. You should not construe any translations as a representation that the amounts could have been exchanged at the rate used on December 31, 2014 or any other date.

The ECB euro foreign exchange reference rate for U.S. dollars for December 31, 2014 may differ from the actual rates we used in the preparation of the financial information in this document. Accordingly, U.S. dollar amounts appearing in this document may differ from the actual U.S. dollar amounts that we originally translated into euros in the preparation of our financial statements.

Fluctuations in the exchange rate between the euro and the U.S. dollar will affect the U.S. dollar equivalent of the euro price of our shares quoted on the German stock exchanges and, as a result, are likely to affect the market price of our shares on the New York Stock Exchange. These fluctuations will also affect the U.S. dollar value of cash dividends we may pay on our shares in euros. Past fluctuations in foreign exchange rates may not be predictive of future fluctuations.

Euro foreign exchange reference rates for U.S. dollars as published by the ECB

in U.S.$ per	Period-end[1]	Average[2]	High	Low
2015				
March (through March 4)	1.1124	0.0000	1.1227	1.1124
February	1.1240	0.0000	1.1447	1.1240
January	1.1305	0.0000	1.2043	1.1198
2014				
December	1.2141	0.0000	1.2537	1.2141
November	1.2483	0.0000	1.2539	1.2393
October	1.2524	0.0000	1.2823	1.2524
September	1.2583	0.0000	1.3151	1.2583
2013	1.3791	1.3308	1.3814	1.2768
2012	1.3194	1.2932	1.3454	1.2089
2011	1.2939	1.4000	1.4882	1.2889
2010	1.3362	1.3207	1.4563	1.1942

1 Period-end rate is the rate announced for the last business day of the period.
2 We calculated the average rates for each year using the average of exchange rates on the last business day of each month during the year. We did not calculate average exchange rates within months.

Capitalization and Indebtedness

Consolidated capitalization in accordance with IFRS as of December 31, 2014

	in m.
Debt:[1,2]	
Long-term debt	144,837
Trust preferred securities	10,573
Long-term debt at fair value through profit or loss	9,919
Total debt	**165,329**
Shareholders equity:	

Common shares (no par value)	3,531
Additional paid-in capital	33,626
Retained earnings	29,279
Common shares in treasury, at cost	(8)
Accumulated other comprehensive income, net of tax	
Unrealized net gains (losses) on financial assets available for sale, net of applicable tax and other	1,675
Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax	79
Unrealized net gains (losses) on assets classified as held for sale, net of tax	0
Foreign currency translation, net of tax	151
Unrealized net gains (losses) from equity method investments	18
Total shareholders equity	**68,351**
Equity component of financial instruments	4,619
Noncontrolling interests	253
Total equity	**73,223**
Total capitalization	**238,551**

1 864 million (0.5 %) of our debt was guaranteed as of December 31, 2014. This consists of debt of a subsidiary of Deutsche Postbank AG which is guaranteed by the German government.

2 34,216 million (21 %) of our debt was secured as of December 31, 2014.

Reasons for the Offer and Use of Proceeds

Not required because this document is filed as an annual report.

Risk Factors

An investment in our securities involves a number of risks. You should carefully consider the following information about the risks we face, together with other information in this document, when you make investment decisions involving our securities. If one or more of these risks were to materialize, it could have a material adverse effect on our financial condition, results of operations, cash flows or prices of our securities.

Even as the U.S. economy has gradually improved, Europe continues to experience tepid economic growth, high levels of structural debt, persistent long-term unemployment and very low inflation. These persistently challenging market conditions have contributed to political uncertainty in many member countries of the eurozone and continue to negatively affect our results of operations and financial condition in some of our businesses, while a continuing low interest environment and competition in the financial services industry have compressed margins in many of our businesses. If these conditions persist or worsen, we could determine that we need to make changes to our business model.

Persistent doubt about the sustainability of the economic recovery in the eurozone continues to materially affect our businesses, particularly through its negative impact on client activity levels. The European Central Bank (generally referred to as the ECB) recently announced a new large-scale financial asset purchase program (commonly referred to as quantitative easing) in an attempt to counteract these conditions and in particular to lower the risk that the eurozone will enter a period of deflation, which, if left unabated, could exacerbate the already high structural debt and unemployment levels that have persisted and have contributed to political uncertainty in many member countries of the eurozone. By contrast, the U.S. Federal Reserve recently ceased its own quantitative easing program and has stated that it plans to begin raising its benchmark interest rate around the middle of 2015, as growth in the U.S. economy has trended upward. Many economists expect that the global and in particular the eurozone economy will to some extent become dependent on the U.S. to act as the main driver of global economic growth. This may especially be the case as Chinese economic growth continues to slow as a result of the cooling of the real estate market there. Any deceleration of economic growth in the U.S could endanger the still tepid and fragile economic recovery in the eurozone and elsewhere. These macroeconomic uncertainties have been exacerbated by heightened geopolitical tensions, such as those in connection with Ukraine, Russia and the Middle East, which, should they intensify, would have the potential to further undermine confidence in the global economic recovery. In addition, sharp declines in oil and commodity prices in 2014 have led to further uncertainty concerning the resilience of the global economy. Although oil price declines have largely benefited industrialized economies, they have also caused further volatility in emerging markets, which have experienced a divergence between those countries that export energy and those that import it. This has, in many cases, increased the uncertainty with respect to the future levels of foreign investment inflows into such markets.

Against this background and these uncertainties, we have observed continued subdued client activity in a number of our businesses, with our credit flow businesses in our Corporate Banking & Securities (CB&S) division affected in particular, although we experienced somewhat improved activity levels in the second half of 2014. The simultaneous easing of monetary policy in the eurozone and the tightening of it in the United States may have disruptive effects on many of our businesses. Our credit flow businesses continue to be affected by the potential tightening of monetary policy in the United States, even as the ultra-low interest rate environment, especially in the eurozone, where it may be sustained, and geopolitical uncertainties have also put pressure on our margins in several traditional banking sectors. We may face further uncertainty if, as it currently appears, the net effect of monetary policies in the U.S. and the eurozone is to continue to weaken the euro against the U.S. dollar. We benefit from a stronger U.S. dollar as a significant portion of our revenues is generated in the United States while our results are reported in euro. A stronger U.S. dollar will, however, also increase the euro values of our U.S. dollar-denominated liabilities, including those incurred in respect of U.S. litigation and enforcement matters, and will also tend to significantly increase our risk weighted assets, including those in the NCOU, that are denominated in U.S. dollars. This can lead to material declines in our capital ratios. These challenges have been exacerbated as we continue to face headwinds from the continuing intensification of the regulatory environment. A continued high level of litigation and enforcement matters has given rise to reputational challenges, has put further pressure on our profitability and returns, and has made our periodic results more volatile as we often have little control as to the period in which we will resolve active matters.

Like many in the investment banking industry, we continue to rely on our trading and markets businesses as a primary source of profit. However, these flow businesses, in particular our fixed income securities franchise, have continued to face an extremely challenging environment, especially in the first half of 2014, caused by cyclical uncertainty about the low interest rate environment, central bank intervention in markets and the gradual cessation thereof and overall sluggish economic growth. These negative effects have been exacerbated by the impacts on our profitability from continued de-risking and long-term structural trends driven by regulation and competition that have further compressed our margins in many of our businesses. Should a combination of these factors continue to lead to reduced margins and subdued activity levels in our trading and markets business over the longer term, this could reflect structural challenges that may lead us to consider changes to aspects of our business model.

If uncertainty about the macroeconomic environment persists or worsens, these trends may also be difficult for us to counter. More generally, if economic conditions in the eurozone remain at their current subdued levels, or worsen, or if economic growth stagnates elsewhere, our results of operations may be materially and adversely affected. Continued quantitative easing by the ECB in response to this may lead to a continuation of the current environment of low interest rates and margin compression, which may also already affect our business and financial position. By contrast, any decision by the U.S. Federal Reserve or by central banks more generally to tighten their monetary policy if economies continue to improve could have a material adverse effect on perceptions of liquidity in the financial system and on the global economy more generally, and may adversely affect our business and financial position. In particular, we may in the future be unable to offset the potential negative effects on our profitability of the current macroeconomic and market conditions through performance in our other businesses.

Regulatory and political actions by European governments in response to the European sovereign debt crisis may not be sufficient to prevent the crisis from spreading or to prevent departure of one or more member countries from the common currency. In particular, anti-austerity populism in Greece and other member countries of the eurozone could undermine confidence in the continued viability of those countries participation in the euro. The default or departure from the euro of any one or more countries could have unpredictable political consequences as well as consequences for the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across our businesses. Our ability to protect ourselves against these risks is limited.

Although the severity of the European sovereign debt crisis appeared to have abated somewhat over the last several years, the emergence of significant anti-austerity sentiment in some member countries, especially in Greece, may contribute to renewed instability in the European sovereign debt markets and in the economy more generally. The austerity programs introduced by a number of countries across the eurozone in response to the sovereign debt crisis have dampened economic growth over recent years, while reform efforts have not yet been able to overcome the extremely difficult structural economic challenges that several eurozone countries continue to face. Against this background, the political leaders of Greece and other affected countries have limited flexibility to counteract these negative macroeconomic trends through fiscal policy, especially as Greece remains subject to the terms of its international debt restructuring. This negative macroeconomic outlook has the potential to cultivate the political support in Greece or other countries to attempt to renegotiate their debt restructurings or to exit from the eurozone. Any resulting political developments could quickly change the economic and financial situation throughout the eurozone, and could affect even the financially more stable countries in the eurozone, including Germany. Substantial doubt remains whether actions taken by European policymakers would be sufficient to contain such a crisis. In particular, the ECB s quantitative easing program may not improve economic conditions quickly enough or at all in Greece and other economically contracting or stagnant eurozone countries in order to build a political consensus to maintain the course in the eurozone. In addition, the European Stability Mechanism, generally referred to as the ESM, the special purpose vehicle created by the European Union to combat the sovereign debt crisis, may prove to be ineffective or inadequate in a crisis situation. As economic weakness continues in the eurozone, questions about the long-term growth prospects of the eurozone countries could exacerbate their difficulties in refinancing their sovereign debt as it comes due, further increasing pressure on other eurozone governments.

Any political decision by Greece or other member countries to leave the eurozone could lead to tremendous pressure on other member countries to do so as well and could potentially lead to a significant deterioration of the sovereign debt market, especially if the exit did not result in the catastrophic effects on the exiting country that many have predicted. If one or more members of the eurozone defaults on their debt obligations or decides to leave the common currency, this would result in the reintroduction of one or more national currencies. Should a eurozone country conclude it must exit the common currency, the resulting need to reintroduce a national currency and restate existing contractual obligations could have unpredictable financial, legal, political and social consequences, leading not only to significant losses on sovereign debt but also on private debt in that country. Given the highly interconnected nature of the financial system within the eurozone, and the high levels of exposure we have to public and private counterparties around Europe, our ability to plan for such a contingency in a manner that would reduce our exposure to non-material levels is likely to be limited. If the overall economic climate deteriorates as a result of one or more departures from the eurozone, our businesses could be adversely affected, and, if overall business levels decline or we are forced to write down significant exposures among our various businesses, we could incur substantial losses.

We may be required to take impairments on our exposures to the sovereign debt of European or other countries as the European sovereign debt crisis continues. The credit default swaps into which we have entered to manage sovereign credit risk may not be available to offset these losses.

The effects of the continuing sovereign debt crisis have been especially evident in the financial sector, as a large portion of the sovereign debt of eurozone countries is held by European financial institutions, including us. As of December 31, 2014, we had a direct sovereign credit risk exposure of 4.6 billion to Italy, 688 million to Spain and 100 million to Greece. Despite the abatement of the crisis in recent years, it remains uncertain whether, in light of the current political environment, Greece or other eurozone sovereigns, such as Spain, Italy, Portugal and Cyprus, will be able to manage their debt levels in the future and whether Greece will attempt to renegotiate its past international debt restructuring. In the future, negotiations or exchanges similar to the Greek debt restructuring in 2012 could take place with respect to the sovereign debt of these or other affected countries. The outcome of any negotiations regarding changed terms (including reduced principal amounts or extended maturities) of sovereign debt may result in additional impairments of assets on our balance sheet. Any negotiations are highly likely to be subject to political and economic pressures that we cannot control, and we are unable to predict their effects on the financial markets, on the greater economy or on ourselves.

In addition, any restructuring of outstanding sovereign debt may result in potential losses for us and other market participants that are not covered by payouts on hedging instruments that we have entered into to protect against the risk of default. These instruments largely consist of credit default swaps, generally referred to as CDSs, pursuant to which one party agrees to make a payment to another party if a credit event (such as a default) occurs on the identified underlying debt obligation. A sovereign restructuring that avoids a credit event through voluntary write-downs of value may not trigger the provisions in CDSs we have entered into, meaning that our exposures in the event of a write-down could exceed the exposures we previously viewed as our net exposure after hedging. Additionally, even if the CDS provisions are triggered, the amounts ultimately paid under the CDSs may not correspond to the full amount of any loss we incur. We also face the risk that our hedging counterparties have not effectively hedged their own exposures and may be unable to provide the necessary liquidity if payments under the instruments they have written are triggered. This may result in systemic risk for the European banking sector as a whole and may negatively affect our business and financial position.

We have a continuous demand for liquidity to fund our business activities. We may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to us even if our underlying business remains strong.

We are exposed to liquidity risk, which is the risk arising from our potential inability to meet all payment obligations when they become due or only being able to meet them at excessive cost. Our liquidity may become impaired due to a reluctance of our counterparties or the market to finance our operations due to actual or perceived weaknesses in our businesses. Such impairments can also arise from circumstances unrelated to our businesses and outside our control, such as, but not limited to, disruptions in the financial markets. For example, we experienced, as a result of the European sovereign debt crisis in 2012, declines in the price of our shares and increases in the premium investors must pay when purchasing CDSs on our debt. In addition, negative developments concerning other financial institutions perceived to be comparable to us and negative views about the financial services industry in general have also affected us in recent years. These perceptions have affected the prices at which we have accessed the capital markets to obtain the necessary funding to support our business activities; should these perceptions worsen, our ability to obtain this financing on acceptable terms may be adversely affected. Among other things, an inability to refinance assets on our balance sheet or maintain appropriate levels of capital to protect against deteriorations in their value could force us to liquidate assets we hold at depressed prices or on unfavorable terms, and could also force us to curtail business, such as the extension of new credit. This could have an adverse effect on our business, financial condition and results of operations.

As a result of funding pressures arising from the European sovereign debt crisis and the global economic weakness more generally, there has been increased intervention by a number of central banks over the past several years, in particular by the ECB and the U.S. Federal Reserve. In September 2012, the ECB announced an unlimited sovereign bond buying program (referred to as the OMT Program) aimed at keeping the borrowing costs of affected eurozone countries low through the purchase of their debt instruments. In a court order dated January 14, 2014, the German Constitutional Court (Bundesverfassungsgericht) has sought guidance from the Court of Justice of the European Union as to whether the OMT Program is compatible with European law. Although a recent Advocate General Opinion stated that the program should be valid under European law, the Court of Justice of the European Union is not expected to issue a final decision until the summer of 2015. A decision finding that the OMT Program is incompatible with European law could adversely affect the ability of the ECB to invoke the OMT Program and negatively impact the stability of the eurozone. Over the course of 2014, the ECB cut its main refinancing rate to 0.05 %, made liquidity available to the banks via targeted longer-term refinancing operations and, towards the end of the year, launched a program to purchase covered bonds and asset-backed securities. In addition, the ECB has recently announced that it would implement a program commonly referred to as quantitative easing, which is designed to keep long-term interest rates low through substantial purchases of long-term financial assets from private institutions. The U.S. Federal Reserve has also expanded its provision of U.S. dollar liquidity to the ECB, which the ECB has then made available to European banks.

To the extent these incremental measures, most of which have resulted in the availability of additional liquidity to European financial institutions and the financial markets in the eurozone more generally, are curtailed or halted, this could adversely impact funding markets for all European financial institutions, including us. This could in turn lead to an increase in funding costs, or reduced funding supply, which could result in a reduction in business activity. In particular, any decision by the ECB to discontinue or reduce quantitative easing or by the U.S. Federal Reserve or central banks more generally to tighten their monetary policy will likely cause long-term interest rates to increase and accordingly impact the costs of our funding. In addition, negative perceptions concerning our business and prospects could develop as a result of large losses, changes of our credit ratings, a general decline in the level of business activity in the financial services sector, regulatory action, serious employee misconduct or illegal activity, as well as many other reasons outside our control and that we cannot foresee.

Since the start of the global financial crisis and continuing through the European sovereign debt crisis, the major credit rating agencies have lowered our credit ratings or placed them on review or watch on multiple occasions. On July 29, 2014, Moody s announced it was downgrading our long-term debt and deposit ratings from A2 to A3. On March 26, 2014, Fitch Ratings affirmed our long-term issuer default rating of A+ but moved the respective rating outlook from stable to negative. On April 30, 2014, Standard & Poor s affirmed our long-term issuer default rating of A but moved the respective rating outlook from stable to negative, and on February 3, 2015, Standard & Poor s put our long-term ratings on CreditWatch with negative implication. Recent credit rating downgrades have not materially affected our borrowing costs. However, any future downgrade could materially affect our funding costs, although we are unable to predict whether this would be the case or the extent of any such effect. The effect would depend on a number of factors including whether a downgrade affects financial institutions across the industry or on a regional basis, or is intended to reflect circumstances specific to us; any actions our senior management may take in advance of or in response to the downgrade; the willingness of counterparties to continue to do business with us; any impact of other market events and the state of the macroeconomic environment more generally.

Additionally, under many of the contracts governing derivative instruments to which we are a party, a downgrade could require us to post additional collateral, lead to terminations of contracts with accompanying payment obligations for us or give counterparties additional remedies. We take these effects into account in our liquidity stress testing analysis, as further described in Management Report: Risk Report: Liquidity Risk: Stress Testing and Scenario Analysis on pages 217 through 218 of the Financial Report.

Regulatory reforms enacted and proposed in response to weaknesses in the financial sector, together with increased regulatory scrutiny more generally, have created significant uncertainty for us and may adversely affect our business and ability to execute our strategic plans.

In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. Legislation has already been enacted and regulations issued in response to many of these proposals. The regulatory framework for financial institutions is likely to undergo further significant change. This creates significant uncertainty for us and the financial industry in general. The wide range of new laws and regulations or current proposals includes, among other things, provisions for more stringent regulatory capital and liquidity standards, restrictions on compensation practices, restrictions on proprietary trading and other investment activities, special bank levies and financial transaction taxes, recovery and resolution powers to intervene in a crisis including bail-in of creditors, the creation of a single supervisor and a single resolution mechanism (SRM) within the eurozone, separation of certain businesses from deposit taking, stress testing and capital planning regimes, heightened reporting requirements, and reforms of derivatives, other financial instruments, investment products and market infrastructures. In addition, regulatory scrutiny under existing laws and regulations has become more intense. The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still on-going, and may include, for example, material revisions to our risk-weighted assets calculation, changes in our deductions from our regulatory capital and the imposition of additional capital charges to cover financial, market and operational risk. These requirements may be in addition to regulatory capital buffers that may also be increased or be in addition to those already imposed on us and could themselves materially increase our capital requirements.

Regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been steadily increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to ongoing or future crises, and may especially affect financial institutions such as us that are deemed to be systemically important. For example, exceptional and temporary capital ratios, such as the one mandated by the European Council in October 2011, may be imposed very quickly.

The European Union is in the process of establishing a banking union consisting of Germany and members of the eurozone, plus any other EU member states that choose to join. Since November 4, 2014, the ECB has been our primary prudential supervisor, and there is uncertainty to what extent this will result in a change to our regulatory environment. In preparation for direct supervision, the ECB conducted a comprehensive assessment, consisting of an asset quality review and a stress test, the results of which it published on October 26, 2014. We successfully met all quantitative and qualitative requirements of the comprehensive assessment. However, potential costs for litigations were not part of the stress test. In the future, the ECB or other regulators may conduct more stringent stress tests, and failure to meet the respective new quantitative and qualitative requirements could have a material adverse effect on our business, financial condition and results of operations, including our ability to pay out dividends.

In addition, the regulators having jurisdiction over us, including the ECB and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin), have discretion to impose capital deductions on financial institutions for financial, market and operational risks that are not otherwise recognized in risk-weighted assets or other surcharges depending on the individual situation of the bank. On February 20, 2015, the ECB required us to maintain a Common Equity Tier 1 ratio of at least 10 % (on a phase-in basis). Furthermore, any prospective changes in accounting standards, such as those imposing stricter or more extensive requirements to carry assets at fair value, could also have uncertain impacts on our capital needs.

Regulatory and legislative changes require us to maintain increased capital and may significantly affect our business model and the competitive environment. Any perceptions in the market that we may be unable to meet our capital requirements with an adequate buffer, or that we should maintain capital in excess of the requirements, could intensify the effect of these factors on our business and results.

In December 2010, the Basel Committee on Banking Supervision published a set of comprehensive changes to the capital adequacy framework, known as Basel 3, which have been implemented into European Union law by a legislative package referred to as CRR/CRD 4 . CRR/CRD 4 became effective on January 1, 2014, with some provisions being gradually phased in through 2019. CRR/CRD 4 contains, among other things, detailed rules on regulatory banking capital, increased capital requirements and the introduction of additional capital buffers (which will increase from year to year) as well as tightened liquidity standards and the introduction of a leverage ratio not based upon risk-weightings. We expect to be subject to additional capital buffers, including as a result of being designated a globally systemically important financial institution, or G-SIFI . In July 2013, U.S. federal bank regulators issued final rules implementing many elements of the Basel 3 framework in the United States.

We may not have sufficient capital to meet these increasing regulatory requirements. This could occur due to regulatory and other changes, such as the gradual phase out of our hybrid capital instruments as qualifying Additional Tier 1 (or AT1), or due to any substantial losses we may incur, which would reduce our retained earnings, a component of Common Equity Tier 1 capital, or due to a combination of these or other factors. One such factor might be a continued decline in the value of the euro as compared to other currencies, causing our risk-weighted assets denominated in these other countries to increase, as described above. In addition, although we executed two transactions to issue AT1 notes with a total eligible amount of 4.6 billion in 2014, we may be unable to replace our hybrid capital instruments as they are being gradually phased out. As a result, our future leverage ratio under CRR/CRD 4 may be substantially lower than the adjusted pro forma CRR/CRD 4 leverage ratio we have published. This ratio reflects, as of December 31, 2014, the 10.0 billion of hybrid capital securities that continued to qualify under the CRR/CRD 4 phase-in rules as of that date but that will be phased out of our regulatory capital.

If we are unable to build up capital buffers as required by CRR/CRD 4, we may become subject to restrictions on the pay-out of dividends, share buybacks and discretionary compensation payments. In addition, any requirement to increase capital ratios could lead us to adopt a strategy focusing on capital preservation and creation over revenue generation and profit growth, in particular involving the reduction in higher margin risk-weighted assets. If we are unable to increase our capital ratios to the regulatory minimum in such a case or by raising new capital through the capital markets, through the reduction of risk-weighted assets or through other means, then we may be required to activate our group recovery plan. If these actions or other private or supervisory actions do not restore capital ratios to the levels required by CRR/CRD 4, and we are failing or likely to fail, competent authorities may apply resolution powers under the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz) and other laws. Resolution powers may include the power to require legal and operational changes to bank structures to ensure resolvability, to transfer to another legal entity shares, assets, rights or liabilities of a bank which is failing or likely to fail, to reduce, including to reduce to zero, the nominal amount of shares, or to cancel shares. Furthermore, the competent resolution authority may order the full or partial write-down of hybrid capital and debt instruments or their conversion into shares (commonly referred to as bail-in). The exercise of resolution powers could lead to a significant dilution of our shareholders or even the total loss of our shareholders or creditors investment.

In February 2014, the Federal Reserve Board adopted U.S. prudential reforms (the FBO Rules) applicable to foreign banking organizations (FBOs). FBOs with U.S. $ 50 billion or more in U.S. non-branch assets, such as us, will be required to establish or designate a separately capitalized top-tier U.S. intermediate holding company (IHC) to hold substantially all of the FBO s ownership interests in U.S. subsidiaries by July 1, 2016. Beginning on that date, our IHC will be subject, on a consolidated basis, to the risk-based capital requirements under the U.S. Basel 3 capital framework, capital planning and stress testing requirements (on a phased-in basis), U.S. liquidity buffer requirements and other enhanced prudential standards comparable to those applicable to top-tier U.S. bank holding companies of a similar size. The Federal Reserve Board will have the authority to examine the IHC and any of its subsidiaries. U.S. leverage requirements applicable to the IHC will take effect beginning in January 2018. The Federal Reserve Board has also stated that it intends, through future rulemakings, to apply the Basel 3 liquidity coverage ratio and net stable funding ratio to the U.S. operations of some or all large foreign banking organizations. Our combined U.S. operations, including our New York branch, will also be subject to certain requirements related to liquidity and risk management.

Our existing U.S. bank holding company subsidiary, Deutsche Bank Trust Corporation, is subject to various U.S. prudential requirements and will become subject to others prior to our establishing the IHC. As of January 1, 2015, Deutsche Bank Trust Corporation is subject to risk-based and leverage capital requirements, liquidity requirements, and other enhanced prudential standards applicable to large U.S. bank holding companies. Deutsche Bank Trust Corporation also became subject to capital planning and stress testing requirements on June 30, 2014. Deutsche Bank Trust Corporation will remain subject to the capital planning and stress testing requirements and certain enhanced prudential standards until corresponding requirements applicable to the IHC become effective. On March 5, 2015, the Federal Reserve Board released the results of the 2015 supervisory stress tests. It found that, even in the severely adverse economic stress test scenario, Deutsche Bank Trust Corporation would maintain capital ratios well above the required minimum levels. On March 11, 2015, the Federal Reserve Board announced that it objected on qualitative grounds to the capital plan submitted by Deutsche Bank Trust Corporation as part of the 2015 Comprehensive Capital Analysis and Review (CCAR), citing numerous and significant deficiencies across Deutsche Bank Trust Corporation s risk-identification, measurement, and aggregation processes, approaches to loss and revenue projection, and internal controls. The capital plan did not include any planned dividends or share repurchases. Deutsche Bank Trust Corporation is committed to strengthening and enhancing its capital planning process.

On September 3, 2014, the Federal Reserve Board and other U.S. regulators approved a final rule implementing for certain U.S. banking holding companies and depositary institutions both a full and a modified version of the quantitative liquidity coverage ratio (LCR) requirement that is generally consistent with the Basel Committee s revised Basel 3 liquidity rules, but is more stringent in several respects.

Title I of the Dodd-Frank Act and the implementing regulations require each bank holding company with assets of U.S. $ 50 billion or more, including Deutsche Bank AG, to prepare and submit annually a plan for the orderly resolution of subsidiaries and operations in the event of future material financial distress or failure (the Title I US Resolution Plan). For foreign-based covered companies such as Deutsche Bank AG, the Title I US Resolution Plan only relates to subsidiaries, branches, agencies and businesses that are domiciled in or conducted in whole or in material part in the United States. In addition to the Title I US Resolution Plan, in 2014, Deutsche Bank Trust Company Americas, one of our insured depository institutions (IDIs) in the United States, was subject to the FDIC s final rule requiring IDIs with total assets of U.S. $ 50 billion or more to submit periodically to the FDIC a plan for resolution in the event of failure under the Federal Deposit Insurance Act (the IDI Rule). We expanded our 2014 Title I US Resolution Plan to also be responsive to the IDI Rule requirements.

These requirements could require us to reduce assets held in the United States, inject capital into or otherwise change the structure of our U.S. operations. To the extent that we are required to reduce operations in the United States or deploy capital in the United States that could be deployed more profitably elsewhere, these requirements could have an adverse effect on our business, financial condition and results of operations.

Any increased capital or liquidity requirements, including those described above, could have adverse effects on our business, financial condition and results of operations, as well as on perceptions in the market of our stability, particularly if any such proposal becomes effective and results in our having to raise capital at a time when financial markets are distressed. If these regulatory requirements must be implemented more quickly than currently foreseen, we may decide that the quickest and most reliable path to compliance is to reduce the level of assets on our balance sheet, dispose of divisions or separate out certain activities or reduce or close down certain business lines. The effects on our capital raising efforts in such a case could be amplified due to the expectation that our competitors, at least those subject to the same or similar capital requirements, would likely also be required to raise capital at the same time. Moreover, some of our competitors, particularly those outside the European Union, may not face the same or similar regulations, which could put us at a competitive disadvantage.

In addition to these regulatory initiatives, market sentiment may encourage financial institutions such as us to maintain significantly more capital than regulatory-mandated minima, which could exacerbate the effects on us described above or, if we do not increase our capital to the encouraged levels, could lead to the perception in the market that we are undercapitalized relative to our peers generally.

The increasingly stringent regulatory environment to which we are subject, coupled with substantial outflows in connection with litigation and enforcement matters, may make it difficult for us to maintain our capital ratios at levels above those required by regulators or expected in the market.

Since 2008, governments, regulatory authorities and others have significantly tightened the prudential regulation of the financial services industry. These changes and the general lack of international regulatory coordination, including on implementation timetables, have created significant uncertainty for us, especially as regulatory authorities discretion in how to regulate banks has also substantially increased in recent years. Even though we currently comply with minimum regulatory capital rules under CRR/CRD 4, regulators may conduct stress tests and impose unexpected enhancements on us that require us to hold capital in excess of the regulatory required minima. These may include, for example, material revisions to our risk-weighted assets calculation, changes in our deductions from our regulatory capital and the imposition of extra capital charges to cover financial and operational risk. These requirements may be in addition to regulatory capital buffers that may also be increased or be in addition to those already imposed on us, and could themselves materially increase our capital requirements.

In addition, the single resolution fund under the SRM is expected to have reached a target size of approximately 55 billion by January 1, 2024 (based upon 1 % of deposits covered under the European deposit guarantee schemes directive), of which approximately 15 billion is expected to be contributed by German banks. On this basis, we believe our contributions over the coming years to the single resolution fund might be substantial. We also expect that the changes to the European deposit guarantee schemes directive, which must be implemented into German law to become effective July 3, 2015, will require increased annual contributions by us to the German deposit protection guarantee scheme.

Moreover, we are required to hold and calculate capital separately for our operations in different jurisdictions. In the United States, the Federal Reserve Board has adopted rules that impose enhanced prudential standards

on our U.S. operations, ultimately leading to higher capital and funding requirements for our U.S. operations. It is unclear whether such increased U.S. capital and other requirements as well as similar developments in other jurisdictions could lead to a fragmentation of supervision of global banks that could adversely affect our reliance on regulatory waivers allowing us to meet capital adequacy requirements, large exposure limits and certain organizational requirements on a consolidated basis only rather than on both a consolidated and non-consolidated basis. Should we no longer be entitled to rely on these waivers, we would have to adapt and take the steps necessary in order to meet regulatory capital requirements and other requirements on a consolidated as well as a non-consolidated basis, which could result also in significantly higher costs and potential effects on our profitability and dividend paying ability.

Against this backdrop, our results of operation and financial condition have been negatively affected in recent quarters by a large number of claims, disputes, legal proceedings and government investigations. The extent of our financial exposure to these and other matters could continue to be material and could substantially exceed the level of provisions that we established for such litigation, regulatory and similar matters. In this environment, our compliance costs have also substantially increased.

As a result of the substantial uncertainties with respect to our calculation of our capital requirements and the potential outflows in respect of litigation and enforcement matters, we have found it necessary and may find it necessary or desirable to raise additional capital in the future to maintain our capital at levels required by our regulators or viewed by market participants as necessary for our businesses in comparison with our international peers.

Rules in the United States, recent legislation in Germany and proposals in the European Union regarding the prohibition of proprietary trading or its separation from the deposit-taking business may materially affect our business model.

On December 10, 2013, U.S. regulators released the final version of the rules implementing the Volcker Rule , as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act). The final rules prohibit U.S. insured depository institutions and companies affiliated with U.S. insured depository institutions (such as us) from engaging in short-term proprietary trading of certain securities, derivatives, commodity futures and options on these instruments, for their own account. The final rules also impose limits on investments in, and other relationships with, hedge funds, private equity funds and other private funds and limit the ability of banking entities and their affiliates to enter into certain transactions with such funds with which they or their affiliates have certain relationships. The Volcker Rule requires banking entities to establish comprehensive compliance programs designed to help ensure and monitor compliance with restrictions under the Volcker Rule. In December 2013, the Federal Reserve Board extended the end of the conformance period for the Volcker Rule generally until July 21, 2015. In December 2014, the Federal Reserve Board issued an order extending the Volcker Rule s general conformance period until July 21, 2016 for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 (legacy covered funds), and stated its intention to grant a final one-year extension of the general conformance period, to July 21, 2017, for banking entities to conform ownership interests in and relationships with legacy covered funds. The extension of the conformance period does not apply to the Volcker Rule s prohibitions on proprietary trading or to any investments in and relationships with covered funds made or entered into after December 31, 2013. During the applicable conformance periods, we will continue our efforts to bring our activities and investments into compliance with the rule and to implement appropriate compliance programs.

In addition, the German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups, referred to as the Separation Act , was promulgated in August 2013. The Separation Act regulates the activities of banks that take deposits or other repayable funds from the public and lend them for their own account (referred to as CRR Banks). CRR Banks are required to transfer certain activities deemed to be high risk to a financial trading institution, which may be established within the same banking group, if certain independence requirements are met. We are required to determine the scope of activities to be separated by July 1, 2015 in conjunction with the competent authority, and are required to implement separation by July 1, 2016. Such separation may result in higher financing costs for the separated activities that could adversely affect our business, financial condition and results of operations. Moreover, there are still uncertainties as to which business operations would be required to be separated. The BaFin has been granted broad discretion in this respect.

On January 29, 2014, the European Commission published a draft Regulation on Structural Measures Improving the Resilience of EU Banks and Transparency of the Financial Sector, referred to as the Proposed Regulation , which, if enacted as proposed, would prohibit certain large banks from engaging in proprietary trading in financial instruments and commodities and investing in hedge funds or other entities that engage in proprietary trading, for the sole purpose of making a profit for its own account. The Proposed Regulation would also grant supervisors broad powers to require these banks to separate certain activities deemed to be high risk from other businesses, such as deposit-taking and lending. The Proposed Regulation is currently being discussed at the European level and might overrule certain requirements set out in the Separation Act at the national level.

The Volcker Rule, the Separation Act and the Proposed Regulation may have significant implications for the future structure and strategy of our Group, and may increase our Group s funding costs. This could adversely affect our business, financial condition and results of operations.

European and German legislation regarding the recovery and resolution of banks and investment firms as well as proposals published by the Financial Stability Board on Total Loss Absorbing Capacity may result in regulatory consequences that could, if resolution measures were imposed on us, significantly affect our business operations, lead to higher refinancing costs and lead to losses for our shareholders and creditors.

On January 1, 2015, the German Recovery and Resolution Act came into force and transposed the European directive establishing a framework for the recovery and resolution of credit institutions and investment firms (referred to as the Bank Recovery and Resolution Directive or BRRD) into German law. Under the Recovery and Resolution Act, the competent resolution authority may take a range of measures including the transfer of shares, assets or liabilities of a failing bank to another legal entity, the reduction, including to zero, of the nominal value of shares or the cancellation of shares outright, and may, in its exercise of the bail-in power, write down certain eligible unsecured liabilities, including to zero, or convert them into equity. In order to facilitate the authorities bail-in powers, which became effective in Germany on January 1, 2015, banks are required to include conditions in their eligible liabilities issued outside the EU that recognize the regulatory powers to write down or convert debt. Furthermore, affected banks are required to meet at all times a robust minimum requirement for own funds and eligible liabilities (MREL) which will be set on a case-by-case basis by the competent resolution authority. In addition, on November 14, 2014, the Financial Stability Board (FSB) published a proposal that global systemically important banks (G-SIBs), such as us, should meet a new firm-specific requirement for Total Loss Absorbing Capacity (TLAC) alongside minimum regulatory capital requirements from January 1, 2019.

Moreover, resolution powers will be conferred on a Single European Resolution Board, which shall be fully operational on January 1, 2016.

The bail-in powers and the necessary contractual conditions could result in increased refinancing costs for us. Furthermore, in the event that we are unable to hold sufficient loss-absorbing capital, we could be required to restrict our business or take other measures to ensure our resolvability under the relevant regulations. These steps could adversely affect our business, financial condition and results of operations.

Other regulatory reforms adopted or proposed in the wake of the financial crisis for example, extensive new regulations governing our derivatives activities, bank levies or a possible financial transaction tax may materially increase our operating costs and negatively impact our business model.

On August 16, 2012, the EU Regulation on over-the-counter (OTC) derivatives, central counterparties and trade repositories, referred to as EMIR, entered into force. While a number of the compliance requirements introduced by EMIR already apply, the European Securities and Markets Authority is still in the process of finalizing some of the implementing rules mandated by EMIR. EMIR introduced a number of requirements, including clearing obligations for certain classes of OTC derivatives and various reporting and disclosure obligations. Although some of the particular effects brought about by EMIR are not yet fully foreseeable, many of its elements have led and may lead to changes which may negatively impact our profit margins, require us to adjust our business practices or increase our costs (including compliance costs). The Markets in Financial Instruments Directive (which comprises a regulation (MiFIR) and a directive (MiFID)), the substantive provisions of which will become applicable on January 3, 2017, introduces a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized. We will also be impacted by the BCBS-IOSCO final minimum standards for margin requirements for non-centrally cleared derivatives, for which enabling legislation exists in the EU (EMIR) but where much of the impact depends on how these requirements are implemented in detailed rule-making.

In the United States, the Dodd-Frank Act has numerous provisions that may affect our operations. Pursuant to regulations implementing provisions of the Dodd-Frank Act, we and one of our subsidiaries registered as swap dealers with the U.S. Commodity Futures Trading Commission (CFTC) and became subject to their extensive oversight. Regulation of swap dealers by the CFTC imposes numerous corporate governance, business conduct, capital, margin, reporting, clearing, execution and other regulatory requirements on us. It also requires us to comply with certain U.S. rules in some circumstances with respect to transactions conducted outside of the United States or with non-U.S. persons. Although the coverage of EMIR and CFTC regulations implementing the Dodd-Frank Act is in many ways similar, certain swaps may be subject to both regulatory regimes to a significant extent. However, the CFTC s guidance on cross-border swaps regulation may allow us to comply with some, but not all, U.S. regulatory requirements on a substituted basis by complying with EMIR and MiFID. The new requirements under the Dodd-Frank Act may adversely affect our derivatives business and make us less competitive, especially as compared to competitors not subject to such regulation. Additionally, under the Dodd-Frank Act, securities-based swaps would be subject to a standalone regulatory regime under the jurisdiction of the U.S. Securities and Exchange Commission (SEC). The SEC is in the early stages of finalizing rules for its security-based swap regime but it is expected to be parallel to, but not identical to, the CFTC s regulation of swaps. This may impose further regulation of our derivatives business.

In addition, CRD 4 provides for executive compensation reforms including caps on bonuses that may be awarded to risk takers as defined in CRD 4. The compensation reforms of CRD 4 could put us at a disadvantage to our competitors in attracting and retaining talented employees, especially compared to those outside the European Union that are not subject to these caps.

Bank levies also have been introduced in some countries including Germany and the United Kingdom and other countries. We accrued 247 million for the German and U.K. bank levies in 2011, 213 million in 2012, 197 million in 2013 and 342 million in 2014, primarily recognized in Consolidation & Adjustments. We will also be required to contribute substantially to the single resolution fund under the SRM and the statutory deposit guarantee schemes under the revised Deposit Guarantee Schemes Directive. Generally, however, the total impact of these future levies cannot currently be quantified and they may have a material adverse effect on our business, financial condition and results of operations in future periods.

Separately, on January 22, 2013, the Council of the European Union adopted a decision authorizing eleven EU member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain) to proceed with the introduction of a financial transaction tax under the European Union s enhanced cooperation procedure . The European Commission on February 14, 2013 adopted a draft directive for the implementation of the financial transaction tax. While we expect further progress during 2015, the final scope, design and entry into force (although currently contemplated by January 1, 2016) of the financial transaction tax are still uncertain. Depending on the final details, the proposed financial transaction tax could have a materially negative effect on our profits and business. Different forms of national financial transaction taxes have already been implemented in a number of European jurisdictions, including France and Italy, and these taxes may result in compliance costs as well as market consequences which may affect our revenues.

Adverse market conditions, historically low prices, volatility and cautious investor sentiment have affected and may in the future materially and adversely affect our revenues and profits, particularly in our investment banking, brokerage and other commission- and fee-based businesses. As a result, we have in the past incurred and may in the future incur significant losses from our trading and investment activities.

As a global investment bank, we have significant exposure to the financial markets and are more at risk from adverse developments in the financial markets than are institutions engaged predominantly in traditional banking activities. Sustained market declines have in the past caused and can in the future cause our revenues to decline, and, if we are unable to reduce our expenses at the same pace, can cause our profitability to erode or cause us to show material losses. Volatility can also adversely affect us, by causing the value of financial assets we hold to decline or the expense of hedging our risks to rise. Reduced customer activity can also lead to lower revenues in our flow business.

Specifically, our investment banking revenues, in the form of financial advisory and underwriting fees, directly relate to the number and size of the transactions in which we participate and are susceptible to adverse effects from sustained market downturns. These fees and other income are generally linked to the value of the underlying transactions and therefore can decline with asset values. In addition, periods of market decline and uncertainty tend to dampen client appetite for market and credit risk, a critical driver of transaction volumes and investment banking revenues, especially transactions with higher margins. In the first half of 2014 and at other times in the past, decreased client appetite for risk has led to lower levels of activity and lower levels of profitability in our Corporate Banking & Securities Corporate Division. Our revenues and profitability could sustain material adverse effects from a significant reduction in the number or size of debt and equity offerings and merger and acquisition transactions.

Market downturns also have led and may in the future lead to declines in the volume of transactions that we execute for our clients and, therefore, to declines in our noninterest income. In addition, because the fees that we charge for managing our clients portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of our clients portfolios or increases the amount of withdrawals reduces the revenues we receive from our asset management and private banking businesses. Even in the absence of a market downturn, below-market or negative performance by our investment funds may result in increased withdrawals and reduced inflows, which would reduce the revenue we receive from our asset management business. While our clients would be responsible for losses we incur in taking positions for their accounts, we may be exposed to additional credit risk as a result of their need to cover the losses where we do not hold adequate collateral or cannot realize it. Our business may also suffer if our clients lose money and we lose the confidence of clients in our products and services.

In addition, the revenues and profits we derive from many of our trading and investment positions and our transactions in connection with them can be directly and negatively impacted by market prices, which have been volatile in recent years. In each of the product and business lines in which we enter into these trading and investment positions, part of our business entails making assessments about the financial markets and trends in them. When we own assets, market price declines can expose us to losses. Many of the more sophisticated transactions of our Corporate Banking & Securities Corporate Division and our Non-Core Operations Unit are designed to profit from price movements and differences among prices. If prices move in a way we have not anticipated, we may experience losses. Also, when markets are volatile, the assessments we have made may prove to lead to lower revenues or profits, or may lead to losses, on the related transactions and positions. In addition, we commit capital and take market risk to facilitate certain capital markets transactions; doing so can result in losses as well as income volatility. Such losses may especially occur on assets we hold for which there are not very liquid markets initially. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that we calculate using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses we did not anticipate. We can also be adversely affected if general perceptions of risk cause uncertain investors to remain on the sidelines of the market, curtailing their activity and in turn reducing the levels of activity in those of our businesses dependent on transaction flow.

Since we published our Strategy 2015+ targets in 2012, macroeconomic and market conditions as well as the regulatory environment have been much more challenging than originally anticipated, and as a result, we have updated our aspirations to reflect these challenging conditions. If we are unable to implement our updated strategy successfully, we may be unable to achieve our financial objectives, or incur losses or low profitability or erosions of our capital base, and our share price may be materially and adversely affected.

In September 2012, we introduced Strategy 2015+, which has the aim of making Deutsche Bank a better balanced, leaner and more robust and stable organisation. We also announced several financial targets to highlight the financial objectives of Strategy 2015+. As challenges in the macroeconomic and market conditions and the regulatory environment were greater than expected in 2012, in May 2014, we updated our aspirations and strategy and announced a series of measures intended to build up our capital strength, enhance our competitiveness and invest in our client franchises. These measures included capital issuance to improve our capital base and to provide a buffer against future uncertainties. In this context we updated our financial aspirations. While we have recently announced a full strategic review, we remain focused on the execution of Strategy 2015+.

Our ability to meet our aspirations and implement our strategy is based on a number key assumptions, including the implementation of regulatory frameworks (e.g. CRD 4, EBA guidance) based on our understanding of current rules and their likely impact on us, global GDP growth stabilising to 2 to 4 % p.a., a stable interest rate environment before 2016 and central bank intervention receding in the U.S.

A number of internal and external factors could negatively impact or prevent the implementation of our strategic goals or the realization of their anticipated benefits. These include economic factors such the recurrence of extreme turbulence in the markets in which we are active, weakness in global, regional and national economic conditions, increased competition for business and political instability, especially in Europe. New regulatory requirements may lead to increases in our cost base or restrict our operations. Several regulatory authorities have or are looking to introduce initiatives for structural change. As these governmental initiatives are subject to ongoing discussions, we cannot at this stage quantify any future impact. We are also involved in numerous litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, especially in the U.S. Such matters are subject to many uncertainties. While we have resolved a number of important legal matters and made progress on others, we expect the litigation environment to continue being challenging. If litigation and regulatory matters continue to occur at the same rate and magnitude as in recent years, we may not be able to achieve our Strategy 2015+ aspirations.

In particular, our progress towards an adjusted cost-income ratio of approximately 65 % has been impacted by projects and incremental increases in headcount needed to comply with additional regulatory requirements and by increased regulatory charges, such as bank levies, while market challenges, including those related to the low interest rate environment, have impacted our revenue growth. Although we will strive to meet the cost-income ratio target, we expect these headwinds to challenge the progress we made in 2015. Our progress towards an adjusted post-tax return on equity target of around 12 % may continue to be impacted by regulatory induced costs, additional bank levy charges, the on-going challenging market conditions and volatile effective tax rates. We plan to continue to work towards our target, but progress will be difficult in light of current headwinds. With respect to CB&S, we expect to face significant headwinds to achieve our financial target of an adjusted post-tax return on average equity of 13 % to 15 %, in light of on-going risks and uncertainties in connection with global macroeconomic growth, potential changes to U.S. macroeconomic policy, regulatory expenditures and other developments, particularly relating to the single resolution fund and bank levies, effects of further balance sheet deleveraging, litigation and the costs of further platform enhancements. Our performance target in PBC also continues to face headwinds and may prove to be challenging in the current business environment. Our target is dependent on several factors, including realizing synergies from the Postbank integration. PBC also continues to be affected by on-going market conditions and uncertainties in the regulatory environment. With respect to GTB, we expect the highly competitive business environment to remain challenging and low interest rate levels to persist (having even turned negative in the second half of last year). We expect cost pressures to continue to pose a challenge for GTB. These include increasing regulatory requirements and charges relating to litigation and enforcement matters. While GTB continues to work towards its Strategy 2015+ aspiration, the targeted growth in income before income taxes may prove to be challenging in the current business environment.

If we fail to implement our strategic initiatives in whole or in part or should the initiatives that are implemented fail to produce the anticipated benefits, or should the costs we incur to implement our initiatives exceed the 4.0 billion we have anticipated, we may fail to achieve our financial objectives, or incur losses or low profitability or erosions of our capital base, and our share price may be materially and adversely affected.

We operate in a highly and increasingly regulated and litigious environment, potentially exposing us to liability and other costs, the amounts of which may be substantial and difficult to estimate, as well as to legal and regulatory sanctions and reputational harm.

The financial services industry is among the most highly regulated industries. Our operations throughout the world are regulated and supervised by the central banks and regulatory authorities in the jurisdictions in which we operate. In recent years, regulation and supervision in a number of areas has increased, and regulators, governmental bodies and others have sought to subject financial services providers to increasing oversight and scrutiny, which in turn has led to additional regulatory investigations or enforcement actions. This trend has accelerated markedly as a result of the global financial crisis and the European sovereign debt crisis. Over the last year, there has been a steep escalation in the severity of the terms which regulators and law enforcement authorities have required to settle legal and regulatory proceedings against financial institutions, with recent settlements including unprecedented monetary penalties as well as criminal sanctions. As a result, we may continue to be subject to increasing levels of liability and regulatory sanctions, and may be required to make greater expenditures and devote additional resources to addressing these liabilities and sanctions. Regulatory sanctions may include status changes to local licenses or orders to discontinue certain business practices.

We and our subsidiaries are involved in various litigation proceedings, including civil class action lawsuits, arbitration proceedings and other disputes with third parties, as well as regulatory proceedings and investigations by both civil and criminal authorities in jurisdictions around the world. We expect that we will continue to experience a high level of litigation, regulatory proceedings and investigations. Litigation and regulatory matters are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. We may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. We may do so to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when we believe we have valid defenses to liability. We may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, we may, for similar reasons, reimburse counterparties for their losses even in situations where we do not believe that we are legally compelled to do so. The financial impact of legal risks might be considerable but may be hard or impossible to estimate and to quantify, so that amounts eventually paid may exceed the amount of provisions made for such risks.

Actions currently pending against us may not only result in judgments, settlements, fines or penalties, but may also cause substantial reputational harm to us. The risk of damage to our reputation arising from such proceedings is also hard or impossible to quantify. For example, we are unable to quantify the harm to our reputation that could arise from the investigation by the public prosecutor for the City of Munich of statements made by certain former and present management board members in connection with the litigation relating to the former Kirch Group.

In addition, the financial impact of legal risks arising out of matters similar to some of those we face have been very large for a number of participants in the financial services industry, with fines and settlement payments greatly exceeding what market participants may have expected and, as noted above, escalating steeply over the last year to unprecedented levels. The experience of others, including settlement terms, in similar cases is among the factors we take into consideration in determining the level of provisions we maintain in respect of these legal risks. Recent developments in cases involving other financial institutions have led to greater uncertainty as to the predictability of outcomes and could lead us to add to our provisions. Moreover, the costs of our investigations and defenses relating to these matters are themselves substantial. Further uncertainty may arise as a result of a lack of coordination among regulators from different jurisdictions, which may make it difficult for us to reach concurrent settlements with each regulator. Should we be subject to financial impacts arising out of litigation and regulatory matters to which we are subject in excess of those we have calculated in accordance with our expectations and the relevant accounting rules, our provisions in respect of such risks may prove to be materially insufficient to cover these impacts. This could have a material adverse effect on our results of operations, financial condition or reputation.

We are currently the subject of regulatory and criminal industry-wide investigations relating to interbank offered rates, as well as civil actions. Due to a number of uncertainties, including those related to the high profile of the matters and other banks settlement negotiations, the eventual outcome of these matters is unpredictable, and may materially and adversely affect our results of operations, financial condition and reputation.

We have received subpoenas and requests for information from various regulatory and law enforcement agencies in Europe, North America and Asia/Pacific in connection with industry-wide investigations concerning the setting of London Interbank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Tokyo Interbank Offered Rate (TIBOR) and other interbank offered rates. We are cooperating with these investigations.

The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for the Bank.

As previously reported, we reached a settlement with the European Commission on December 4, 2013 as part of a collective settlement to resolve the European Commission s investigations in relation to anticompetitive conduct in the trading of Euro interest rate derivatives and Yen interest rate derivatives. Under the terms of the settlement agreement, we agreed to pay 725 million in total. We nonetheless remain exposed to civil litigation and further regulatory action relating to these benchmarks.

We have been informed by certain of the authorities investigating these matters that proceedings against us will be recommended with respect to some aspects of the matters under investigation, and we are engaged in discussions with those authorities about potential resolution of those investigations.

Regulators are also investigating numerous financial institutions in addition to us, and as details of these investigations and their findings have become public, the reported actions of some financial institutions have attracted substantial attention in the media and the markets, leading to further reputational risk for institutions like us that are currently subject to similar inquiries. In the period from mid-2012 to autumn 2014, five financial institutions entered into settlements with the U.K. Financial Conduct Authority (formerly the Financial Services Authority), U.S. Commodity Futures Trading Commission, U.S. Department of Justice (DOJ), and other regulators. While the terms of the various settlements differed, they all involved significant financial penalties and regulatory consequences. For example, three financial institutions settlements included a Deferred Prosecution Agreement, pursuant to which the DOJ agreed to defer prosecution of criminal charges against the appli-

cable entity provided that the financial institution satisfies the terms of the Deferred Prosecution Agreement. The terms of the other two financial institutions settlements included Non-Prosecution Agreements, pursuant to which the DOJ agreed not to file criminal charges against the entities so long as certain conditions are met. In addition, affiliates of two of the financial institutions agreed to plead guilty to a crime in a United States court for related conduct.

In addition, a number of civil actions, including putative class actions, are pending in federal court in the United States District Court for the Southern District of New York and in other federal district courts against us and numerous other banks. All but two of these actions are filed on behalf of certain parties who allege that they held or transacted in U.S. dollar LIBOR-based derivatives or other financial instruments and sustained losses as a result of collusion or manipulation by the defendants regarding the setting of U.S. dollar LIBOR. These civil actions are still at a relatively early stage.

We cannot predict the effect on us of the interbank offered rates matters, which could include fines levied by government bodies, damages from private litigation for which we may be liable, legal and regulatory sanctions (including possible criminal sanctions) and other consequences.

This uncertainty is further exacerbated by several factors outside of our control, such as the high profile of these matters and the contours of other financial institutions settlement negotiations. In addition, regulatory and law enforcement authorities may make assessments about the conduct of institutions in the industry as a whole, which may influence their actions with respect to us. Any fines, damages, legal or regulatory sanctions or other consequences may have a material adverse effect, beyond provisions taken, on our results of operations, financial condition or reputation.

A number of regulatory and law enforcement agencies globally are currently investigating us in connection with misconduct relating to manipulation of foreign exchange rates. The extent of our financial exposure to these matters could be material, and our reputation may suffer material harm as a result.

We have received requests for information from certain regulatory and law enforcement agencies globally who are investigating trading, and various other aspects, of the foreign exchange market. We are cooperating with these investigations. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for us. Relatedly, we are conducting our own internal global review of foreign exchange trading and other aspects of our foreign exchange business. In connection with this review, we have taken, and will continue to take, disciplinary action with regards to individuals if merited. We have also been named as a defendant in three putative class actions two involving non-U.S. plaintiffs and one involving U.S. plaintiffs brought in the United States District Court for the Southern District of New York alleging antitrust claims relating to the alleged manipulation of foreign exchange rates. On January 28, 2015, the federal judge overseeing the class actions granted the motion to dismiss with prejudice in the two actions involving non-U.S. plaintiffs while denying the motion to dismiss in the action involving U.S. plaintiffs.

Many of these matters are still in their early stages and it is accordingly too early to estimate their outcome or any fines that may be levied by governmental bodies or damages that may be incurred from private litigation. A number of other financial institutions are also currently being investigated. Any settlements by these institutions may adversely affect the outcomes for other financial institutions, such as us, in similar actions, especially as large settlements may be used as the basis or template for other settlements. As a result, these matters may expose us to substantial monetary damages and defense costs in addition to criminal and civil penalties, and they could accordingly have a material adverse effect on our results of operations, financial condition or reputation.

A number of regulatory authorities are currently investigating or seeking information from us in connection with transactions with Monte dei Paschi di Siena. The extent of our financial exposure to these matters could be material, and our reputation may be harmed.

In February 2013 Banca Monte Dei Paschi Di Siena, which we refer to as MPS , issued civil proceedings in Italy against us alleging that we assisted former MPS senior management in an accounting fraud on MPS, by undertaking repo transactions with MPS and Santorini , a wholly owned SPV of MPS, which helped MPS defer losses on a previous transaction undertaken with us. MPS claimed at least 500 million in damages. Subsequently, in July 2013, the Fondazione Monte Dei Paschi, MPS largest shareholder, also issued civil proceedings in Italy for damages based on substantially the same facts. In December 2013, we reached an agreement with MPS in relation to the transactions that resolves the civil proceedings by MPS. The civil proceedings by the Fondazione Monte Dei Paschi remain pending.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions and certain unrelated transactions entered into by a number of other international banks with MPS. Such investigation was moved in September 2014 from Siena to the Milan Public Prosecutors as a result of a change in the alleged charges being investigated. No charges have yet been brought. Separately, we have also received requests for information from certain regulators relating to the original transactions, including with respect to our accounting for our MPS-related transactions and alleged failures by our management adequately to supervise the individuals involved in the matter. We are cooperating with these regulators. The extent of our financial exposure to these matters could be material, and our reputation may suffer material harm as a result of these matters.

Regulatory and law enforcement agencies in the United States are investigating whether our historical processing of certain U.S. dollar payment orders for parties from countries subject to U.S. embargo laws complied with U.S. federal and state laws. The eventual outcomes of these matters are unpredictable, and may materially and adversely affect our results of operations, financial condition and reputation.

We have received requests for information from certain regulatory and law enforcement agencies concerning our historical processing of U.S. dollar payment orders through U.S. financial institutions for parties from countries subject to U.S. embargo laws. These agencies are investigating whether such processing complied with U.S. federal and state laws. In 2006, we voluntarily decided that we would not engage in new U.S. dollar business with counterparties in Iran, Sudan, North Korea and Cuba and with certain Syrian banks, and to exit existing U.S. dollar business with such counterparties to the extent legally possible. In 2007, we decided that we will not engage in any new business, in any currency, with counterparties in Iran, Syria, Sudan and North Korea and to exit existing business, in any currency, with such counterparties to the extent legally possible; we also decided to limit our non-U.S. dollar business with counterparties in Cuba. We are providing information to and otherwise cooperating with the investigating agencies. A number of financial institutions have previously settled matters of this nature by, among other things, payment of significant monetary penalties, and numerous unconfirmed media reports suggest additional potential settlements involving other financial institutions. Although we have no reliable basis on which to compare the on-going investigations relating to us to any potential settlements involving other institutions, it is possible that any such settlements may influence regulatory agencies in their interactions with us. While it is too early to predict, the eventual outcomes of the investigations to which we are subject may materially and adversely affect our results of operations, financial condition and reputation.

We have been subject to contractual claims, litigation and governmental investigations in respect of our U.S. residential mortgage loan business that may materially and adversely affect our results of operations, financial condition or reputation.

From 2005 through 2008, as part of our U.S. residential mortgage loan business, we sold approximately U.S.$ 84 billion of loans into private label securitizations and U.S.$ 71 billion through whole loan sales. We have been, and in the future may be, presented with demands to repurchase loans from or to indemnify purchasers, investors or financial insurers with respect to losses allegedly caused by material breaches of representations and warranties. Our general practice is to process valid repurchase claims that are presented in compliance with contractual rights and applicable statutes of limitations. As of December 31, 2014, we have

approximately U.S.$ 4.8 billion of mortgage repurchase demands outstanding and not subject to agreements to rescind (based on original principal balance of the loans). Against these outstanding demands, we have established provisions of U.S.$ 813 million (669 million) as of December 31, 2014 (for part of which we are indemnified). As with provisions generally, however, it is possible that the provisions we have established may ultimately be insufficient, either with respect to particular claims or with respect to the full set of claims that have been or may be presented. There are other potential mortgage repurchase demands that we anticipate may be made, but we cannot reliably estimate their timing or amount. As of December 31, 2014, we have completed repurchases, obtained agreements to rescind or otherwise settled claims on loans with an original principal balance of approximately U.S.$ 5.3 billion. In connection with those repurchases, agreements and settlements, we have obtained releases for potential claims on approximately U.S.$ 72.9 billion of loans sold by us as described above.

From 2005 through 2008, we or our affiliates have also acted as an underwriter of approximately U.S.$ 105 billion of U.S. residential mortgage-backed securities (referred to as RMBS) for third-party originators.

As is the case with a significant number of other participants in the mortgage securitizations market and as described in Note 29 Provisions to the consolidated financial statements, we have received subpoenas and requests for information from certain regulators and government entities concerning our RMBS businesses. We are cooperating fully in response to those subpoenas and requests for information. We have a number of pending lawsuits against us or our affiliates as issuer, underwriter and/or trustee of RMBS. Such pending RMBS litigations are in various stages up through discovery and we continue to defend these actions vigorously. Legal and regulatory proceedings are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance.

Our non-traditional credit businesses materially add to our traditional banking credit risks.

As a bank and provider of financial services, we are exposed to the risk that third parties who owe us money, securities or other assets will not perform their obligations. Many of the businesses we engage in beyond the traditional banking businesses of deposit-taking and lending also expose us to credit risk.

In particular, much of the business we conduct through our Corporate Banking & Securities Corporate Division and our Non-Core Operations Unit entails credit transactions, frequently ancillary to other transactions. Nontraditional sources of credit risk can arise, for example, from holding securities of third parties; entering into swap or other derivative contracts under which counterparties have obligations to make payments to us; executing securities, futures, currency or commodity trades that fail to settle at the required time due to nondelivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries; and extending credit through other arrangements. Parties to these transactions, such as trading counterparties, may default on their obligations to us due to bankruptcy, political and economic events, lack of liquidity, operational failure or other reasons.

Many of our derivative transactions are individually negotiated and non-standardized, which can make exiting, transferring or settling the position difficult. Certain credit derivatives require that we deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, we do not hold, and may not be able to obtain, the underlying security, loan or other obligation. This could cause us to forfeit the payments otherwise due to us or result in settlement delays, which could damage our reputation and ability to transact future business, as well as impose increased costs on us. Recently enacted legislation in the European Union (EMIR) and the U.S. (the Dodd-Frank Act) has introduced requirements for the standardization, margining, central clearing and transaction reporting of certain over-the-counter derivatives. While such requirements are aimed at reducing the risk posed to counterparties and the financial system by such derivatives, they may reduce the volume and profitability of the transactions in which we engage, and compliance with such provisions may impose substantial costs on us.

The exceptionally difficult market conditions experienced since the global financial crisis severely adversely affected certain areas in which we do business that entail nontraditional credit risks, including the leveraged finance and structured credit markets, and may do so in the future.

We have incurred losses, and may incur further losses, as a result of changes in the fair value of our financial instruments.

A substantial proportion of the assets and liabilities on our balance sheet comprise financial instruments that we carry at fair value, with changes in fair value recognized in the income statement. Fair value is defined as the price at which an asset or liability could be exchanged in an arm s length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. If the value of an asset carried at fair value declines (or the value of a liability carried at fair value increases) a corresponding unfavorable change in fair value is recognized in the income statement. These changes have been and could in the future be significant. Additionally, in recent periods there has been a significant difference between fair value and book value for some assets.

Observable prices or inputs are not available for certain classes of financial instruments. Fair value is determined in these cases using valuation techniques we believe to be appropriate for the particular instrument. The application of valuation techniques to determine fair value involves estimation and management judgment, the extent of which will vary with the degree of complexity of the instrument and liquidity in the market. Management judgment is required in the selection and application of the appropriate parameters, assumptions and modeling techniques. If any of the assumptions change due to negative market conditions or for other reasons, subsequent valuations may result in significant changes in the fair values of our financial instruments, requiring us to record losses.

Our exposure and related changes in fair value are reported net of any fair value gains we may record in connection with hedging transactions related to the underlying assets. However, we may never realize these gains, and the fair value of the hedges may change in future periods for a number of reasons, including as a result of deterioration in the credit of our hedging counterparties. Such declines may be independent of the fair values of the underlying hedged assets or liabilities and may result in future losses.

Our risk management policies, procedures and methods leave us exposed to unidentified or unanticipated risks, which could lead to material losses.

We have devoted significant resources to developing our risk management policies, procedures and assessment methods and intend to continue to do so in the future. Nonetheless, the risk management techniques and strategies have not been and may in the future not be fully effective in mitigating our risk exposure in all economic market environments or against all types of risk, including risks that we fail to identify or anticipate. Some of our quantitative tools and metrics for managing risk are based upon our use of observed historical market behavior. We apply statistical and other tools to these observations to arrive at quantifications of our risk exposures. During the financial crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in price direction) and the breakdown of historically observed correlations (the extent to which prices move in tandem) across asset classes, compounded by extremely limited liquidity. In this volatile market environment, our risk management tools and metrics failed to predict some of the losses we experienced, particularly in 2008, and may in the future fail to predict important risk exposures. In addition, our quantitative modeling does not take all risks into account and makes numerous assumptions regarding the overall environment, which may not be borne out by events. As a result, risk exposures have arisen and could continue to arise from factors we did not anticipate or correctly evaluate in our statistical models. This has limited and could continue to limit our ability to manage our risks especially in light of the European sovereign debt crisis, many of the outcomes of which are currently unforeseeable. Our losses thus have been and may continue to be significantly greater than the historical measures indicate.

In addition, our more qualitative approach to managing those risks not taken into account by our quantitative methods could also prove insufficient, exposing us to material unanticipated losses. Also, if existing or potential customers or counterparties believe our risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with us. This could harm our reputation as well as our revenues and profits. See Management Report: Risk Report beginning on page 56 of the Financial Report for a more detailed discussion of the policies, procedures and methods we use to identify, monitor and manage our risks.

Operational risks may disrupt our businesses.

We face operational risk arising from errors, inadvertent or intentional, made in the execution, confirmation or settlement of transactions or from transactions not being properly recorded, evaluated or accounted for. An example of this risk concerns our derivative contracts, which are not always confirmed with the counterparties on a timely basis. For so long as the transaction remains unconfirmed, we are subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce the contract. The European sovereign debt crisis and the global financial crisis, in which the risk of counterparty default increased, have increased the possibility that this operational risk materializes.

In addition, our businesses are highly dependent on our ability to process manually or through our systems a large number of transactions on a daily basis, across numerous and diverse markets in many currencies. Some of the transactions have become increasingly complex. Moreover, management relies heavily on its financial, accounting and other data processing systems that include manual processing components. If any of these processes or systems do not operate properly, or are disabled, or subject to intentional or inadvertent human error, we could suffer financial loss, a disruption of our businesses, liability to clients, regulatory intervention or reputational damage.

We are also dependent on our employees to conduct our business in accordance with applicable laws, regulations and generally accepted business standards. If our employees do not conduct our business in this manner, we may be exposed to material losses. Furthermore, if an employee s misconduct reflects fraudulent intent, we could also be exposed to reputational damage. We categorize these risks as conduct risk, which comprises inappropriate business practices, including selling products that are not suitable for a particular customer, fraud, unauthorized trading and failure to comply with applicable regulations, laws and internal policies.

We in particular face the risk of loss events due to the instability, malfunction or outage of our IT system and IT infrastructure. Such losses could materially affect our ability to perform business processes and may, for example, arise from the erroneous or delayed execution of processes as either a result of system outages or degraded services in systems and IT applications. A delay in processing a transaction, for example, could result in an operational loss if market conditions worsen during the period after the error. IT-related errors may also result in the mishandling of confidential information, damage to our computer systems, financial losses, additional costs for repairing systems, reputational damage, customer dissatisfaction or potential regulatory or litigation exposure.

Business continuity risk is the risk of incurring losses resulting from the interruption of normal business activities. We operate in many geographic locations and are frequently subject to the occurrence of events outside of our control. Despite the contingency plans we have in place, our ability to conduct business in any of these locations may be adversely impacted by a disruption to the infrastructure that supports our business, whether as a result of, for example, events that affect our third party vendors or the community or public infrastructure in which we operate. Any number of events could cause such a disruption including deliberate acts such as sabotage, terrorist activities, bomb threats, strikes, riots and assaults on the bank s staff; natural calamities such as hurricanes, snow storms, floods, disease pandemic and earthquakes; or other unforeseen incidents such as accidents, fires, explosions, utility outages and political unrest. Any such disruption could have a material adverse effect on our business and financial position.

Our operational systems are subject to an increasing risk of cyber attacks and other internet crime, which could result in material losses of client or customer information, damage our reputation and lead to regulatory penalties and financial losses.

Among the operational risks we face is the risk of breaches of the security of our computer systems due to unauthorized access to networks or resources, the introduction of computer viruses or malware, or other forms of cyber attack or internet crime. Such breaches could threaten the confidentiality of our clients data and the integrity of our systems. We devote significant resources toward the protection of our computer systems against such breaches. To address the evolving cyber threat risk, we are currently expending significant additional resources to modify and enhance our protective measures and to investigate and remediate any information security vulnerabilities. Nevertheless, a residual risk remains that such measures may not be effective against all threats. Given our global footprint and the volume of transactions we process, certain errors or actions may be repeated or compounded before they are discovered and rectified.

We and other financial institutions have experienced attacks on computer systems, including attacks aimed at obtaining unauthorized access to confidential company or customer information or damaging or interfering with company data, resources or business activities. The increasing frequency and sophistication of recent cyber-attacks has resulted in an elevated risk profile for many organizations around the world, and significant attention by our management has been paid to the overall level of preparedness against such attacks. Cyber security is growing in importance due to factors such as the continued and increasing reliance on our technology environment. Although we have to date not experienced any material loss of data from these attacks, it is possible, given the use of new technologies and increasing reliance on the Internet and the varying nature and evolving sophistication of such attacks, that we may not be able to effectively anticipate and prevent all such attacks. A successful attack could have a significant negative impact on us, including as a result of disclosure or misappropriation of client or proprietary information, damage to computer systems, financial losses, additional costs to us (such as for investigation and reestablishing services), reputational damage, customer dissatisfaction and potential regulatory or litigation exposure.

The size of our clearing operations exposes us to a heightened risk of material losses should these operations fail to function properly.

We have large clearing and settlement businesses and an increasingly complex and interconnected information technology (IT) landscape. These give rise to the risk that we, our customers or other third parties could lose substantial sums if our systems fail to operate properly for even short periods. This will be the case even where the reason for the interruption is external to us. In such a case, we might suffer harm to our reputation even if no material amounts of money are lost. This could cause customers to take their business elsewhere, which could materially harm our revenues and profits.

We may have difficulty in identifying and executing acquisitions, and both making acquisitions and avoiding them could materially harm our results of operations and our share price.

We consider business combinations from time to time. Even though we review the companies we plan to acquire, it is generally not feasible for these reviews to be complete in all respects. As a result, we may assume unanticipated liabilities, or an acquisition may not perform as well as expected. Were we to announce or complete a significant business combination transaction, our share price could decline significantly if investors viewed the transaction as too costly or unlikely to improve our competitive position. In addition, we might have difficulty integrating any entity with which we combine our operations. Failure to complete announced business combinations or failure to integrate acquired businesses successfully into ours could materially and adversely affect our profitability. It could also affect investors perception of our business prospects and management, and thus cause our share price to fall. It could also lead to departures of key employees, or lead to increased costs and reduced profitability if we felt compelled to offer them financial incentives to remain.

The effects of the takeover of Deutsche Postbank AG may differ materially from our expectations.

Deutsche Postbank AG (together with its subsidiaries, Postbank) became a consolidated, majority-owned subsidiary of ours in December 2010 following a public takeover offer by us. In June 2012 Deutsche Postbank AG and a wholly-owned subsidiary of Deutsche Bank AG entered into a domination and profit and loss transfer agreement, which became incontestably valid in September 2012. As a result, we have general control over the management of Postbank. The effects of this acquisition on us may differ materially from our expectations. Our estimates of the synergies and other benefits that we expect to realize, and the costs that we might incur, as a result of this acquisition involve subjective assumptions and judgments that are subject to significant uncertainties. Moreover, Postbank s securities portfolio contains products that may also be subject to material further decreases in value.

Furthermore, unforeseen difficulties may emerge in connection with the integration of Postbank s business, including potential difficulties due to integration of IT systems and personnel, different internal standards and business procedures, the commitment of management resources in connection with the integration process and the potential loss of key personnel. The benefits, synergies, costs and timeframe of the integration could be adversely affected by any of these factors, as well as by a variety of factors that are partially or entirely beyond our and Postbank s control, such as negative market developments. Any failure to integrate Postbank s operations on a timely and efficient basis could have a material adverse effect on our net assets, financial condition and results of operations.

We may have difficulties selling non-core assets at favorable prices or at all and may experience material losses from these assets and other investments irrespective of market developments.

We may seek to sell certain non-core assets, including those of our Non-Core Operations Unit. Such sales may be made as part of our strategy to meet or exceed the new capital requirements by reducing risk-weighted assets and thereby improving our capital ratios. This strategy may prove difficult in the current market environment as many of our competitors are also seeking to dispose of assets to improve their capital ratios. We have already sold a substantial portion of our non-core assets, and our remaining non-core assets may be particularly difficult for us to sell as quickly as we have expected at prices we deem acceptable. Unfavorable business or market conditions may make it difficult for us to sell such assets at favorable prices, or may preclude such a sale altogether. If the measures announced in response to the European sovereign debt crisis prove inadequate to calm market concern or if the European debt crisis otherwise reignites, we may experience difficulty in obtaining funding in a manner permitting us to conduct our business without needing to dispose of significant volumes of assets.

In addition, we have made significant investments in individual companies and have other assets that are not part of our core business such as our stake in Maher Terminals. Losses and risks from those assets and at those companies may restrict our ability to sell our shareholdings and may reduce the value of our holdings considerably, potentially impacting our financial statements or earnings, even where general market conditions are favorable. Our larger, less liquid interests are particularly vulnerable given the size of these exposures. Any potential write-down for any such investment could further negatively affect our business.

Intense competition, in our home market of Germany as well as in international markets, could materially adversely impact our revenues and profitability.

Competition is intense in all of our primary business areas, in Germany as well as in international markets. If we are unable to respond to the competitive environment in these markets with attractive product and service offerings that are profitable for us, we may lose market share in important areas of our business or incur losses on some or all of our activities. In addition, downturns in the economies of these markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for us.

In recent years there has been substantial consolidation and convergence among financial services companies, culminating in unprecedented consolidations in the course of the global financial crisis. This trend has significantly increased the capital base and geographic reach of some of our competitors and has hastened the globalization of the securities and other financial services markets. As a result, we must compete with financial institutions that may be larger and better capitalized than we are and that may have a stronger position in local markets. Also, governmental action in response to the global financial crisis may place us at a competitive disadvantage.

Transactions with counterparties in countries designated by the U.S. State Department as state sponsors of terrorism or persons targeted by U.S. economic sanctions may lead potential customers and investors to avoid doing business with us or investing in our securities, harm our reputation or result in regulatory action which could materially and adversely affect our business.

We engage or have engaged in a limited amount of business with counterparties, including government-owned or -controlled counterparties, in certain countries or territories that are subject to comprehensive sanctions, including Iran and Cuba (referred to as Sanctioned Countries), or with persons targeted by U.S. economic sanctions (referred to as Sanctioned Persons). U.S. law generally prohibits U.S. persons or any other persons acting within U.S. jurisdiction from doing business with Sanctioned Countries or Sanctioned Persons. Thus, U.S. regulations may extend to activities in other geographic areas and by non-U.S. persons depending on the circumstances. Our U.S. subsidiaries, branch offices, and employees are and our non-U.S. subsidiaries, branch offices, and employees may become subject to those prohibitions and other regulations. We are a German bank and our activities with respect to Sanctioned Countries and Sanctioned Persons have been subject to policies and procedures designed to avoid the involvement of persons acting within U.S. jurisdiction in any managerial or operational role and to ensure compliance with United Nations, European Union and German embargoes; in reflection of legal developments in recent years, we further developed our policies and procedures with the aim of ensuring compliance with regulatory requirements extending to other geographic areas regardless of jurisdiction. However, should our policies prove to have been ineffective, we may be subject to regulatory action that could materially and adversely affect our business. By 2007, our Management Board decided that we will not engage in new business with counterparties in countries such as Iran, Syria, Sudan and North Korea and to exit existing business to the extent legally possible. It also decided to limit our business with counterparties in Cuba.

We had a representative office in Tehran, Iran, which we discontinued at December 31, 2007. Our remaining business with Iranian counterparties consists mostly of participations as lender and/or agent in a few large trade finance facilities arranged before 2007 to finance the export contracts of exporters in Europe and Asia. The lifetime of most of these facilities is ten years or more and we are legally obligated to fulfill our contractual obligations. We do not believe our business activities with Iranian counterparties are material to our overall business, with the outstanding loans to Iranian borrowers representing substantially less than 0.01 % of our total assets as of December 31, 2014 and the revenues from all such activities representing less than 0.01 % of our total revenues for the year ended December 31, 2014.

In recent years, the United States has taken steps, including the passage of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the National Defense Authorization Act for Fiscal Year 2012, the Iran Threat Reduction and Syria Human Rights Act of 2012, the Iran Freedom and Counter-Proliferation Act of 2012, and a number of Executive Orders, to deter foreign companies from dealing with Iran by providing for possible sanctions against companies that provide services in support of certain Iranian activity in (among others) the financial, energy, shipping or military sectors or with certain Iranian counterparties, whether or not such dealings occur within U.S jurisdiction. Among the targets of these indirect, or secondary , U.S. economic sanctions are foreign financial institutions that, among other things, facilitate significant transactions with, or provide significant financial services to a wide range of Iranian entities, persons, and financial institutions. We do not believe we have engaged in activities sanctionable under these statutes, but the U.S. authorities have considerable discretion in applying the statutes, and any imposition of sanctions against us could be material. It is also possible that direct and secondary sanctions imposed by the U.S. and other jurisdictions could be expanded in the future. Proposals for expanded sanctions are discussed on a continuous basis in Congress and elsewhere.

As required by Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Section 13(r) of the Securities Exchange Act of 1934, as amended) we have disclosed certain information regarding our activities or transactions with persons subject to U.S. sanctions against Iran and other persons subject to such provision. Such disclosure is set forth in the section of this document entitled Disclosures Under Iran Threat Reduction and Syria Human Rights Act of 2012 , which follows Item 16H: Mine Safety Disclosure .

We are also engaged in a limited amount of business with counterparties domiciled in Cuba, which is not subject to any United Nations, European Union or German embargo. The business consists of a limited number of letters of credit and of structured export finance transactions, as well as claims resulting from letters of credit, and it represented substantially less than 0.01 % of our assets as of December 31, 2014. The transactions served to finance commercial products such as machinery and electrical equipment as well as medical products.

We are aware, through press reports and other means, of initiatives by governmental and nongovernmental entities in the United States and elsewhere to adopt laws, regulations or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with Sanctioned Countries, particularly Iran. Such initiatives may result in our being unable to gain or retain entities subject to such prohibitions as customers or as investors in our securities. In addition, our reputation may suffer due to our association with such countries. Such a result could have significant adverse effects on our business or the price of our securities.

Item 4: Information on the Company

History and Development of the Company

The legal and commercial name of our company is Deutsche Bank Aktiengesellschaft. It is a stock corporation organized under the laws of Germany.

Deutsche Bank Aktiengesellschaft originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf, and Süddeutsche Bank Aktiengesellschaft, Munich. Pursuant to the Law on the Regional Scope of Credit Institutions, these were disincorporated in 1952 from Deutsche Bank, which had been founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on May 2, 1957.

We are registered under registration number HRB 30 000. Our registered address is Taunusanlage 12, 60325 Frankfurt am Main, Germany, and our telephone number is +49-69-910-00. Our agent in the United States is: Peter Sturzinger, Deutsche Bank Americas, c/o Office of the Secretary, 60 Wall Street, Mail Stop NYC60-2525, New York, NY 10005.

For information on significant capital expenditures and divestitures, please see Management Report: Operating and Financial Review: Deutsche Bank Group: Significant Capital Expenditures and Divestitures on page 15 of the Financial Report.

Business Overview

Our Organization

Please see Management Report: Operating and Financial Review: Deutsche Bank Group: Our Organization on page 8 of the Financial Report. For information on net revenues by geographic area and by corporate division please see Note 4 Business Segments and Related Information: Entity-Wide Disclosures to the consolidated financial statements and Management Report: Operating and Financial Review: Results of Operations: Segment Results of Operations on pages 24 through 26 of the Financial Report.

Management Structure

Please see Management Report: Operating and Financial Review: Deutsche Bank Group: Management Structure on page 8 to 9 of the Financial Report.

Our Business Strategy

Management are currently undertaking a full strategic review of the Group. Deutsche Bank will continue to work towards the existing targets of Strategy 2015+ until revised strategic goals are fully embedded. We have presented our Business Strategy below based on existing targets and continued progress under Strategy 2015+.

We believe we made significant progress in 2014 towards a number of our strategic aspirations that we first articulated in 2012 and updated in 2014, most notably strengthening our capital. In 2014 we continued to focus on consolidating our unique global platform and home market position, further leveraging the integrated performance of our full-service banking model, building capital strength, achieving operational excellence and cost efficiency, and placing us at the forefront of cultural change in the banking industry. In 2014 we reinforced our commitment to the universal banking model, to our home market and to our global presence. Although challenges remain in several areas, we made further progress in 2014 in all five elements of our Strategy 2015+:

Clients. We continued to align our organization more closely to our clients in the reporting year. We added approximately 5,000 new corporate clients on the dedicated platform for Germany s medium-sized companies launched in 2013. In terms of new initiatives, a commitment was made in May 2014 to invest 200 million in the digital experience for retail clients with the aim of providing a seamless branch and online experience. Furthermore, the cross-divisional initiative between Corporate Banking & Securities (CB&S) and Global Transaction Banking (GTB) to better serve multinational corporations in the U.S. helped us obtain 66 new client mandates in 2014. Overall, we have realigned our client coverage, deepened cross-divisional engagement with key clients, and implemented new metrics to enhance the measurement of client satisfaction.

Competencies. Our strategy is founded on the strength of our businesses and we delivered a stronger and more balanced financial performance in 2014. Our income before income taxes rose to 3.1 billion (from 1.5 billion in 2013). For the first time ever, our four core business divisions CB&S, Private & Business Clients (PBC), GTB and Deutsche Asset & Wealth Management (Deutsche AWM) each delivered more than 1 billion in pre-tax profits. These results were achieved despite a challenging market in 2014, characterized by persistently low interest rates. As the operating environment is likely to remain demanding in 2015, we will continue to focus on sustaining profitability and strengthening shareholder returns in the future.

Capital. We further reinforced our capital and leverage ratios in the reporting year through an 8.5 billion capital increase in June and the raising of Additional Tier 1 capital of 4.7 billion, which saw strong investor demand. These actions enhanced the safety and stability of Deutsche Bank as well as the financial system as a whole. We comfortably passed the European Central Bank s Comprehensive Assessment that was undertaken in 2014 and comprised an Asset Quality Review and a Stress Test. The assessment reaffirmed that our capital base substantially exceeds regulatory requirements, even under severe market stress conditions, and underlined the quality of our asset base. Overall, our capital and leverage ratios have been strengthened significantly since the launch of Strategy 2015+. The CET1 ratio had improved to 9.7 % as of end of 2013, before reaching 11.7 % on a fully loaded basis (Capital Requirements Directive 4, CRD 4) at the end of 2014, well above our target of 10 %. At the same time, we significantly reduced our balance sheet exposure to deliver a 3.5 % leverage ratio at year-end 2014 (based on revised CRD 4 rules), achieving the Strategy 2015+ leverage ratio target. Going forward, as regulatory requirements on capital and leverage continue to become more stringent, we will need to be ready to respond to final rules and specifications.

Costs. We achieved the goals set for the Operational Excellence (OpEx) program in 2014. The OpEx program aims to increase quality and flexibility, reinforce controls and embed a culture of cost-efficiency in the bank. The program s objectives are to invest 4 billion and achieve annual cost savings of 4.5 billion by 2015. 1.3 billion cost savings were achieved in 2014. Overall, the program delivered cumulative savings of 3.3 billion by the end of 2014, which is ahead of the 2.9 billion target. We have saved money by becoming more efficient, buying smarter, putting the right people in the right places, upgrading technology and streamlining the businesses. Nevertheless, we continue to face cost challenges. The adjusted cost base increased slightly in 2014, driven largely by higher regulatory spending including both project driven and permanent costs. Furthermore, we made investments in business growth. At the same time, expenses for litigation and enforcement matters remained high. As a result, ongoing cost discipline will continue to be a key area of focus in the future.

Culture. We have developed and further embedded the cultural change program in 2014. We recognize the need for cultural change in the financial sector and are committed to implementing this change. Culture is a key component of the restoration of public trust in the banking industry and we are committed to a culture that aligns risks and rewards, attracts and develops talented individuals, fosters teamwork and partnership and is sensitive to the needs of the society in which we operate. We launched a broad cultural change program as part of Strategy 2015+. As part of that cultural change program, in 2014 we conducted 100 townhalls and about 4,700 workshops. The program touches several aspects of the way we do business every day as well as performance reviews and the compensation system.

To further strengthen our ability to execute our strategic and regulatory priorities, some individual responsibilities of the Management Board were changed in November 2014. A critical a new mandate focused on strategy and transformation was established and the responsibility of Deutsche Bank s legal team was realigned.

Our achievements to date and the ongoing challenges we face form the backdrop for the next phase of our strategy development. We are conducting a rigorous internal and external strategic review. Despite the challenges of a difficult operating environment and increased regulation, our management team believes that we will emerge as one of a handful of strong global banks and are well-positioned to capture future opportunities.

Strategy in CB&S

CB&S continued dynamic optimisation of resources across the platform is aimed at enabling the business to maintain a market leading client franchise while delivering sustainable returns and a more efficient platform. In 2014, we continued to reduce leverage exposure, costs and headcount significantly increasing the efficiency of our platform. As part of the ongoing optimisation of our business model, in response to the changing market and regulatory environment, we continued to evaluate our business portfolio, adapting it to reflect current market opportunities and meet client needs. In that context, at the end of 2014, we announced the cessation of most trading in single name CDS.

In Markets, our diversified client-focused business model delivered solid revenue share momentum in 2014. We plan to continue to optimize our Fixed Income & Currencies (FIC) platform, address specific gaps in our U.S. business and realize opportunities within our market leading Credit Solutions business. We plan to continue to invest in our electronic trading capabilities to achieve further efficiencies, better serve our clients and adapt to changing market environment. In Equities, we remain committed to maximizing the income from our platform.

In Corporate Finance we were ranked number 5 globally in 2014 and achieved record market share with gains across most products and regions (based on Dealogic data). We continued to focus on increasing productivity through enhanced alignment of client coverage, more efficient allocation of our balance sheet and greater cooperation with GTB. We intend to continue to focus on deepening relationships with our most profitable clients and achieving sustainable returns from our lending portfolio. We aim to maintain our leading position in Europe, continue to increase our share in the U.S. and retain our strong Asian franchise (based on Dealogic data).

Strategy in PBC

PBC pursues a strategy of complementing home market leadership with a profitable presence in selected European countries as well as in Asia and efficiency benefits from a joint services and IT platform. In its home market Germany, PBC continued its market leadership among private banks in Germany (e.g., by number of clients) by concluding the integration of the new Private & Commercial Banking unit (PCB) and making significant progress in setting up a joint IT and banking services platform between PCB and Postbank. PBC s international franchise continued its growth path in the countries in which we operate and we continue to benefit from our stake in Hua Xia Bank in China. PBC significantly contributes to Deutsche Bank Group s funding base.

We aim at further strengthening our German home market leadership by leveraging the coverage and product strength of PCB as well as Postbank s consumer banking business while further extending our well-positioned advisory franchises in selected international markets. In addition to our plans to increase focus on commercial banking, we intend to serve our customers best by investing in selected digital offerings to expand our multi-channel offering. This digitization program is being rolled out in all our businesses. Additionally, we are strengthening our consumer banking business by positioning Postbank as a personal and digital financial services provider. With Magellan, we are consolidating and advancing our joint services and IT platform for PBC, offering services to both the advisory and the consumer banking business. We believe that this platform with integrated services, innovative tools and an end-to-end process model could improve PBC s efficiency while at the same time supporting our ambition to become a leading private and commercial bank in the digital world.

Strategy in GTB

As a key building block of our Commercial/International Banking proposition, GTB serves corporate and institutional clients globally with best-in-class solutions around deposit taking, domestic and cross-border payments, trade finance, supply chain finance and securities services (i.e. trust, agency, depositary, custody and related services). GTB is organized along its two main business areas, Trade Finance and Cash Management Corporates (TF/CMC) and Institutional Cash and Securities Services (ICSS).

Throughout 2014, overall business conditions for GTB continued to remain challenging. A relatively slow economic recovery particularly in Europe, low or even negative interest rate environment, and ongoing margin pressure all acted as headwinds to the business. However, despite these challenges, GTB delivered a solid performance based on increasing business volumes, distinct propositions in SEPA, T2S and client centric solutions across a variety of industry segments including Fintech. We have further demonstrated the resilience of our strategy even in the face of a difficult external environment.

GTB remains committed to staying on course and executing on its strategic priorities: strengthening relationships with existing clients; acquiring new target clients especially in Asia; further building our capabilities to serve mid-cap clients in Germany; continuing our investments in our platforms and operational excellence; optimizing our business portfolio while maintaining strict cost, risk and capital discipline. Moreover, GTB intends to keep driving cultural change as a top priority, with a particular focus on intensifying the collaboration with Deutsche Bank s other core divisions, to support the Bank s integrated, client-centric approach.

The ongoing efforts of the division have led to Deutsche Bank receiving external recognition from some of the industry s most respected bodies. The awards GTB received in 2014 include (but are not limited to) Leading US dollar and euro provider for Financial Institutions in Western Europe, Central & Eastern Europe, North America and Latin America and Best Transaction Services House in Western Europe by Euromoney, Best overall Cash Management in Asia/Pacific by Asiamoney, as well as Global Corporate Trust Services Provider of the Year by Infrastructure Investor Awards.

Strategy in Deutsche AWM

Deutsche AWM serves individual, institutional and intermediary clients worldwide with a full range of active, passive and alternative investments across all major asset classes, as well as investment solutions, wealth management advisory and private banking services.

In 2014, we continued the focused execution of our strategic programme to integrate, transform and grow the business. We delivered initial implementations of both the Aladdin technology solution for our Asset Management investment platform and the Avaloq solution for our Wealth Management client service operations. We actively managed our business portfolio, divesting approximately 21 billion worth of assets under management in non-core and sub-scale business areas, while optimising others and expanding both outsourcing and near-shoring efforts. In parallel, we made significant investments in both client service and product innovation. Through targeted hires, we increased our private banker and wealth advisory teams to serve ultra-high-net-worth (UHNW) clients worldwide, and added key experienced hires to our institutional and retail coverage teams in our Global Client Group. Additionally, we enhanced our product offering across innovative and high-growth sectors, including expanding our CROCI, physical replication ETF and alternative fund offerings.

As a result, clients entrusted us with over 40 billion net new assets, which, together with constructive financial markets performance, enabled Deutsche AWM to surpass in 2014 1 trillion in assets under management.

Looking ahead, Deutsche AWM intends to grow by leveraging the combined capabilities of our integrated franchise. In Wealth Management, we expect to further expand our footprint serving UHNW clients, enabling growth in wallet share and greater access for key clients to transactions and offerings across Deutsche Bank, in collaboration with CB&S. In Asset Management, we intend to continue building on strength in our domestic market Germany, while gaining share globally across institutional and retail asset management by launching differentiated new investment products while remaining committed to our open architecture platform, delivering strong investment performance and serving clients through an integrated coverage model. We believe our close connectivity with PBC and GTB enables us to provide retail and institutional clients seamless access to solutions. Finally, across the franchise, we expect focused execution of ongoing transformation projects will further improve efficiency and increase operating margins.

Strategy in the NCOU

The NCOU was established in 2012 as our fifth corporate division and consists of two major businesses: Wholesale Assets and Operating Assets. Wholesale Assets mainly includes credit correlation trading positions, securitization assets, exposures to monoline insurers, assets reclassified under IAS 39, the Special Commodities Group and assets and liabilities from PBC including Postbank. Operating Assets contains separate operating entities from the former Corporate Investments division (all of which have been transferred into NCOU), CB&S, and Deutsche AWM. The NCOU further contains several legal contingent risks transferred from Deutsche Bank s core business divisions.

Our strategy and mandate continue to focus on the accelerated de-risking of the portfolio and are aligned with the Bank s overall strategic objectives. The aim is to free up capital, reduce balance sheet size as measured under CRD 4 and protect shareholder value by reducing risks from the above mentioned assets, liabilities and business activities.

Our Corporate Divisions

Please see Management Report: Operating and Financial Review: Deutsche Bank Group: Corporate Divisions beginning on page 9 of the Financial Report.

The Competitive Environment

Competitor Landscape

The global recovery remains fragmented as growth rates across countries remain divergent. The ECB recently announced it will begin a quantitative easing program in the eurozone as the area continues to battle weak economic growth and political uncertainty resulting from the current crisis in Ukraine. The U.S. and UK are experiencing greater growth driving increased expectations of monetary tightening in 2015, albeit with potential for delays as inflationary pressure recedes resulting from a significant decline in oil prices in the fourth quarter of 2014. China s tightening of policy to help fight fears of an economic bubble and drive a more sustainable level of growth through transitioning to a consumption-led model is helping to avoid a hard landing. Japan continues its unprecedented monetary policy easing (Abenomics) in an attempt to rid itself of years of suppressed growth. Furthermore the banking sector continues to face headwinds globally from the ongoing intense regulatory environment and legal and reputational issues that continue to put pressure on returns and profitability.

Following the significant strengthening of capital ratios across the industry in 2013 and 2014 via capital raising, restructuring and retrenchment from capital intensive businesses, the focus has been concentrated on resolving legal matters, responding to the continued regulatory requirements (notably the CRD 4 leverage ratio requirements) and operational efficiency improvements. Banks are affected by the ultra-low interest rate and volatility environment that is suppressing client activity and applying pressure to profitability and returns.

Deutsche Bank s core competitors include other universal banks, commercial banks, savings banks, public sector banks, brokers and dealers, investment banking firms, asset management firms, private banks, investment advisors, payments services providers, and insurance companies. We compete with some of our competitors globally and with some others on a regional, product, or niche basis. We compete on the basis of a number of factors, including the quality of client relationships, transaction execution, our products and services, innovation, reputation and price.

There is an emerging group of potential future competitors in the form of start-ups and some technology firms that are showing increasing interest in banking services. The recent interest of technology companies and start-ups in some banking services (e.g., payments) has the potential to alter the competitive landscape and significant investment is ongoing across the banking industry to react and ensure it keeps pace with technological advances and customer demand.

In our home market, Germany, the retail banking market remains fragmented and our competitive environment is influenced by the three pillar system of private banks, public banks and cooperative banks. Competitive intensity has increased in recent years following some consolidation activity, particularly among public regional commercial banks (Landesbanken) and private banks.

Regulatory Reform

In the past year, key areas of the post-financial crisis G20 regulatory agenda strengthening international standards to create financially resilient institutions and ensuring resolvability of all banks have been finalized or become clearer.

Prudential standards including core Basel 3 capital, liquidity and leverage requirements have been implemented or further defined. In the EU, this has come via the Capital Requirements Regulation and the Capital Requirements Directive (CRR/CRD 4) that took effect on January 1, 2014. In the U.S., the Basel 3 framework took effect on January 1, 2015 for certain aspects of our U.S. operations and will be applicable to all of our U.S. operations (excluding Deutsche Bank AG New York Branch) starting on July 1, 2016.

Importantly, in 2014 we also became subject to a new prudential supervisory regime in Europe. On November 4, 2014, as part of the Single Supervisory Mechanism (SSM), the European Central Bank (ECB) took over our prudential supervision. In preparation for its takeover, the ECB conducted a comprehensive assessment, consisting of an asset quality review and stress tests, of us and other EU banks. We successfully met all the requirements of the comprehensive assessment. The advent of the ECB as competent authority for prudential regulation across all large EU banks should enhance consistency of standards and transparency around supervisory approach in future.

Other key post-crisis reforms, while agreed in primary legislation, are still in the early stages of their phase-in or implementation process, particularly where regulators have yet to develop detailed rules or determine their cross-border application. The impact of these laws on specific institutions cannot yet be fully known. Examples of these kinds of regulations include:

- **Legislation for OTC derivatives clearing, reporting and margin** has been agreed in the EU and U.S. and some requirements already apply. While trade reporting has begun, phase-in of mandatory EU clearing obligations is not expected to begin before the second half of 2015 and relief from transaction-level requirements for swaps between non-U.S. swap dealers and non-U.S. persons has been extended until September 30, 2015. There are ongoing efforts to ensure cross-border recognition of CCPs, and while equivalence decisions have been made by the EU for some jurisdictions, the cross-border agreement between the U.S. and the EU has not yet materialized. The start and phase-in of margin requirements on non-cleared derivatives is currently expected to take place from end 2015 to end 2019. We can expect the cost of trading OTC derivatives across the market to increase as a result as well as a rise in demand for high quality collateral.
- **Updated EU rules for market structure**, pre- and post-trade transparency for fixed income, currency and commodities transactions, investor protection, market abuse and sanctions through the Markets in Financial Instruments Directive (MiFID 2) and Regulation (MiFIR) and the Market Abuse Directive (MAD 2) and Regulation (MAR). MiFID 2/MiFIR will also introduce a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized. Most requirements intro-

duced by MiFID 2/MiFIR and MAD 2/MAR will be applicable to us starting on January 3, 2017 or July 3, 2016, respectively. Several implementing rules are still to be finalized by the European Securities and Markets Authority (ESMA). Depending on the detailed rules being developed, the updated MiFID 2/MiFIR could have a substantial impact on the way we trade with clients, transparency requirements, a willingness to deploy risk capital, and the way we distribute products.

Structural reforms requiring either separation of certain business activities or the creation of subsidiaries on a geographic basis. The German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups requires us to separate proprietary trading and certain other activities from deposit-taking by July 1, 2016. Also, Federal Reserve Board final rules on enhanced prudential standards for the U.S. operations of foreign banking organizations require us to establish or designate a U.S. intermediate holding company by July 1, 2016 and transfer the ownership interests of substantially all of our U.S. subsidiaries to this U.S. intermediate holding company. We submitted our plan for the implementation of the Federal Reserve Board s final rules on enhanced prudential standards by December 31, 2014, as required by the rule. Implementation plans for both structural changes mentioned above are subject to regulatory approval. We will also be impacted by Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act referred to as the Volcker Rule which must be implemented by July 2015, subject to certain exceptions.

Recovery and resolution the major jurisdictions where we have significant group operations have largely implemented the Financial Stability Board (FSB) Key Attributes for Effective Resolution Regimes, in particular the EU Bank Recovery and Resolution Directive (BRRD), which was implemented in Germany on January 1, 2015. The BRRD includes powers of the resolution authority to require legal and operational changes to bank structures to ensure resolvability, to transfer to another legal entity shares, assets, rights or liabilities of a bank which is failing or likely to fail, to reduce, including to reduce to zero, the nominal amount of shares, and to cancel shares. Furthermore, it may order the full or partial write-down of hybrid capital and debt instruments or their conversion into shares (commonly referred to as bail-in). In addition, in July 2014, the European Union published a regulation establishing a single European Resolution Mechanism (SRM) and a single European resolution fund for banks supervised by the ECB. However, making resolution effective requires home and host authorities to cooperate cross-border to recognize or support resolution, on which the FSB has pointed to a lack of progress.

In addition, several regulatory proposals are not yet agreed which, depending on the outcome in the final rules, may have a material impact on our activities, balance sheet and profitability:

Provisions of the Basel 3 framework that have yet to be implemented and the ongoing review and revision of other aspects of the Basel 3 framework, particularly with respect to calibration of the leverage ratio, liquidity coverage ratio and net stable funding ratio as well as the implementation of additional value adjustments, but also concerning capitalization for exposures to central counterparties and reviews of risk-weighted assets (including possible changes to address the variability in banks regulatory capital ratios and introduction of a floor on the IRB approaches). Notably the fundamental review of the trading book, expected to be finalized in 2015, may have a significant impact on us. Other potential capital reforms include interest rate risk in the banking book and changes to the large exposure requirements and the securitization framework.

FSB proposals for Total Loss-Absorbing Capacity (TLAC) for global systemically important banks may have an impact on our funding costs and profile, depending on the final standards and how they are implemented in national law, particularly how they would affect the BRRD minimum requirement for own funds and eligible liabilities (MREL).

Further structural changes, either as a result of the Single Resolution Board applying BRRD powers under the SRM to ensure resolvability or as a result of the proposed EU regulation on structural measures improving the resilience of EU credit institutions. This would prohibit proprietary trading and require banks with trading assets above a certain threshold to separate market making activities, derivatives and securitization from deposit taking.

Additional direct costs as a result of financial sector specific tax and levies, for example the EU enhanced cooperation financial transaction tax, which is still under negotiation, and contributions to the Single Resolution Fund, which starts from January 1, 2016, subject to participating EU member state ratification. Legislation to increase contributions to statutory deposit guarantee schemes is also being implemented in the EU.

Additional regulation of specific financial market activities, such as money market funds, benchmarks and indices, and securities financing transactions. Possible future proposals on capital markets, including investment funds, financial market infrastructures, and other shadow banking proposals may also impact us.

Measures to further integrate the European single market for banking, including updating rules on anti-money laundering, data protection, payments and bank accounts, and retail distribution of products.

Climate change, environmental and social issues

Many governments, corporations and investors are increasing their focus on climate change, environmental and social issues by enacting legislation, changing business models, setting business operational policies and changing investment decision making. This activity has been accelerating in the lead up to the Paris climate summit in December 2015. Respected authorities continue to estimate that the total impact of these actions is insufficient to reduce the risks of climate change, increasing the risks to society and the economy from more frequent and stronger extreme weather events.

The number and strength of government, corporate and investor actions may therefore increase over time as climate change has a greater impact on society. This affects the financial services industry, in particular in connection to increasing demand for financing of projects that contribute to or mitigate climate change, as well as other environmental and societal impacts. Projects and products that contribute to climate change or have other negative environmental or social impacts, as well as their financing and other services for these projects, are being reviewed more critically by investors, customers, environmental authorities, non-governmental organizations and others. At Deutsche Bank such review is conducted based on the Environmental and Social Reputational Risk Framework. Where our own assessment of these issues so indicates, we may abstain from participating in such projects.

By contrast, projects and products that aim to mitigate climate change or other environmental pressures are increasingly seeking financing and other financial services; these offer growth opportunities for many of our businesses. Our research indicates that companies incorporating the best environmental, social and governance practices are able to raise capital at a lower cost and may be able to achieve superior risk-adjusted returns. Moreover, we note that investors, customers and others increasingly take the overall approach of companies to climate change, including the direct and indirect carbon emissions of their operations, into consideration in their decisions, even where such emissions are minimal.

We have undertaken a number of measures to reduce our carbon emissions over time, such as a comprehensive renovation of our world headquarters in Germany, to bring the energy efficiency of these buildings to the highest possible level for similar office towers. Combined with other measures, we have significantly reduced our emissions. These efforts are recognized with the highest rankings in many industry assessments. There is increasing attention by investors, some regulators and non-governmental organizations to fossil fuel asset risks from stronger, future climate change policies. As well, sustainability rating companies and some investors are asking financial institutions to measure and manage the emissions associated with our financial activities. We are working with other banks to develop relevant methodologies.

Regulation and Supervision

Overview

Our operations throughout the world are regulated and supervised by the relevant authorities in each of the jurisdictions where we conduct business. Such regulation relates to licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting requirements. It affects the type and scope of the business we conduct in a country and how we structure specific operations. In reaction to the crisis in the financial markets, the regulatory environment has undergone and is still undergoing significant changes.

In December 2010, the Basel Committee on Banking Supervision proposed revised capital adequacy and liquidity standards that were significantly more stringent than the then-existing requirements. The set of comprehensive changes to the capital adequacy framework published by the Basel Committee, known as Basel 3, was implemented into European Union law by a legislative package referred to as CRR/CRD 4 . The CRR/CRD 4 legislative package includes a European Union regulation (which is referred to as the Capital Requirements Regulation or CRR) which is directly enforceable as law in every member state of the European Union, and a European Union directive (which is referred to as the Capital Requirements Directive or CRD 4), which has been implemented into national (in our case German) law. CRR/CRD 4 contains, among other things, detailed rules on regulatory banking capital, increased capital requirements and the introduction of additional capital buffers, tightened liquidity standards and a non-risk based leverage ratio. Most of the new rules came into effect on January 1, 2014, with capital requirements and buffers increasing from year to year.

In June 2014, the European Union published a directive establishing a framework for the recovery and resolution of credit institutions and investment firms (which is referred to as the Bank Recovery and Resolution Directive or BRRD), which was implemented into German law and is applicable to us since January 1, 2015. Under the new resolution framework, broad resolution powers with respect to banks have been granted to the Federal Agency for Financial Market Stabilization (Bundesanstalt für Finanzmarktstabilisierung), including the power to reduce, including to zero, the nominal value of shares, or to cancel shares outright. Furthermore, the Federal Agency for Financial Market Stabilization may, in its exercise of the bail-in power, write down certain eligible unsecured liabilities, including to zero, or convert them into equity.

In addition, the German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups (the Separation Act) prohibits deposit-taking banks and their affiliates from engaging in certain activities unless these activities are transferred to a separate legal entity. These activities include proprietary trading that does not constitute a service for others, high-frequency trading (with the exception of market-making activities), and credit or guarantee transactions with hedge funds and comparable enterprises. Banks concerned, such as us, have until July 1, 2016 to transfer the relevant business activities. Also starting on July 1, 2016, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) may prohibit, on a case-by-case basis, deposit-taking banks and their affiliates from engaging in market-making and other activities that are comparable to the activities prohibited by law if such activities could put the solvency of the deposit-taking bank or any of its affiliates at risk.

Finally, as discussed below under Regulation and Supervision in the United States , in July 2013 U.S. federal bank regulators issued final rules implementing many elements of the Basel 3 framework and other U.S. capital reforms.

Further changes continue to be under consideration in the jurisdictions in which we operate. While the extent and nature of these changes cannot be predicted now, they may include a further increase in regulatory oversight and enhanced prudential standards relating to capital, liquidity, employee compensation, limitations on activities and other aspects of our operations that may have a material effect on the businesses and the services and products that we will be able to offer.

The following sections present a description of the supervision of our business by the authorities in Germany, our home market, in the contracting states to the European Economic Area, and in the U.S., which we view as the most significant for us. Beyond these regions, local country regulations generally have limited impact on our operations that are unconnected with these countries.

Regulation and Supervision in Germany Basic Principles

We are authorized to conduct banking business and to provide financial services as set forth in the German Banking Act (Kreditwesengesetz) and the CRR. We are subject to comprehensive regulation and supervision by the European Central Bank (ECB), the BaFin and the Deutsche Bundesbank (Bundesbank), the German central bank.

Since November 4, 2014, we are directly supervised by the ECB, which is the primary supervisor of significant credit institutions and their banking affiliates domiciled in the eurozone as well as those domiciled in other member states of the European Union that decide to participate in the Single Supervisory Mechanism (which is referred to as SSM) in the future. The SSM was introduced in 2013 and is considered to be the first step towards a European Banking Union. The ECB is responsible for issuing new licenses to credit institutions and for assessing significant ownership changes in credit institutions where such changes must be notified, in each case regardless of whether an institution is significant or not. With respect to us and other significant credit institutions, the ECB is the primary supervisor and is responsible for most tasks of prudential supervision, such as those regarding compliance with regulatory requirements set forth in CRR/CRD 4 concerning own funds, large exposure limits, leverage, liquidity, securitizations, governance and risk management requirements. The ECB carries out its supervisory functions through a Joint Supervisory Team established for the Group. The team is led by the ECB and comprises staff from the ECB and national supervisory authorities, including the BaFin and the Bundesbank.

The BaFin continues to be our supervisor for regulatory matters with respect to which we are not supervised by the ECB. These include the rules on business conduct in the securities markets and the regulation of anti-money laundering, terrorist financing and payment services, as well as certain special areas of bank regulation, such as those related to the issuance of covered bonds (Pfandbriefe) and the supervision of German home loan banks (Bausparkassen). Generally, the BaFin also continues to supervise us with respect to those requirements under the German Banking Act that are not based upon European law, although the scope of such supervision with respect to regulatory requirements in addition to those that must be implemented under European law is not entirely clear. The Bundesbank supports the BaFin and the ECB and closely cooperates with them. The cooperation includes the ongoing review and evaluation of reports submitted by us and of our audit reports as well as assessments of the adequacy of our capital base and risk management systems. The ECB, the BaFin and the Bundesbank receive comprehensive information from us in order to monitor our compliance with applicable legal requirements and to obtain information on our financial condition. Generally, supervision by the ECB (together with the BaFin and the Bundesbank) applies on an unconsolidated basis (company only) and on a consolidated basis (the company and the entities consolidated with it for German regulatory purposes). Banks forming part of a consolidated group may waive the application of capital adequacy requirements, large exposure limits and certain organizational requirements on an unconsolidated basis if certain conditions are met. Deutsche Bank AG meets these conditions and has waived application of these rules since January 1, 2007.

The ECB and the BaFin have extensive supervisory and investigatory powers, including the ability to issue requests for information, to conduct regulatory investigations and on-site inspections, and to impose monetary and other sanctions.

We are in compliance with the German and European laws that are applicable to our business in all material respects.

The German Banking Act and the CRR

The German Banking Act and the CRR contain the principal rules for German banks, including the requirements for a banking license, and regulate the business activities of German banks. In particular, the German Banking Act requires that an enterprise that engages in one or more of the activities defined in the German Banking Act as banking business or financial services in Germany must be licensed as a credit institution (Kreditinstitut) or financial services institution (Finanzdienstleistungsinstitut), as the case may be. Deutsche Bank AG is licensed as a credit institution.

Significant parts of the regulatory framework for banks in the European Union are governed by the CRR. The CRR primarily sets forth the requirements applicable to us relating to regulatory capital, risk-based capital adequacy, monitoring and control of large exposures, consolidated supervision and liquidity. Additional regulatory and implementing technical standards are also applicable to us, and are developed by the European Banking Authority (EBA) and adopted by the European Commission. Certain other requirements applicable to us including those with respect to additional capital and organizational requirements, are set forth in the German Banking Act and other German laws.

The German Securities Trading Act

Under the German Securities Trading Act (Wertpapierhandelsgesetz), the BaFin regulates and supervises securities trading in Germany. The German Securities Trading Act contains, among other things, disclosure and transparency rules for issuers of securities that are listed on a German exchange and prohibits insider trading with respect to certain listed securities. The German Securities Trading Act also contains rules of conduct. These rules of conduct apply to all businesses that provide securities services. Securities services include, in particular, the purchase and sale of securities or derivatives for others and the intermediation of transactions in securities or derivatives and certain types of investment advice. The BaFin has broad powers to investigate businesses providing securities services to monitor their compliance with the rules of conduct and the reporting requirements. In addition, the German Securities Trading Act requires an independent auditor to perform an annual audit of the securities services provider s compliance with its obligations under the German Securities Trading Act.

The European Union has completed several legislative proposals which result in further regulation of securities trading and the trading in derivatives in particular. Notably, the European Union adopted the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR), which became effective on August 16, 2012. EMIR introduced requirements for standardized over-the-counter derivatives to be centrally cleared and derivative transactions to be notified to trade repositories. EMIR also includes additional capital and margin requirements for non-cleared trades. While a number of the compliance requirements introduced by EMIR have come into effect, the European Supervisory Authorities (mainly the European Securities and Markets Authority) are still in the process of finalizing certain implementing rules mandated by EMIR. Further legislative measures such as the Markets in Financial Instruments Directive (MiFID 2) and Regulation (MiFIR) and the Market Abuse Directive (MAD 2) and Regulation (MAR) provide for, among other things, greater regulation and oversight by covering additional markets and instruments, extension of pre- and post-trade transparency rules from equities to all financial instruments, stricter market abuse rules, greater restrictions on operating trading platforms, and greater sanctioning powers. MiFID 2/MiFIR will also introduce a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized, and new investor protection rules which will significantly impact the way we distribute products. Most of the requirements introduced by MiFID 2/MiFIR and MAD 2/MAR will be applicable to us starting on January 3, 2017 or July 3, 2016, respectively. In addition, the European Securities and Markets Authority (ESMA) has yet to finalize several related implementing regulations.

Capital Adequacy Requirements

Since January 1, 2014, the capital adequacy requirements for banks are primarily set forth in the CRR. The CRR requires German banks to maintain an adequate level of regulatory capital in relation to their risk positions. Risk positions (commonly referred to as risk-weighted assets) include credit risks, market risks and operational risks (including, among other things, risks related to certain external factors, as well as to technical errors and errors of employees). The most important type of capital for compliance with the capital requirements under the CRR (see below) is Common Equity Tier 1 capital. Common Equity Tier 1 capital primarily consists of share capital, retained earnings and other reserves, subject to certain regulatory adjustments. Another component of capital is Additional Tier 1 capital. Generally, all instruments recognized as Additional Tier 1 capital must be written down, or converted into Common Equity Tier 1 capital when the Common Equity Tier 1 capital ratio of the financial institution falls below a minimum of 5.125 %, although regulators may require an earlier conversion, for example for stress-testing purposes. Common Equity Tier 1 capital and Additional Tier 1 capital together constitute Tier 1 capital. Tier 1 capital requirements are aimed at ensuring the ability to absorb losses on a going concern basis. The other type of capital is Tier 2 capital which generally consists of long-term subordinated debt instruments and must be able to absorb losses on a gone concern basis. Tier 1 capital and Tier 2 capital together constitute own funds . Pursuant to the CRR, hybrid capital instruments that qualified as Tier 1 or Tier 2 capital under Basel 2.5 cease to qualify as such and will be gradually phased out through the end of 2021. Tier 3 capital is no longer recognized as own funds under the CRR. In addition, the CRR tightened the regime for certain deductions from capital.

Under the CRR, banks are required to maintain a minimum ratio of Tier 1 capital to risk-weighted assets of 6 % and a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 4.5 %. The minimum total capital ratio of own funds to risk-weighted assets is 8 %.

The German Banking Act, as amended by the CRR/CRD 4 legislative package, also requires banks to build up a mandatory capital conservation buffer (Common Equity Tier 1 capital amounting to 2.5 % of risk-weighted assets), and authorizes the BaFin to require banks to build up an additional counter-cyclical buffer (Common Equity Tier 1 capital of generally up to another 2.5 % of risk-weighted assets) during periods of high credit growth. In addition, the BaFin may require banks to build up a systemic risk buffer (Common Equity Tier 1 capital of between 1 % and 3 % of risk-weighted assets for all exposures and in exceptional cases up to 5 % for domestic and third-country exposures) to prevent and mitigate long term non-cyclical systemic or macro-prudential risks not otherwise covered by CRR/CRD 4. Global systemically important banks (such as us) will be subject to an additional capital buffer of between 1 % and 3.5 % of risk-weighted assets which will be determined for the banks concerned based on a scoring system measuring their systemic importance. The systemic risk buffer and buffers for systemically important banks will generally not be cumulative; only the higher of these two buffers will apply. If a bank fails to build up the required capital buffers, it will be subject to restrictions on the pay-out of dividends, share buybacks and discretionary compensation payments. The ECB may require us to maintain higher capital buffers than those required by the BaFin.

The Basel 3 framework also proposes a non-risk based leverage ratio as a complement to the risk-based capital requirements. While the CRR does not require banks immediately to comply with a specific leverage ratio, banks are required to report and publish their leverage ratios for a future assessment and calibration of the leverage ratio. According to a delegated act adopted by the European Commission on October 10, 2014, the way we calculate our exposure measure for the leverage ratio under a revised CRR/CRD 4 framework changes significantly. It is expected that banks will be required to fully comply with the leverage ratio starting in 2018.

Under certain circumstances, the ECB may impose capital requirements on individual banks which are more stringent than statutory requirements. On February 20, 2015, the ECB required us to maintain a Common Equity Tier 1 ratio of at least 10 % (on a phase-in basis). Also, more generally, to prevent shortfalls in the capitalization of German banks, the German legislature enacted a statute allowing stabilization measures in the period through December 2015 that can be imposed on banks without approval of their shareholders. For details of Deutsche Bank s regulatory capital, see Management Report: Risk Report: Regulatory Capital: Capital Adequacy on pages 229 through 230 of our Financial Report.

Limitations on Large Exposures

The CRR also contains the primary restrictions on large exposures, which limit a bank s concentration of credit risks. The German Banking Act and the Large Exposure Regulation (Großkredit- und Millionenkreditverordnung) continue to supplement the CRR. For example, the Large Exposure Regulation continues to include exemptions (in addition to those contained in the CRR) from the applicability of limits to large exposures. Under the CRR, our exposure to a customer (and any customers affiliated with it) is deemed to be a large exposure when the value of such exposure is equal to or exceeds 10 % of our eligible regulatory capital . All exposures to a single customer (and customers affiliated with it) are aggregated for these purposes. In general, no large exposure may exceed 25 % of our eligible regulatory capital. Eligible regulatory capital for this purpose means the sum of Tier 1 capital and Tier 2 capital which may not exceed one third of Tier 1 capital. During a transitional period, eligible regulatory capital may include Tier 2 capital up to 75 % of Tier 1 capital during 2015 and 50 % during 2016. If the customer is a credit institution or investment firm, the exposure is limited to the higher of 25 % of our eligible regulatory capital or 150 million. Competent authorities may set a lower limit than 150 million. On April 15, 2014, the Basel Committee published a proposal that would restrict a bank s exposures to a single counterparty to 25 % of its Tier 1 capital (instead of 25 % of the sum of its Tier 1 and Tier 2 capital) and further limit exposures between banks designated as global systemically important banks such as us, to 15 % of Tier 1 capital. The proposal, if implemented, would be applicable starting on January 1, 2019.

Under certain conditions, the limits to large exposures may be exceeded by the exposures on the bank s trading book. In this case, the bank must meet an additional own funds requirement.

Consolidated Regulation and Supervision

The provisions of the German Banking Act and the CRR on consolidated supervision require that each group of institutions (Institutsgruppe) taken as a whole complies with the requirements on capital adequacy and the limitations on large exposures described above. The relevant provisions for consolidation are, to a large extent, set forth in the CRR. A group of institutions generally consists of a parent entity, also referred to as a superordinate undertaking , and the subsidiaries of the superordinate undertaking which are consolidated in the group under the CRR (i.e., banks in which the superordinate bank holds more than 50 % of the voting rights). The ECB is responsible for our supervision on a consolidated basis.

Financial groups which offer services and products in various financial sectors (banking and securities business, insurance and reinsurance business) are subject to supplementary supervision as a financial conglomerate (Finanzkonglomerat) once certain thresholds have been exceeded. Supervision of financial conglomerates comprises requirements regarding own funds, risk concentration, risk management, transactions within the conglomerate and organizational matters. We are a financial conglomerate and therefore are required to report capital adequacy requirements and risk concentrations also on a conglomerate level. In addition, we are required to report significant conglomerate internal transactions as well as significant risk concentrations. Our supervision at the conglomerate level is coordinated by the ECB.

Liquidity Requirements

The CRR introduced a new liquidity coverage requirement intended to ensure that banks have an adequate stock of unencumbered high quality liquid assets (HQLA) that can be easily and quickly converted into cash to meet their liquidity needs for a 30 calendar day liquidity stress scenario. The required liquidity coverage ratio is calculated as the ratio of a bank s liquidity buffer to its net liquidity outflows. Also, banks must regularly report the composition of the liquid assets in their liquidity buffer to their competent authorities. The liquidity coverage requirement will gradually be phased in through January 1, 2018, beginning with a minimum required level of liquidity of 60 % in 2015, which will subsequently be increased to 70 % in 2016, 80 % in 2017 and 100 % in 2018. Details on the liquidity coverage requirement have been set forth by the European Commission in implementing legislation, which will come into force on October 1, 2015. The ECB will be granted the authority to supervise our compliance with the liquidity coverage requirement under the CRR.

In addition, Basel 3 contains a proposal to introduce a net stable funding ratio (NSFR) to reduce medium- to long-term funding risks by requiring banks to fund their activities with sufficiently stable sources of funding. The CRR contains interim reporting requirements on stable funding but does not include substantive provisions relating to the NSFR. On October 31, 2014, the Basel Committee on Banking Supervision published a revised proposal for the NSFR pursuant to which the NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. The NSFR is expected to become a minimum standard for banks by January 1, 2018. Since the proposal has not yet been implemented into binding European law, the European Commission needs to decide by December 31, 2016 whether and how to introduce the NSFR into European law.

National liquidity requirements under the German Banking Act and the German Liquidity Regulation (Liquiditätsverordnung) will continue to be applicable to us until the full introduction of the liquidity coverage requirement at the European level on January 1, 2018. The German Banking Act generally requires banks and certain financial services institutions to invest their funds so as to maintain adequate liquidity at all times. The Liquidity Regulation provides for minimum liquidity requirements based upon a comparison of the remaining terms of certain assets and liabilities. It requires maintenance of a ratio (Liquiditätskennzahl or liquidity ratio) of liquid assets to liquidity reductions expected during the month following the date on which the ratio is determined of at least one. The Liquidity Regulation also allows banks and financial services institutions subject to it to use their own methodology and procedures to measure and manage liquidity risk if the BaFin has approved such methodology and procedures. The liquidity ratio (and estimated liquidity ratios for the next eleven months) must be reported to the ECB, the BaFin and the Bundesbank on a monthly basis. Generally, the liquidity requirements do not apply on a consolidated basis.

The ECB and the BaFin may impose on individual banks liquidity requirements which are more stringent than the general statutory requirements if such bank s continuous liquidity would otherwise not be ensured.

Financial Statements and Audits

As required by the German Commercial Code (Handelsgesetzbuch), we prepare our non-consolidated financial statements in accordance with German GAAP. Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards, and our compliance with capital adequacy requirements and large exposure limits is determined solely based upon such consolidated financial statements.

Under German law, we are required to be audited annually by a certified public accountant (Wirtschaftsprüfer). The accountant is appointed at the shareholders meeting. However, the supervisory board mandates the accountant and supervises the audit. The BaFin must be informed of and may reject the accountant s appointment. The German Banking Act requires that a bank s auditor inform the BaFin of any facts that come to the accountant s attention which would lead it to refuse to certify or to limit its certification of the bank s annual financial statements or which would adversely affect the bank s financial position. The auditor is also required to notify the BaFin in the event of a material breach by management of the articles of association or of any other applicable law. The auditor is required to prepare a detailed and comprehensive annual audit report (Prüfungsbericht) for submission to the bank s supervisory board, the BaFin and the Bundesbank. The BaFin and the Bundesbank share their information with the ECB.

Investigative and Enforcement Powers

Investigations and Official Audits

The ECB and the BaFin may conduct audits of banks on a random basis, as well as for cause. In particular, the ECB may audit our compliance with requirements with respect to which it supervises us, such as those set forth in CRR/CRD 4. The BaFin may decide to audit our compliance with requirements with respect to which the BaFin supervises us, such as those relating to business conduct in the securities markets and the regulation of anti-money laundering, terrorist financing and payment services, as well as certain special areas of bank regulation, such as those related to the issuance of covered bonds (Pfandbriefe) and the supervision of German home loan banks (Bausparkassen).

The ECB as well as the BaFin may require a bank to furnish information and documents in order to ensure that the bank is complying with applicable bank supervisory laws. The ECB or the BaFin may conduct investigations without having to state a reason therefor. Such investigations may also take place at a foreign entity that is part of a bank s group for regulatory purposes. Investigations of foreign entities are limited to the extent that the law of the jurisdiction where the entity is located restricts such investigations.

The ECB and the BaFin may attend meetings of a bank s supervisory board and shareholders meetings. They also have the authority to require that such meetings be convened.

Supervisory and Enforcement Powers

The ECB has a wide range of enforcement powers in the event it discovers any irregularities concerning requirements with respect to which it supervises us. It may, for example,

- impose additional own funds or liquidity requirements in excess of statutory requirements;
- restrict or limit a bank s business;
- require the cessation of activities to reduce risk;
- require a bank to use net profits to strengthen its own funds;
- restrict or prohibit distributions to shareholders and holders of Additional Tier 1 instruments;
- remove the members of the bank s management or supervisory board members from office; or
- prohibit them from exercising their current managerial capacities.

To the extent necessary to carry out the tasks granted to it, the ECB may also require national supervisory authorities to make use of their powers under national law. If these measures are inadequate, the ECB may revoke the bank s license. Furthermore, the ECB has the power to impose severe administrative penalties in case of breaches of directly applicable EU laws, such as the CRR, or of applicable ECB regulations and decisions. Penalties imposed by the ECB may amount to up to twice the amount of profits gained or losses avoided because of the violation, or up to 10 % of the total annual turnover of the relevant entity in the preceding business year. In addition, where necessary to carry out the tasks granted to it, the ECB may also require that the BaFin initiate proceedings to ensure that appropriate penalties are imposed on the affected bank.

The BaFin also retains a wide range of enforcement powers. As discussed above, it may take action if instructed by the ECB in connection with supervisory tasks granted to the ECB. With respect to supervisory tasks not granted to the ECB, the BaFin may still take, as in the past, action upon its own initiative. In particular, if a bank is in danger of defaulting on its obligations to creditors, the BaFin may take emergency measures to avert default. These emergency measures may include:

- issuing instructions relating to the management of the bank;
- prohibiting the acceptance of deposits and the extension of credit;
- prohibiting or restricting the bank s managers from carrying on their functions;
- prohibiting payments and disposals of assets;
- closing the bank s customer services; and
- prohibiting the bank from accepting any payments other than payments of debts owed to the bank.

The BaFin may also impose administrative pecuniary penalties under the German Banking Act and other German laws. Penalties under the German Banking Act may amount to generally up to 5 million. If the economic benefit derived from the offense is higher, the BaFin may impose penalties of up to 10 % of the net turnover of the preceding business year or double the amount of the economic benefit derived from the violation.

Finally, violations of the German Banking Act may result in criminal penalties.

Recovery and Resolution Planning, Restructuring Powers

The BRRD, which was published by the European Union in June 2014, was implemented in Germany through the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz), which has been applicable to us since January 1, 2015. The German Recovery and Resolution Act requires us to prepare recovery and resolution plans, and grants broad resolution powers to the Federal Agency for Financial Market Stabilization as resolution authority. In particular, the Federal Agency for Financial Market Stabilization may require legal and operational changes to bank structures to ensure resolvability or may take a range of other measures including the transfer of shares, assets or liabilities of a failing bank to another legal entity, the reduction, including to zero, of the nominal value of shares or the cancellation of shares outright. Furthermore, the Federal Agency for Financial Market Stabilization may, in its exercise of the bail-in power, write down certain eligible unsecured liabilities, including to zero, or convert them into equity. To prevent banks from structuring their liabilities in a way that impedes the effectiveness of the bail-in or other resolution tools, the German Recovery and Resolution Act requires banks to meet strict minimum requirements for own funds and eligible liabilities (MREL) which will be determined on a case-by-case basis by the competent resolution authorities.

In addition, on November 14, 2014, the Financial Stability Board (FSB) released a proposal that would require global systemically important banks (G-SIBs), such as us, to meet a new requirement for a Total Loss Absorbing Capacity (TLAC) starting on January 1, 2019. The FSB has proposed a predetermined pillar 1 minimum TLAC requirement that is set within the range of 16 % - 20 % of risk-weighted assets, and at a minimum twice the Basel 3 leverage ratio requirement. Moreover, the FSB has proposed an additional pillar 2 TLAC requirement which may be determined by the competent authorities for individual firms and apply over and above the pillar 1 TLAC minimum. The FSB intends to revise its proposal on TLAC based on a public consultation and findings from a quantitative impact study and market survey, and submit a final version to the G-20 by the G-20 summit in 2015. The ultimate impact on us will depend on how the proposals are implemented in national law.

In July 2014, the European Union published a regulation establishing a single European Resolution Mechanism (SRM) and a single European resolution fund for banks supervised by the ECB. The SRM regulation grants resolution powers to the European resolution authority, the Single Resolution Board . The Single Resolution Board will prepare resolution plans and will carry out the resolution of banks, whenever one of them fails or is likely to fail. It is intended to work in close cooperation with national resolution authorities. The bail-in and resolution powers of the Single Resolution Board will become effective as of January 1, 2016. Furthermore, the Single Resolution Board is charged with administering the single resolution fund. The single resolution fund is financed by bank levies raised at national level to a target level of 1 % of insured deposits of all banks in participating member states of the European Union after a build-up of eight years.

In addition, under the German Credit Institution Reorganization Act (Gesetz zur Reorganisation von Kreditinstituten), a bank may submit a stabilization plan to the BaFin if, based upon the circumstances, it is likely that the bank will not be able to continuously fulfill the applicable statutory capital or liquidity requirements. A stabilization plan may in particular provide for the taking up of new loans or other financing that will have priority over the claims of existing creditors if insolvency proceedings are opened within three years following the commencement of the stabilization proceedings. The aggregate amount of such loans may not exceed 10 % of the bank s own funds. If the BaFin (which would consult with the ECB) considers the stabilization plan to be sustainable, it applies to the court for the opening of a stabilization proceeding. If the statutory requirements are met, the court appoints a stabilization advisor who oversees the implementation of the stabilization plan and has the authority to issue orders to the management of the bank.

Also under the German Credit Institution Reorganization Act, if a bank considers a stabilization proceeding to be futile, it may initiate reorganization proceedings, provided that the requirements for resolution under the German Recovery and Resolution Act are met. The bank must then submit a reorganization plan to the BaFin. This reorganization plan may in particular provide for debt-to-equity swaps, contributions in kind, capital increases and reductions, an exclusion of subscription rights and the spin-off of parts of the bank. Upon application by the BaFin, the court must order the opening of reorganization proceedings if the statutory requirements are met. If reorganization proceedings are opened, each class of creditors and the shareholders resolve independently on the adoption of the reorganization plan. Under certain conditions, the reorganization plan may also be implemented without the approval of a class of creditors or the shareholders (i.e., it can be forced upon dissenting creditors or shareholders).

The BaFin may file an application for the initiation of insolvency proceedings against a bank.

Separation of Proprietary Trading Activities by Universal Banks

The German Separation Act provides that deposit-taking banks and their affiliates are prohibited from engaging in proprietary trading that does not constitute a service for others, high-frequency trading (with the exception of market-making activities), and credit or guarantee transactions with hedge funds and comparable enterprises, unless such activities are transferred to a separate legal entity. The separation requirement applies if certain

thresholds are exceeded, which we exceed. In addition, the German Separation Act authorizes the BaFin to prohibit the deposit-taking bank and its affiliates, on a case-by-case basis, from engaging in market-making and other activities that are comparable to the activities prohibited by law, if these activities may put the solvency of the deposit-taking bank or any of its affiliates at risk. In the event that the BaFin orders such a prohibition, the respective activities must be discontinued or transferred to a separate legal entity. The separate legal entity may be established in the form of an investment firm or a bank and may be part of the same group as the deposit-taking bank. However, it must be economically and organizationally independent from the deposit-taking bank and its (other) affiliates, and it has to comply with enhanced risk management requirements. The prohibition for deposit-taking banks and their affiliates to conduct activities associated with increased risks will become effective starting July 1, 2015, with a further transitional period of twelve months to accomplish the separation requirement. Thus, we have until July 2016 to transfer those activities specified in the German Separation Act to a separate legal entity. Starting on July 1, 2016, the BaFin will also have the power to prohibit certain market-making and other activities on a case-by-case basis.

On January 29, 2014, the European Commission published a proposal for a regulation on structural measures improving the resilience of EU credit institutions (referred to as Proposed Regulation), which if enacted, will impose measures similar to the Separation Act. The Proposed Regulation would apply to large banks which are either identified as global systemically important institutions (such as us), or whose total assets and trading activities exceed certain thresholds (which we exceed). If the Proposed Regulation were enacted as drafted, it would ban proprietary trading in financial instruments and commodities. For this purpose, proprietary trading is defined as (subject to certain exemptions) trading on own account for the sole purpose of making profit for the bank through dedicated trading structures. Furthermore, the Proposed Regulation would grant supervisors the power, and, in certain instances, impose on them an obligation, to require the transfer of certain trading and other activities (such as market making, derivatives and securitization operations) to separate legal trading entities within the group. In this case, the group would be required to be structured in a manner that results in the creation of two distinct sub-groups. Only one such subgroup would be permitted to conduct the business of taking insured deposits (referred to as a Core Bank). Both sub-groups would be required to comply separately with the own funds and capital requirements, the large exposure limits and certain other obligations set forth in CRR/CRD 4. Moreover, the Core Bank sub-group would not be permitted to hold any capital instruments or voting rights in the other sub-group. According to the Proposed Regulation, the prohibition on proprietary trading would become effective 18 months after the publication of the final regulation. The provisions on separation of trading activities from Core Banks would become effective 36 months after such publication. The Proposed Regulation is currently being discussed at the European level and might overrule certain requirements set out in the Separation Act at the national level. On December 22, 2014, the Economic and Monetary Affairs Committee (ECON) of the European Parliament published significant changes to the Proposed Regulation.

Remuneration Rules

Under the German Banking Act and the German Credit Institution Remuneration Regulation (Institutsvergütungsverordnung), we are subject to certain restrictions on the remuneration we pay statutorily designated risk takers and other affected employees. The remuneration rules have been revised on the basis of the CRR/CRD 4 framework, and since January 1, 2014, they impose a cap on bonuses. Pursuant to this cap, the variable remuneration for risk takers and other affected employees generally must not exceed that employee s fixed remuneration. The variable remuneration may be increased to twice the risk taker s and other affected employee s compensation if expressly approved by the shareholders meeting with the required majority. In addition, between 40 % and 60 % of the variable remuneration must be deferred. The deferral period must be at least three to five years. Also, depending on the responsibilities, activities and position of an employee, at least 50 % of the variable remuneration must be paid in the form of shares or instruments linked to shares. Finally, we are required to comply with certain disclosure requirements relating to the remuneration we pay to, and our remuneration principles in respect of, our risk takers and other affected employees.

Deposit Protection in Germany

The Deposit Protection Act

Until July 2, 2015, the Law on Deposit Protection and Investor Compensation (Einlagensicherungs- und Anlegerentschädigungsgesetz, Deposit Protection and Investor Compensation Act) provides for a mandatory deposit protection and investor compensation system in Germany. It requires that each German bank participate in one of the licensed government-controlled deposit protection and investor compensation schemes (Entschädigungseinrichtungen). Entschädigungseinrichtung deutscher Banken GmbH acts as the deposit and investor protection scheme for private sector banks such as us, collects and administers the contributions of the member banks, and settles any compensation claims of depositors and investors in accordance with the German Deposit Protection and Investor Compensation Act.

Under the German Deposit Protection and Investor Compensation Act, the deposit protection and investor compensation schemes are liable for obligations resulting from deposits or securities transactions, as the case may be, that are denominated in euro or the currency of any EU member state. They are not liable for obligations represented by instruments in bearer form or negotiable by endorsement. Claims of certain entities, such as banks, financial institutions (Finanzinstitute), insurance companies, investment funds, the Federal Republic of Germany, the German federal states, municipalities and medium-sized and large corporations, are not protected. The maximum liability of a deposit protection and investor compensation scheme to any one creditor is limited to an amount of 100,000 of the deposits, and to 90 % of any one creditor s aggregate claims arising from securities transactions up to an amount of 20,000, as the case may be.

The deposit protection and investor compensation schemes are financed by annual contributions of their participating banks. They may also levy special contributions if required to settle compensation claims. There is no absolute limit on such special contributions.

In June 2014, the European Union published a recast of the directive on deposit guarantee schemes (Recast Deposit Guarantee Schemes Directive). In January 2015, the German Government published a draft bill to implement the Recast Deposit Guarantee Directive. If the draft bill is enacted as proposed, statutory deposit protection and investor compensation schemes will, starting on July 3, 2015, be governed by the new German Deposit Protection Act (Einlagensicherungsgesetz) and the amended former German Deposit Protection and Investor Compensation Act, now called Investor Compensation Act (Anlegerentschädigungsgesetz).

According to the draft bill, statutory deposit protection will be expanded to also cover deposits of large corporations and deposits denominated in currencies of non-EU member states. In addition, deposits made in connection with particular life events (such as the sale of private residential properties, marriage or severance payments) will be protected up to an amount 500,000 for a period of six months after the amount has been deposited or become transferable. Furthermore, the period within which the protection scheme must make the compensation payment will be reduced from twenty days to seven days starting on June 1, 2016.

Under the proposed new German Deposit Protection Act, deposit protection schemes must have available financial means proportionate to their potential liabilities and reach a target level of such means of 0.8 % of the total covered deposits of their participating banks by July 3, 2024. The financial means must be contributed by the banks participating in the deposit protection scheme. The amount of contributions of each bank will be based upon the amount of its covered deposits and the degree of risk the bank is exposed to. The implementation of the Recast Deposit Guarantee Schemes Directive will substantially increase the costs for deposit protection schemes. Accordingly, we expect that our contributions to these schemes will also increase.

Statutory deposit protection schemes will be required to contribute to bank resolution costs where resolution tools are used. The contribution made by the deposit protection scheme is limited to the compensation it would have to pay if the affected bank had become subject to insolvency proceedings. Furthermore, statutory deposit protection schemes under certain circumstances may provide funding to its participating banks to avoid their failure.

The implementation of the Recast Deposit Guarantee Schemes Directive will not affect the rules on investor compensation schemes as currently contained in the German Deposit Protection and Investor Compensation Act.

Voluntary Deposit Protection System

Liabilities to creditors that are not covered under the German Deposit Protection and Investor Compensation Act may be covered by one of the various protection funds set up by the banking industry on a voluntary basis. We take part in the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e. V.). The Deposit Protection Fund covers liabilities to customers up to an amount equal to 20 % of the bank s own funds (Eigenmittel) as further specified in the Deposit Protection Fund s by-laws. This limit will be reduced to 15 % from January 1, 2020 onwards and to 8.75 % from January 1, 2025 onwards. Liabilities to other banks and other specified institutions, obligations of banks represented by instruments in bearer form and covered bonds in registered form (Namenspfandbriefe) are not covered. To the extent the Deposit Protection Fund makes payments to customers of a bank, it will be subrogated to their claims against the bank.

Banks that participate in the Deposit Protection Fund make annual contributions to the fund based on their liabilities to customers, and may be required to make special contributions up to an amount of 50 % of their annual contributions to the extent requested by the Deposit Protection Fund to enable it to fulfill its purpose. If one or more German banks are in financial difficulties, we may therefore participate in their restructuring even where we have no business relationship or strategic interest, in order to avoid making special contributions to the Deposit Protection Fund in case of an insolvency of such bank or banks, or we may be required to make such special contributions.

Further Regulation and Supervision in the European Economic Area

Since 1989 the European Union has enacted a number of regulations and directives to create a single European Union-wide market with almost no internal barriers on banking and financial services. The Agreement on the European Economic Area extends this single market to Iceland, Liechtenstein and Norway. Within this market our branches generally operate under the so-called European Passport . Under the European Passport, our branches are subject to regulation and supervision primarily by the ECB and the BaFin. The authorities of the host country are responsible for the regulation and supervision of the liquidity requirements and the financial markets of the host country. They also retain responsibility with regard to the provision of securities services within the territory of the host country.

On November 24, 2010, the European Union enacted regulations to further integrate the existing national supervisory authorities into a European System of Financial Supervision. A European Systemic Risk Board (ESRB) was established and the independent advisory committees to the European Commission for banks, insurance companies and securities markets which had existed since 2004 were transformed into new European authorities: the EBA, the European Insurance and Occupational Pensions Authority (EIOPA) and the ESMA.

The ESRB is responsible for the macro-prudential oversight of the financial system within the EU. It will in particular collect and analyze all relevant information, identify systemic risks and issue warnings and recommendations for remedial action as appropriate. The secretariat of the ESRB is provided by the European Central Bank. The tasks of EBA and the other new authorities are to further integrate and harmonize the work of the relevant national supervisory authorities and to ensure a consistent application of EU law. To that effect they shall in particular develop technical standards for supervision, and help develop regulatory standards, which will become effective if the European Commission endorses them. They shall also issue guidelines and recommendations for supervisory practices and coordinate the work of competent supervisory authorities in emergency situations where the orderly functioning or integrity of the financial markets or the stability of the financial system in the EU is jeopardized. In such case, the EBA and the other new authorities may give instructions to competent supervisory authorities and, in certain circumstances, directly to banks and other financial institutions, to take remedial measures.

Regulation and Supervision in the United States

Our operations are subject to extensive federal and state banking, securities and derivatives regulation and supervision in the United States. We engage in U.S. banking activities directly through our New York branch. We also control U.S. banking subsidiaries, including Deutsche Bank Trust Company Americas (DBTCA), and U.S. broker-dealers, such as Deutsche Bank Securities Inc., U.S. nondeposit trust companies and nonbanking subsidiaries.

On July 21, 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), which provides a broad framework for significant regulatory changes that extend to almost every area of U.S. financial regulation. While rulemaking in respect of many of the provisions of the Dodd-Frank Act has already taken place, implementation of the Dodd-Frank Act will require further detailed rulemaking over several years by different U.S. regulators, including the Department of the Treasury, the Federal Reserve Board, the Securities and Exchange Commission (SEC), the Federal Deposit Insurance Corporation (FDIC), the Commodity Futures Trading Commission (CFTC) and the Financial Stability Oversight Council (Council), and uncertainty remains about the final details, timing and impact of many of the rules.

The Dodd-Frank Act provisions known as the Volcker Rule limit the ability of banking entities and their affiliates to engage as principal in certain types of proprietary trading unrelated to serving clients and to sponsor or invest in private equity or hedge funds or similar funds (covered funds), subject to certain exclusions and exemptions. In the case of non-U.S. banking entities such as Deutsche Bank AG, these exemptions include certain activity conducted outside the U.S. and meeting certain criteria. The Volcker Rule also limits the ability of banking entities and their affiliates to enter into certain transactions with covered funds with which they or their affiliates have certain relationships. On December 10, 2013, U.S. regulators released the final version of the regulations implementing the statute. Also on that date, the Federal Reserve Board extended the end of the conformance period for the Volcker Rule until July 21, 2015 (with the possibility of two one-year extensions under certain circumstances), by which time financial institutions subject to the rule, such as us, must bring their activities and investments into compliance and implement a specific compliance program. In December 2014, the Federal Reserve Board issued an order extending the Volcker Rule s general conformance period until July 21, 2016 for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 (legacy covered funds), and stated its intention to grant a final one-year extension of the general conformance period, to July 21, 2017, for banking entities to conform ownership interests in and relationships with legacy covered funds. The extension of the conformance period does not apply to the Volcker Rule s prohibitions on proprietary trading or to any investments in and relationships with covered funds made or entered into after December 31, 2013. During the applicable conformance periods, we will continue our efforts to bring our activities and investments into compliance with the rule and to implement appropriate compliance programs.

The Dodd-Frank Act also provides regulators with tools to provide greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk. U.S. regulators will also be able to restrict the size and growth of systemically significant non-bank financial companies and large interconnected bank holding companies and will be required to impose bright-line debt-to-equity ratio limits on financial companies that the Council determines pose a grave threat to financial stability if the Council determines that the imposition of the limit is necessary to minimize the risk.

With respect to prudential standards, on February 18, 2014, the Federal Reserve Board adopted rules (the FBO Rules) that set forth how the U.S. operations of foreign banking organizations (FBOs), such as Deutsche Bank, will be required to be structured in the U.S., as well as the enhanced prudential standards that will apply to our U.S. operations.

Under the FBO Rules, a large FBO with U.S.$ 50 billion or more in U.S. non-branch assets, such as us, will be required to establish or designate a separately capitalized top-tier U.S. intermediate holding company (IHC) that would hold substantially all of the FBO s ownership interests in U.S. subsidiaries by July 1, 2016. Beginning on that date, our IHC will be subject, on a consolidated basis, to the risk-based capital requirements under

the U.S. Basel 3 capital framework, capital planning and stress testing requirements (on a phased-in basis), U.S. liquidity buffer requirements and other enhanced prudential standards comparable to those applicable to top-tier U.S. bank holding companies of a similar size. The Federal Reserve Board will have the authority to examine the IHC and any of its subsidiaries. U.S. leverage requirements applicable to the IHC will take effect beginning in January 2018. An FBO s U.S. branches and agencies will not be held beneath an IHC; however, the U.S. branches and agencies of the FBO (and in certain cases, the entire U.S. operations of the FBO) will be subject to certain liquidity requirements, as well as other specific enhanced prudential standards, such as risk management and asset maintenance requirements under certain circumstances. Additionally, the FBO Rules will place requirements on the FBO itself related to the adequacy and reporting of the FBO s home country capital and stress testing regime. The Federal Reserve Board did not finalize (but continues to consider) requirements relating to single counterparty credit limits and an early remediation framework under which the Federal Reserve Board would implement prescribed restrictions and penalties against the FBO and its U.S. operations and certain of its officers and directors, if the FBO and/or its U.S. operations do not meet certain requirements, and would authorize the termination of U.S. operations under certain circumstances.

Title I of the Dodd-Frank Act and the implementing regulations issued by the Federal Reserve Board and the FDIC require each bank holding company with assets of U.S.$ 50 billion or more, including Deutsche Bank AG, to prepare and submit annually a plan for the orderly resolution of subsidiaries and operations in the event of future material financial distress or failure (the Title I US Resolution Plan). For foreign-based covered companies such as Deutsche Bank AG, the Title I US Resolution Plan only relates to subsidiaries, branches, agencies and businesses that are domiciled in or conducted in whole or in material part in the United States. In addition to the Title I US Resolution Plan, in 2014, DBTCA, one of our insured depository institutions (IDIs) in the United States, was subject for the first time to the FDIC s final rule requiring IDIs with total assets of U.S.$ 50 billion or more to submit periodically to the FDIC a plan for resolution in the event of failure (the IDI Plan) under the Federal Deposit Insurance Act (the IDI Rule). DBTCA exceeded the IDI Rule s threshold of U.S.$ 50 billion in average total consolidated assets during 2013 and Deutsche Bank AG expanded its 2014 Title I US Resolution Plan to also be responsive to the IDI Rule requirements (the Title I US Resolution Plan together with the IDI Plan, the US Resolution Plan).

The core elements of the US Resolution Plan are Material Entities (MEs), Core Business Lines (CBLs) Critical Operations (COs) and, for purposes of the IDI Plan, Critical Services. The US Resolution Plan lays out the resolution strategy for each ME, defined as those entities significant to the activities of a CO or CBL and demonstrates how each ME, CBL and CO, as applicable, can be resolved in a rapid and orderly manner and without systemic impact on U.S. financial stability. The US Resolution Plan also discusses the strategy for continuing Critical Services in resolution. Key factors addressed in the US Resolution Plan include how to ensure:

- Continued access to services from other U.S. and non-U.S. legal entities as well as from third parties such as payment servicers, exchanges and key vendors;
- Availability of funding from both external and internal sources;
- Retention of key employees during resolution; and
- Efficient and coordinated close-out of cross-border contracts.

The US Resolution Plan is drafted in coordination with the U.S. businesses and infrastructure groups so that it accurately reflects the business, critical infrastructure and key interconnections.

Our existing U.S. bank holding company subsidiary, Deutsche Bank Trust Corporation, is subject to various U.S. prudential requirements and will become subject to others prior to our establishing the IHC. As of January 1, 2015, Deutsche Bank Trust Corporation is subject to risk-based and leverage capital requirements, liquidity requirements, and other enhanced prudential standards applicable to large U.S. bank holding companies. Deutsche Bank Trust Corporation also became subject to capital planning and stress testing requirements on June 30, 2014. Deutsche Bank Trust Corporation will remain subject to the capital planning and stress-testing requirements and certain enhanced prudential standards until corresponding requirements applicable to the IHC become effective.

On September 3, 2014, the Federal Reserve Board and other U.S. regulators approved a final rule implementing both a full and modified quantitative liquidity coverage ratio (LCR) requirement for certain U.S. banking holding companies and depositary institutions that is generally consistent with the Basel Committee s revised Basel 3 liquidity rules, but is more stringent in several respects. A banking organization s full LCR is the ratio of its high quality liquid assets divided by its total net cash outflows over the next 30 days under stressed conditions, including a maturity mismatch add-on for timing differences between cash inflows and outflows. Deutsche Bank Trust Corporation will be subject to the modified LCR, under which its total net cash outflows exclude the maturity mismatch add-on and are multiplied by a factor of 70 %. Under the implementation schedule for the modified LCR, Deutsche Bank Trust Corporation will be required maintain as of each month end a modified LCR of 90 % beginning in January 2016 and 100 % beginning in January 2017. Currently, the LCR requirement does not apply to foreign banking organizations or their to-be-formed IHCs. However, the Federal Reserve Board has reaffirmed its plans to issue an additional rulemaking to apply an LCR requirement to the U.S. operations of some or all foreign banking organizations with $50 billion or more in combined U.S. assets, such as us.

Furthermore, the Dodd-Frank Act provides for an extensive framework for the regulation of over-the-counter (OTC) derivatives, including mandatory clearing, exchange trading and transaction reporting of certain OTC derivatives, as well as rules regarding the registration of, and capital, margin and business conduct standards for, swap dealers and major swap participants. In November 2013, also pursuant to the Dodd-Frank Act, the CFTC re-proposed regulations to impose position limits on certain commodities and economically equivalent swaps, futures and options.

The Dodd-Frank Act also requires broader regulation of hedge funds and private equity funds, as well as credit rating agencies, and imposes new requirements with respect to securitization activities. In October 2014, federal regulatory agencies issued final rules to implement the credit risk retention requirements of Section 941 of the Dodd-Frank Act, which generally require securitizers of different types of asset-backed securitizations, including transactions backed by residential mortgages, commercial mortgages, and commercial, credit card and auto loans, to retain at least five percent of the credit risk of the assets being securitized, with an exemption for securitizations that are wholly composed of qualified residential mortgages. The regulations took effect on February 23, 2015. Compliance is required with respect to new securitization transactions backed by residential mortgages beginning December 24, 2015 and with respect to new securitization transactions backed by other types of assets beginning December 24, 2016. We continue to evaluate the final rules and assess their impact on our securitization activities.

The Dodd-Frank Act also establishes a new regulatory framework and enhanced regulation for several other areas, including but not limited to the following. Under the Dodd-Frank Act and implementing regulations, a new regime for the orderly liquidation of systemically significant financial companies is established, which authorizes assessments on financial institutions that have U.S.$ 50 billion or more in consolidated assets to repay outstanding debts owed to the Treasury in connection with a liquidation of a systemically significant financial company under the new insolvency regime. In addition, the Dodd-Frank Act requires U.S. regulatory agencies to prescribe regulations with respect to incentive-based compensation at financial institutions in order to prevent inappropriate behavior that could lead to a material financial loss. Other provisions require issuers with securities listed on U.S. stock exchanges, which may include foreign private issuers such as us, to establish a clawback policy to recoup previously awarded executive compensation in the event of an accounting restatement. The Dodd-Frank Act also grants the SEC discretionary rule-making authority to impose a new fiduciary standard on brokers, dealers and investment advisers, and expands the extraterritorial jurisdiction of U.S. courts over actions brought by the SEC or the United States with respect to violations of the antifraud provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.

Implementation of the Dodd-Frank Act and related final regulations will result in additional costs and could limit or restrict the way we conduct our business. Although uncertainty remains about many of the details, impact and timing of these reforms, we expect that there will be significant costs and may be significant limitations on our businesses resulting from these regulatory initiatives, including the regulations to implement the Volcker Rule limitations and compliance requirements.

Regulatory Authorities

We and Deutsche Bank Trust Corporation, our wholly owned subsidiary, are bank holding companies under the U.S. Bank Holding Company Act of 1956, as amended (the Bank Holding Company Act), by virtue of, among other things, our ownership of DBTCA. As bank holding companies, we and Deutsche Bank Trust Corporation have elected to become financial holding companies. As a result, we and our U.S. operations are subject to regulation, supervision and examination by the Federal Reserve Board as our U.S. umbrella supervisor .

DBTCA is a New York state-chartered bank whose deposits are insured by the FDIC to the extent permitted by law. DBTCA is subject to regulation, supervision and examination by the Federal Reserve Board and the New York State Department of Financial Services and to relevant FDIC regulation. In addition, DBTCA is also subject to regulation by the Consumer Financial Protection Bureau in relation to its retail products and services offered to its customers. Deutsche Bank Trust Company Delaware is a Delaware state-chartered bank which is subject to regulation, supervision and examination by the FDIC and the Office of the State Bank Commissioner of Delaware. Deutsche Bank s New York branch is supervised by the Federal Reserve Board and the New York State Department of Financial Services. Deutsche Bank s federally chartered nondeposit trust companies are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency. Certain of Deutsche Bank s subsidiaries are also subject to regulation, supervision and examination by state banking regulators of certain states in which they conduct banking operations.

Restrictions on Activities

As described below, federal and state banking laws and regulations restrict our ability to engage, directly or indirectly through subsidiaries, in activities in the United States. We are required to obtain the prior approval of the Federal Reserve Board before directly or indirectly acquiring the ownership or control of more than 5 % of any class of voting shares of U.S. banks, certain other depository institutions, and bank or depository institution holding companies. Under applicable U.S. federal banking law, our U.S. banking operations are also restricted from engaging in certain tying arrangements involving products and services.

Our two U.S. FDIC-insured bank subsidiaries, as well as our New York branch, are subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be made and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered.

In addition to the business of banking, and managing or controlling banks, so long as we are a financial holding company under U.S. law, we may also engage in nonbanking activities in the United States that are financial in nature, or incidental or complementary to such financial activity, including securities, merchant banking, insurance and other financial activities, subject to certain limitations on the conduct of such activities and to prior regulatory approval in some cases. As a non-U.S. bank, we are generally authorized under U.S. law and regulations to acquire a non-U.S. company engaged in nonfinancial activities as long as the company s U.S. operations do not exceed certain thresholds and certain other conditions are met. On January 14, 2014, the Federal Reserve Board sought comment on the appropriateness of further restrictions on the physical commodity and merchant banking activities conducted by financial holding companies under several provisions of the Bank Holding Company Act in order to address various prudential considerations, including the potential risks of such activities to the safety and soundness of financial holding companies and financial stability more broadly.

Our status as a financial holding company, and our resulting ability to engage in a broader range of nonbanking activities are dependent on Deutsche Bank AG, Deutsche Bank Trust Corporation and our two insured U.S. depository institutions being well capitalized and well managed (as defined by U.S. federal banking regula-

tions) and upon our insured U.S. depository institutions meeting certain requirements under the Community Reinvestment Act. The Federal Reserve Board s and other U.S. regulators well capitalized standards are generally based on specified quantitative thresholds set at levels above the minimum requirements to be considered adequately capitalized. For our two insured depository institution subsidiaries, Deutsche Bank Trust Company Americas and Deutsche Bank Trust Company Delaware, the well-capitalized thresholds under the U.S. Basel 3 framework are a Common Equity Tier 1 capital ratio of 6.5 %, a Tier 1 capital ratio of 8 %, a Total capital ratio of 10 %, and a U.S. leverage ratio of 5 %. For bank holding companies, including Deutsche Bank AG and Deutsche Bank Trust Corporation, the well-capitalized thresholds are a Tier 1 capital ratio of 6 % and a Total capital ratio of 10 %, both of which are calculated for Deutsche Bank AG under its home country standards.

State-chartered banks (such as DBTCA) and state-licensed branches and agencies of foreign banks (such as our New York branch) may not, with certain exceptions that require prior regulatory approval, engage as a principal in any type of activity not permissible for their federally chartered or licensed counterparts. In addition, DBTCA and Deutsche Bank Trust Company Delaware are subject to their respective state banking laws pertaining to legal lending limits and permissible investments and activities. Likewise, the United States federal banking laws also subject state branches and agencies to the same single-borrower lending limits that apply to federal branches or agencies, which are substantially similar to the lending limits applicable to national banks. These single-borrower lending limits are based on the worldwide capital of the entire foreign bank (i.e., Deutsche Bank AG in the case of the New York branch).

The Federal Reserve Board may terminate the activities of any U.S. office of a foreign bank if it determines that the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country or that there is reasonable cause to believe that such foreign bank or its affiliate has violated the law or engaged in an unsafe or unsound banking practice in the United States or, for a foreign bank that presents a risk to the stability of the United States financial system, the home country of the foreign bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk.

The Dodd-Frank Act removed a longstanding prohibition on the payment of interest on demand deposits by our FDIC-insured bank subsidiaries and our New York branch. In addition, the lending limits applicable to our FDIC-insured state-chartered bank subsidiaries take into account credit exposures arising from derivative transactions, and the lending limits applicable to our New York branch take into account both credit exposures arising from derivative transactions as well as securities borrowing and lending transactions and repurchase and reverse repurchase agreements with counterparties.

Also, under the so-called swap push-out provisions of the Dodd-Frank Act, certain structured finance derivatives activities of FDIC-insured banks and U.S. branch offices of foreign banks (including our New York branch) are restricted, which may necessitate a restructuring of how we conduct certain of our derivatives activities. We and other U.S. banking organizations and FBOs must comply with the push-out provisions by July 2015, unless an extension period is granted.

In addition, the regulations which the Council, or the Consumer Financial Protection Bureau established under the Dodd-Frank Act, may adopt could affect the nature of the consumer activities which a bank (including our FDIC-insured bank subsidiaries and our New York branch) may conduct, and may impose restrictions and limitations on the conduct of such activities.

There are various qualitative and quantitative restrictions on the extent to which we and our nonbank subsidiaries can borrow or otherwise obtain credit from our U.S. banking subsidiaries or engage in certain other transactions involving those subsidiaries. In general, these transactions must be on terms that would ordinarily be offered to unaffiliated entities, must be secured by designated amounts of specified collateral and are subject to volume limitations. These restrictions also apply to certain transactions of our New York branch with our U.S. broker-dealers and certain of our other affiliates. Credit exposure arising from derivative transactions, securities borrowing and lending transactions, and repurchase/reverse repurchase agreements is subject to these collateral and volume limitations.

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing and compliance with economic sanctions in respect of designated countries or activities. Failure of an institution to have policies and procedures and controls in place to prevent, detect and report money laundering and terrorist financing could in some cases have serious legal, financial and reputational consequences for the institution.

New York Branch

Our New York branch is licensed by the New York Superintendent of Financial Services to conduct a commercial banking business and is required to maintain eligible high-quality assets with banks in the State of New York (up to a maximum of U.S.$ 100 million of assets pledged so long as the New York branch remains well-rated by the New York State Superintendent of Financial Services). Should our New York branch cease to be well-rated , we may need to maintain substantial additional amounts of eligible assets. The Superintendent of Financial Services may also establish asset maintenance requirements for branches of foreign banks. In addition, the Federal Reserve Board is authorized to establish asset maintenance requirements for our New York branch under certain conditions, pursuant to the FBO Rules. Currently, no such requirements have been imposed upon our New York branch.

The New York State Banking Law authorizes the Superintendent of Financial Services to take possession of the business and property of a New York branch of a foreign bank under certain circumstances, generally involving violation of law, conduct of business in an unsafe manner, impairment of capital, suspension of payment of obligations, or initiation of liquidation proceedings against the foreign bank at its domicile or elsewhere. In liquidating or dealing with a branch s business after taking possession of a branch, only the claims of depositors and other creditors which arose out of transactions with a branch are to be accepted by the Superintendent of Financial Services for payment out of the business and property of the foreign bank in the State of New York, without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the foreign bank. After such claims are paid, the Superintendent of Financial Services will turn over the remaining assets, if any, to the foreign bank or its duly appointed liquidator or receiver.

Deutsche Bank Trust Company Americas

The Federal Deposit Insurance Corporation Improvement Act of 1991 (referred to as FDICIA) provides for extensive regulation of depository institutions (such as DBTCA and its direct and indirect parent companies), including requiring federal banking regulators to take prompt corrective action with respect to FDIC-insured banks that do not meet minimum capital requirements. As an insured bank s capital level declines and the bank falls into lower categories (or if it is placed in a lower category by the discretionary action of its supervisor), greater limits are placed on its activities and federal banking regulators are authorized (and, in many cases, required) to take increasingly more stringent supervisory actions, which could ultimately include the appointment of a conservator or receiver for the bank (even if it is solvent). In addition, FDICIA generally prohibits an FDIC-insured bank from making any capital distribution (including payment of a dividend) or payment of a management fee to its holding company if the bank would thereafter be undercapitalized. If an insured bank becomes undercapitalized , it is required to submit to federal regulators a capital restoration plan guaranteed by the bank s holding company. Since the enactment of FDICIA, both of our U.S. insured banks have been categorized as well capitalized, the highest capital category under applicable regulations.

DBTCA, like other FDIC-insured banks, is required to pay assessments to the FDIC for deposit insurance under the FDIC s Deposit Insurance Fund (calculated using the FDIC s risk-based assessment system). The Dodd-Frank Act changed the FDIC deposit insurance assessment framework (the amounts paid by FDIC-insured institutions into the deposit insurance fund of the FDIC), primarily by basing assessments on an FDIC-insured institution s total assets less tangible equity rather than U.S. domestic deposits, which is expected to shift a greater portion of the aggregate assessments to large FDIC-insured institutions. Additionally, in January 2015, the FDIC published guidance on brokered deposits. This guidance may result in DBTCA having to classify more of its deposits as brokered deposits, which could result in a higher assessment charge for DBTCA.

The FDIC s basic amount of deposit insurance is U.S.$ 250,000.

Other

In the United States, our U.S.-registered broker-dealers are regulated by the SEC. Broker-dealers are subject to regulations that cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, use and safekeeping of customers funds and securities, capital structure, recordkeeping, the financing of customers purchases and the conduct of directors, officers and employees.

Our principal U.S. SEC-registered broker-dealer subsidiary, Deutsche Bank Securities Inc., is a member of the New York Stock Exchange and is regulated by the Financial Industry Regulatory Authority (FINRA) and the individual state securities authorities in the states in which it operates. The U.S. government agencies and self-regulatory organizations, as well as state securities authorities in the United States having jurisdiction over our U.S. broker-dealer affiliates, are empowered to conduct administrative proceedings that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer or its directors, officers or employees. Deutsche Bank Securities Inc. is also registered with and regulated by the SEC as an investment adviser, and by the CFTC and the National Futures Association as a futures commission merchant and commodity pool operator.

Under the Dodd-Frank Act, with certain exceptions, our entities that are swap dealers, security-based swap dealers, major swap participants or major security-based swap participants will be required to register with the SEC or CFTC, or both. We were required to provisionally register, subject to certain restrictions, at least one subsidiary as a swap dealer and provisionally registered Deutsche Bank AG and DB Energy Trading LLC effective on December 31, 2012. At a future date, we will be required to register one or more subsidiaries as security-based swap dealers with the SEC and may be required to register additional subsidiaries as swap dealers with the CFTC and certain subsidiaries as CFTC-regulated major swap participants and/or SEC-regulated major security-based swap participants. Registration, including provisional registration, as swap dealers, security-based swap dealers, major swap participants or major security-based swap participants subjects us to requirements as to capital, margin, business conduct, and recordkeeping, among other requirements.

Organizational Structure

We operate our business along the structure of our five corporate divisions. Deutsche Bank AG is the direct or indirect holding company for our subsidiaries. The following table sets forth the significant subsidiaries we own, directly or indirectly, as of December 31, 2014. We used the three-part test set out in Section 1-02 (w) of Regulation S-X under the U.S. Securities Exchange Act of 1934 to determine significance. We do not have any other subsidiaries we believe are material based on other, less quantifiable, factors.

We own 100 % of the equity and voting interests in these subsidiaries, except for Deutsche Postbank AG, of which we own shares representing approximately 94.1 % of the equity and voting rights. Further detail is included in Note 3 Acquisitions and Dispositions to the consolidated financial statements. These subsidiaries prepare financial statements as of December 31, 2014 and are included in our consolidated financial statements. Their principal countries of operation are the same as their countries of incorporation.

Subsidiary	Place of Incorporation
DB USA Corporation [1]	Delaware, United States
Deutsche Bank Americas Holding Corporation [2]	Delaware, United States
German American Capital Corporation [3]	Delaware, United States
DB U.S. Financial Markets Holding Corporation [4]	Delaware, United States
Deutsche Bank Securities Inc. [5]	Delaware, United States
DB Structured Products, Inc. [6]	Delaware, United States
Deutsche Bank Trust Corporation [7]	New York, United States
Deutsche Bank Trust Company Americas [8]	New York, United States
Deutsche Bank Luxembourg S.A. [9]	Luxembourg
Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft [10]	Frankfurt am Main, Germany
DB Finanz-Holding GmbH [11]	Frankfurt am Main, Germany
Deutsche Postbank AG [12]	Bonn, Germany
DWS Holding & Service GmbH [13]	Frankfurt am Main, Germany

1 DB USA Corporation is one of two top-level holding companies for our subsidiaries in the United States.
2 Deutsche Bank Americas Holding Corporation is a second tier holding company for subsidiaries in the United States.
3 German American Capital Corporation is engaged in purchasing and holding loans from financial institutions, trading and securitization of mortgage whole loans and mortgage securities, and providing collateralized financing to counterparties.
4 DB U.S. Financial Markets Holding Corporation is a second tier holding company for subsidiaries in the United States.
5 Deutsche Bank Securities Inc. is a U.S. company registered as a broker dealer and investment advisor with the Securities and Exchange Commission and as a futures commission merchant with the Commodities Futures Trading Commission.
6 DB Structured Products, Inc. is a U.S. subsidiary that has ceased engaging in new business and has surrendered the licenses it holds in respect of mortgage-related activities.
7 Deutsche Bank Trust Corporation is a bank holding company under Federal Reserve Board regulations.
8 Deutsche Bank Trust Company Americas is a New York State-chartered bank and member of the Federal Reserve System. It originates loans and other forms of credit, accepts deposits, arranges financings and provides numerous other commercial banking and financial services.
9 The primary business of this company comprises Treasury and Markets activities, especially as a major supplier of Euro liquidity for Deutsche Bank Group. Further business activities are the international loan business, where the bank acts as lending office for continental Europe and as risk hub for the Credit Portfolio Strategies Group, and private banking. The company serves private individuals, affluent clients and small business clients with banking products.
10 The company serves private individuals, affluent clients as well as small and medium sized corporate clients with banking products.
11 The company holds the majority stake in Deutsche Postbank AG.
12 The business activities of this company comprise retail banking, business with corporate customers, money and capital markets activities as well as home savings loans.
13 The business activities of this company comprise acquisition, management, coordination and sale of investments in especially investment companies both nationally and internationally for its own account as well as rendering services for general and administrative functions for the investments and other comparable companies.

Property and Equipment

As of December 31, 2014, we operated in 71 countries out of 2,814 branches around the world, of which 66 % were in Germany. We lease a majority of our offices and branches under long-term agreements.

We continue to review our property requirements worldwide taking into account cost containment measures as well as growth initiatives in selected businesses. Please see Note 23 Property and Equipment to the consolidated financial statements for further information.

Information Required by Industry Guide 3

Please see pages S-1 through S-14 of the Supplemental Financial Information, which pages are incorporated by reference herein, for information required by SEC Industry Guide 3.

Item 4A: Unresolved Staff Comments

We have not received written comments from the Securities and Exchange Commission regarding our periodic reports under the Exchange Act, as of any day 180 days or more before the end of the fiscal year to which this annual report relates, which remain unresolved.

Item 5: Operating and Financial Review and Prospects

Overview

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes to them included in Item 18: Financial Statements of this document, on which we have based this discussion and analysis.

We have prepared our consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU).

Significant Accounting Policies and Critical Accounting Estimates

Our significant accounting policies are essential to understanding our reported results of operations and financial condition. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on our financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. Actual results may differ from these estimates if conditions or underlying circumstances were to change. See Note 1 Significant Accounting Policies and Critical Accounting Estimates to the consolidated financial statements for a discussion on our significant accounting policies and critical accounting estimates.

We have identified the following significant accounting policies that involve critical accounting estimates:

- the impairment of associates
- the impairment of financial assets available for sale
- the determination of fair value
- the recognition of trade date profit
- the impairment of loans and provisions for off-balance sheet positions
- the impairment of goodwill and other intangibles
- the recognition and measurement of deferred tax assets
- the accounting for legal and regulatory contingencies and uncertain tax positions

Recently Adopted Accounting Pronouncements and New Accounting Pronouncements

See Note 2 Recently Adopted and New Accounting Pronouncements to the consolidated financial statements for a discussion on our recently adopted and new accounting pronouncements.

Operating Results

You should read the following discussion and analysis in conjunction with our consolidated financial statements.

Executive Summary

Please see Management Report: Operating and Financial Review: Executive Summary on pages 4 through 7 of the Financial Report.

Trends and Uncertainties

For insight into the trends impacting our performance please see the Management Report: Operating and Financial Review section of the Financial Report. Key risks and uncertainties for the Bank are discussed in Item 3: Key Information Risk Factors .

The Bank s future performance and the implementation of our strategic goals could be influenced by a number of uncertainties. Challenges may arise from sustained market volatility, increasing competitive pressures, weakness of global, regional and national economic conditions and political instability in key markets.

In addition, regulatory requirements and supervisory changes continue to evolve. Regulatory changes have and may continue to increase our costs, restrict our operations, or require structural change, which could put pressure on our capital position. In addition, we are involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, especially in the U.S. Such matters are subject to many uncertainties.

While we seek to achieve efficiencies in our operations, the results of our OpEx Program and the realization of planned savings are dependent on the successful and timely execution of the measures we have identified. There are risks that OpEx benefits may not be fully realized or that they may impact our competitive position.

More specifically for CB&S, operations may continue to be challenged by factors including exposure of global macroeconomic growth to event risks, the potential impact of changes in US and European monetary policy, ongoing regulatory developments and the effects of further balance sheet de-leveraging, litigation charges and expenditures required to comply with regulation.

PBC may continue to face uncertainties in its operating environment. As a result of the ongoing expansionary monetary policy in the eurozone, we do not expect to experience any relief from the low interest rate environment in the near term. Additional revisions in regulatory requirements may further affect overall revenue generation capacity.

For GTB, uncertainties arise from highly competitive markets and the continued low interest rate environment. Additionally GTB s performance in future periods may also continue to be impacted by increasing cost related to more expansive and rigorous regulatory requirements.

Macroeconomic developments, such as further European sovereign debt issues, emerging market volatility and the changing regulatory environment could negatively impact the future performance of Deutsche AWM.

For NCOU, changes in the economic environment and market conditions could create uncertainty in the timeline for our de-risking strategy. A slowing in the de-risking strategy can create a heightened sensitivity to volatility in risk weighted asset calculations thereby impacting overall capital delivery in the near term. Further to the uncertainty which arises from the NCOU de-risking strategy, we expect the litigation environment to continue to be challenging.

Performance in Consolidation & Adjustments is primarily impacted by timing differences from different accounting methods used for management reporting and IFRS, plus one-off unallocated items. We still expect volatility from these items in our future results. In 2015, the Group will change its methodology to allocate to the divisions average active equity and certain revenue and cost items currently reported under Consolidation & Adjustments. This will result in the divisions attracting higher average active equity allocation compared to the prior approach and also additional charges, including bank levies, previously recorded in Consolidation & Adjustments.

Our effective tax rate was mainly impacted by non-tax deductible litigation charges and income taxes of prior periods which were partially offset by changes in the recognition and measurement of deferred taxes. The effective tax rate in future periods could continue to be influenced by the potential occurrence of specific factors.

Results of Operations

Please see Management Report: Operating and Financial Review: Results of Operations on pages 16 to 39 of the Financial Report and our discussion of Non-GAAP financial measures in the Supplementary Financial Information on pages S-14 to S-18.

Financial Position

Please see Management Report: Operating and Financial Review: Financial Position on pages 40 to 43 of the Financial Report.

Liquidity and Capital Resources

For a detailed discussion of our liquidity risk management, see Management Report: Risk Report: Liquidity Risk beginning on page 211 of the Financial Report.

For a detailed discussion of our capital management, see Management Report: Risk Report: Capital Management on beginning on page 226 of the Financial Report.

Post-Employment Benefit Plans

Please see Management Report: Employees: Post-Employment Benefit Plans on page 300 of the Financial Report.

Exposure to Monoline Insurers

Please see Management Report: Operating and Financial Review: Exposure to Monoline Insurers on pages 43 to 44 of the Financial Report.

Off-Balance Sheet Arrangements

For information on the nature, purpose and extent of our off-balance sheet arrangements, please see Note 40 Structured Entities to the consolidated financial statements. For further information on off-balance sheet arrangements, including allowances for off-balance sheet positions, please refer to Management Report: Risk Report: Asset Quality: Allowance for Credit Losses on pages 121 to 122 of the Financial Report and Note 20 Allowance for Credit Losses to the consolidated financial statements. For information on irrevocable lending commitments and contingent liabilities with respect to third parties, please see Note 30 Credit related Commitments and Contingent Liabilities to the consolidated financial statements.

Tabular Disclosure of Contractual Obligations

Please see Management Report: Operating and Financial Review: Tabular Disclosure of Contractual Obligations on page 46 of the Financial Report.

Research and Development, Patents and Licenses

Not applicable.

Item 6: Directors, Senior Management and Employees

Directors and Senior Management

In accordance with the German Stock Corporation Act (Aktiengesetz), we have a Management Board (Vorstand) and a Supervisory Board (Aufsichtsrat). The Stock Corporation Act prohibits simultaneous membership on both the Management Board and the Supervisory Board. The members of the Management Board are the executive officers of our company. The Management Board is responsible for managing our company and representing us in dealings with third parties. The Supervisory Board oversees the Management Board, appoints and removes its members and determines their salaries and other compensation components, including pension benefits. According to German law, our Supervisory Board represents us in dealings with members of the Management Board. Therefore, no members of the Management Board may enter into any agreement with us without the prior consent of our Supervisory Board.

German law does not require the members of the Management Board to own any of our shares to be qualified. Minimum shareholding policies, however, have been implemented in 2013/2014. In addition, German law has no requirement that members of the Management Board retire under an age limit. However, age limits for members of the Management Board are defined contractually and exist for the members of the Supervisory Board according to the Terms of Reference for our Supervisory Board.

The Supervisory Board may not make management decisions. However, German law and our Articles of Association (Satzung) require the Management Board to obtain the consent of the Supervisory Board for certain actions. The most important of these actions are:

- granting general powers of attorney (Generalvollmachten). A general power of attorney authorizes its holder to represent the company in substantially all legal matters without limitation to the affairs of a specific office;

- acquisitions and disposals (including transactions carried out by a subsidiary) of real estate when the value of the object exceeds 1 % of our regulatory banking capital (haftendes Eigenkapital);
- granting loans and acquiring participations if the German Banking Act requires approval by the Supervisory Board. In particular, the German Banking Act requires the approval of the Supervisory Board if we grant a loan (to the extent legally permissible) to a member of the Management Board or the Supervisory Board or one of our employees who holds a procuration (Prokura) or general power of attorney; and
- acquisitions and disposals (including transactions carried out by a subsidiary) of other participations, insofar as the object involves more than 2 % of our regulatory banking capital. The Supervisory Board must be informed without delay of any acquisition or disposal of such participations involving more than 1 % of our regulatory banking capital.

The Management Board must submit regular reports to the Supervisory Board on our current operations and future business planning. The Supervisory Board may also request special reports from the Management Board at any time.

With respect to voting powers, a member of the Supervisory Board or the Management Board may not vote on resolutions open to a vote at a board meeting if the proposed resolution concerns:

- a legal transaction between us and the member; or
- commencement, settlement or completion of legal proceedings between us and the member.

A member of the Supervisory Board or the Management Board may not directly or indirectly exercise voting rights on resolutions open to a vote at a shareholders meeting (Hauptversammlung, which we refer to as the General Meeting) if the proposed resolution concerns:

- ratification of the member s acts;
- a discharge of liability of the member; or
- enforcement of a claim against the member by us.

Supervisory Board and Management Board

In carrying out their duties, members of both the Management Board and Supervisory Board must exercise the standard of care of a prudent and diligent business person, and they are liable to us for damages if they fail to do so. Both boards are required to take into account a broad range of considerations in their decisions, including our interests and those of our shareholders, employees and creditors.

The liability of the members of the Management Board or the Supervisory Board under the German Stock Corporation Act for breach of their fiduciary duties is to the company rather than individual shareholders. However, also individual shareholders that hold at least 1 % or 100,000 of the subscribed capital and are granted standing by the court may invoke such liability to the company. The underlying concept is that all shareholders should benefit equally from amounts received under this liability by adding such amounts to the company s assets rather than disbursing them to plaintiff shareholders. We may waive the right to claim damages or settle these claims if at least three years have passed since the alleged breach and if the shareholders approve the waiver or settlement at the General Meeting with a simple majority of the votes cast, and provided that opposing shareholders do not hold, in the aggregate, one tenth or more of our share capital and do not have their opposition formally noted in the minutes maintained by a German notary.

Supervisory Board

Our Articles of Association require our Supervisory Board to have twenty members. In the event that the number of members on our Supervisory Board falls below twenty, the Supervisory Board maintains its authority to pass resolutions so long as at least ten members participate in the passing of a resolution, either in person or by submitting their votes in writing. If the number of members remains below twenty for more than three months or falls below ten, upon application to a competent court, the court must appoint replacement members to serve on the board until official appointments are made.

The German Co-Determination Act of 1976 (Mitbestimmungsgesetz) requires that the shareholders elect half of the members of the supervisory board of large German companies, such as Deutsche Bank, and that employees in Germany elect the other half. None of the current members of either of our boards were selected pursuant to any arrangement or understandings with major shareholders, customers or others.

Each member of the Supervisory Board generally serves for a fixed term of approximately five years. For the election of shareholder representatives, the General Meeting may establish that the terms of office of up to five members may begin or end on differing dates. Pursuant to German law, the term expires at the latest at the end of the Annual General Meeting that approves and ratifies such member s actions in the fourth fiscal year after the year in which the Supervisory Board member was elected. Supervisory Board members may also be re-elected. The shareholders may, by a majority of the votes cast in a General Meeting, remove any member of the Supervisory Board they have elected in a General Meeting. The employees may remove any member they have elected by a vote of three-quarters of the employee votes cast.

The members of the Supervisory Board elect the chairperson and the deputy chairperson of the Supervisory Board. Traditionally, the chairperson is a representative of the shareholders, and the deputy chairperson is a representative of the employees. At least half of the members of the Supervisory Board must be present at a meeting or must have submitted their vote in writing to constitute a quorum. In general, approval by a simple majority of the members of the Supervisory Board present and voting is required to pass a resolution. In the case of a deadlock, the resolution is put to a second vote. In the case of a second deadlock, the chairperson has the deciding vote.

For additional information on our Supervisory Board, including a table providing the names of and biographical information for the current members, see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Supervisory Board on pages 496 to 500 of the Financial Report.

Standing Committees

For information on the standing committees of our Supervisory Board, please see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Standing Committees on pages 500 to 503 of the Financial Report.

The business address of the members of the Supervisory Board is the same as our business address, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

Management Board

Our Articles of Association require the Management Board to have at least three members. Our Management Board currently has eight members. The Supervisory Board has also appointed two Co-Chairmen of the Management Board.

The Supervisory Board appoints the members of the Management Board for a maximum term of five years and oversees them. They may be re-appointed or have their term extended for one or more terms of up to a maximum of five years each. The Supervisory Board may remove a member of the Management Board prior to the expiration of his or her term for good cause.

Pursuant to our Articles of Association, two members of the Management Board, or one member of the Management Board together with a holder of procuration, may represent us for legal purposes. A holder of procuration is an attorney-in-fact who holds a legally defined power under German law, which cannot be restricted with respect to third parties. However, pursuant to German law, the Management Board itself must resolve on certain matters as a body. In particular, it may not delegate strategic planning, coordinating or controlling responsibilities to individual members of the Management Board. The Management Board is required to ensure that shareholders are treated on an equal basis and receive equal information. The Management Board is also required to ensure appropriate risk management within our operations and to establish an internal monitoring system.

Other responsibilities of the Management Board are:

- appointing key personnel;
- making decisions regarding significant credit exposures or other risks which have not been delegated to individual risk management units in accordance with the terms of reference (Geschäftsordnung) for the Management Board and terms of reference for our Risk Executive Committee;
- calling shareholders meetings;
- filing petitions to set aside shareholders resolutions;
- preparing and executing shareholders resolutions; and
- reporting to the Supervisory Board.

For additional information on our Management Board, including the names of and biographical information for the current members, see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Management Board on pages 492 to 495 of the Financial Report.

Board Practices of the Management Board

The terms of reference for the Management Board are in accordance with the Supervisory Board resolution of October 29, 2014. These terms of reference provide that in addition to the joint overall responsibility of the Management Board as a group, the individual responsibilities of the members of the Management Board are determined by the business allocation plan for the Management Board. The terms of reference stipulate that, notwithstanding the Management Board s joint management and joint responsibility, and the functional responsibilities of the operating committees of our corporate divisions and of the functional committees, the members of the Management Board each have a primary responsibility for the divisions or functions to which they are assigned, as well as for those committees of which they are members.

In addition to managing our company, some of the members of our Management Board also supervise and advise our affiliated companies. As permitted by German law, some of the members also serve as members of the supervisory boards of other companies. Also, to assist us in avoiding conflicts of interest, the members of our Management Board have generally undertaken not to assume chairmanships of supervisory boards of companies outside our consolidated group.

Section 161 of the Stock Corporation Act requires that the management board and supervisory board of any German exchange-listed company declare annually that the recommendations of the German Corporate Governance Code have been adopted by the company or which recommendations have not been so adopted. These recommendations go beyond the requirements of the Stock Corporation Act. The Management Board and Supervisory Board issued a new Declaration of Conformity in accordance with § 161 German Stock Corporation Act (AktG) on October 29, 2014, which is available on our Internet website at www.deutsche-bank.com/corporate-governance under the heading Declarations of Conformity .

For information on the Management Board s terms of office, please see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Management Board on pages 492 to 495 of the Financial Report. For details of the Management Board s service contracts providing benefits upon termination, please see Compensation Report: Pension and Transitional Benefits and Compensation Report: Other Benefits upon Premature Termination on pages 289 to 290 of the Management Report.

Group Executive Committee

Please see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Group Executive Committee on page 495 of the Financial Report.

Compensation

For information on the compensation of the members of our Supervisory Board, see Management Report: Compensation Report: Compensation System for Supervisory Board Members on pages 292 to 295 of the Financial Report.

For information on the compensation of the members of our Management Board, see Management Report: Compensation Report: Management Board Report and Disclosure on pages 275 to 283 of the Financial Report and Management Report: Compensation Report: Management Board Compensation on pages 283 to 288 of the Financial Report. Additional information on our compensation approach and practices, some of which applies to compensation of the Management Board, is provided in Management Report: Compensation Report on pages 257 to 295.

Employees

For information on our employees, see Management Report: Employees on pages 298 to 302 of the Financial Report.

Share Ownership

For the share ownership of the Management Board, see Management Report: Compensation Report: Management Board Share Ownership on pages 291 to 292 of the Financial Report.

For the share ownership of the members of the Supervisory Board, see Corporate Governance Statement/Corporate Governance Report: Reporting and Transparency: Directors Share Ownership on pages 503 to 504 of the Financial Report.

For a description of our employee share programs, please see Note 35 Employee Benefits to the consolidated financial statements.

Item 7: Major Shareholders and Related Party Transactions

Major Shareholders

On December 31, 2014, our issued share capital amounted to 3,530,939,215 divided into 1,379,273,131 no par value ordinary registered shares.

On December 31, 2014, we had 599,320 registered shareholders. The majority of our shareholders are retail investors in Germany. On that date, 176,629,640 of our shares were registered in the names of 806 shareholders resident in the United States, representing 12.81 % of our share capital.

The German Securities Trading Act (Wertpapierhandelsgesetz) requires investors in publicly-traded corporations whose investments reach certain thresholds to notify both the corporation and the BaFin of such change within four trading days. The minimum disclosure threshold is 3 % of the corporation s issued voting share capital.

Paramount Services Holdings Ltd., British Virgin Islands, an investment vehicle ultimately beneficially owned and controlled by His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al-Thani, has notified us that as of June 25, 2014 it held 5.83 % of our shares. We have received no further notification by Paramount Services Holdings Ltd., British Virgin Islands, since that date.

BlackRock, Inc., New York, has notified us that as of September 25, 2014 it held 6.62 % of our shares. We have received no further notification by BlackRock, Inc., New York, since that date.

We are neither directly nor indirectly owned nor controlled by any other corporation, by any government or by any other natural or legal person severally or jointly.

Pursuant to German law and our Articles of Association, to the extent that we may have major shareholders at any time, we may not give them different voting rights from any of our other shareholders.

We are aware of no arrangements which may at a subsequent date result in a change in control of our company.

Related Party Transactions

We have business relationships with a number of the companies in which we own significant equity interests. We also have business relationships with a number of companies where members of our Management Board also hold positions on boards of directors. Our business relationships with these companies cover many of the financial services we provide to our clients generally. For more detailed information, refer to Note 38 Related Party Transactions to the consolidated financial statements.

We conduct our business with these companies on terms equivalent to those that would prevail if we did not have equity holdings in them or management members in common, and we have conducted business with these companies on that basis in 2014 and prior years. None of these transactions is or was material to us.

Among our business with related party companies in 2014, there have been and currently are loans, guarantees and commitments, which totaled 806 million (including loans amounting to 318 million) as of December 31, 2014, compared to 825 million as of December 31, 2013.

All these credit exposures

- were made in the ordinary course of business,
- were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and
- did not involve more than the normal risk of collectability or presented other unfavorable features compared to loans to nonrelated parties at their initiation.

We have not conducted material business with parties that fall outside of the definition of related parties, but with whom we or our related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm s-length basis.

Related Party Impaired Loans

In addition to our other shareholdings, we hold acquired equity interests in some of our clients arising from our efforts to protect our then-outstanding lending exposures to them.

Impaired loans to related parties which may exhibit more than normal risk of collectability or present other unfavorable features compared to performing loans to related parties decreased by 16 million to 19 million, from December 31, 2013, principally driven by a large loan that was impaired as of December 31, 2013 ceasing to be impaired. The following table presents an overview of the impaired loans we hold of some of our related parties as of December 31, 2014.

in m.	Amount outstanding as of December 31, 2014	Largest amount outstanding January 1, to December 31, 2014	Provision for loan losses in 2014 [1]	Allowance for loan losses as of December 31, 2014[1]	Nature of the loan and transaction in which incurred
Customer A	1	1	0	1	Uncollateralized shareholder loan bearing interest at 7.55 % per annum. The loan is held at contractual terms but interest is accreted at the effective interest rate applied to the carrying amount.
Customer B	2	2	0	1	Consisting of a claim from a collateralized real estate leasing finance unpaid at maturity, bearing interest at 6.62 % per annum. The exposure is past due and payable, interest is accreted at the effective interest rate applied to the carrying amount.
Customer C	4	4	0	2	Consisting of a claim from a collateralized real estate leasing finance unpaid at maturity, bearing interest at 4,73 % per annum. The exposure is past due and payable, interest is accreted at the effective interest rate applied to the carrying amount.
Customer D	0	1	0	0	Consisting of a claim from a collateralized real estate leasing finance unpaid at maturity, bearing interest at 5.28 % per annum. The exposure is past due and payable, interest is accreted at the effective interest rate applied to the carrying amount.
Customer E	11	11	(5)	6	Consisting of a real estate finance loan and guarantees which were honored after the company filed for liquidation. The exposure is past due and payable. Insolvency proceedings opened and still ongoing, closure of proceedings not foreseeable yet. Liquidation of assets and guarantee management largely finalized.
Total	**19**	**n/a[2]**	**(5)**	**10**	

1 The allowance for loan losses is calculated by subtracting the net present value of future expected cash flows from the current outstanding. The year-end balance of the loan loss allowance is in most cases lower than the amount of provision for credit losses required for the recognition due to unwinding effects based upon passage of time which are recognized in interest income.

2 Simply adding the largest amounts outstanding of the individual borrowers during the reporting period to arrive at an aggregate outstanding is not applicable as it would imply the assumption that the largest outstandings for all borrowers occurred simultaneously.

In the above table, customer A is an unconsolidated subsidiary of ours, customers B, C and D are investments held at equity and customer E is a shareholding in which we hold a participation of 10 % or more of the voting rights. Impaired loans to all related party customers have been carried forward from the previous year end.

We have not disclosed the names of the related party customers described above because we have concluded that such disclosure would violate applicable privacy laws, such as customer confidentiality and data protection laws, and those customers have not waived application of these privacy laws. A legal opinion regarding the applicable privacy laws is filed as Exhibit 14.1 hereto.

Interests of Experts and Counsel

Not required because this document is filed as an annual report.

Item 8: Financial Information

Consolidated Statements and Other Financial Information

Consolidated Financial Statements

The Financial Statements of this Annual Report on Form 20-F consist of the Consolidated Financial Statements including Notes 1 to 45 thereto, which are set forth as Part 2 of the Financial Report, and, as described in Note 1 Significant Accounting Policies and Critical Accounting Estimates thereto in the third paragraph under Basis of Accounting , certain parts of the Management Report set forth as Part 1 of the Financial Report. Such Consolidated Financial Statements have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, as described in their Report of Independent Registered Public Accounting Firm included on page 455 of the Financial Report.

Legal Proceedings

General. We and our subsidiaries operate in a legal and regulatory environment that exposes us to significant litigation risks. As a result, we are involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of our businesses. Please refer to Note 29 Provisions to the consolidated financial statements for descriptions of certain significant legal proceedings. Additional legal proceedings that may have, or have had in the recent past, significant effects on our financial position or profitability are described below.

Charter/BMY Matter. On December 8, 2014, the United States Department of Justice (DOJ) filed a civil complaint against, among others, Deutsche Bank, alleging that the bank owes more than $190 million in taxes, penalties, and interest relating to two transactions that occurred between March and May 2000. The DOJ s complaint arises out of Deutsche Bank s March 2000 acquisition of Charter Corp. (Charter) and its subsequent sale in May 2000 of Charter to an unrelated entity, BMY Statutory Trust (the Trust). Charter s primary asset, both at the time of purchase by Deutsche Bank and sale to the Trust, was appreciated Bristol-Myers Squibb Company (BMY) stock. When the BMY stock was sold by the Trust, the Trust offset its gain with a loss from an unrelated transaction. The Internal Revenue Service subsequently disallowed the loss on audit exposing the BMY gain to taxation. The IRS assessed additional tax, penalties and interest against the Trust, which have not been paid. Relying on certain theories, including fraudulent conveyance, the DOJ is now seeking to recoup from Deutsche Bank the taxes, plus penalties and interest, owed by the Trust. The matter is in the early stages.

City of Milan Matters. In January 2009, the City of Milan (the City) issued civil proceedings in the District Court of Milan against Deutsche Bank and three other banks (together the Banks) in relation to a 2005 bond issue by the City (the Bond) and a related swap transaction which was subsequently restructured several times between 2005 and 2007 (the Swap) (the Bond and Swap together, the Transaction). The City sought damages and/or other remedies on the grounds of alleged fraudulent and deceitful acts and alleged breach of advisory obligations. During March 2012, the City and the Banks agreed to discharge all existing civil claims between them in respect of the Transaction, with no admission of liability by the Banks. While some aspects of the Swap remain in place between Deutsche Bank and the City, others were terminated as part of the civil settlement. As a further condition of the civil settlement, the sums seized from the Banks by the Milan Prosecutor (in the case of Deutsche Bank, 25 million) were returned by the Prosecutor to the Banks, despite this seizure having been part of the trial described below. Deutsche Bank also received a small interest payment in respect of the seized sum.

In March 2010, at the Milan Prosecutor s request, the Milan judge of the preliminary hearing approved the indictment of each of the Banks and certain of their employees (including two current employees of Deutsche Bank). The indictments of the employees were for alleged criminal offences relating to the Swap and subsequent restructuring, in particular fraud against a public authority. The Banks were charged with an administrative (non-criminal) offence of having systems and controls that did not prevent the employees alleged crimes. A first instance verdict was handed down on December 19, 2012. This verdict found all the Banks and certain employees, including the two Deutsche Bank employees, guilty of the charges against them. A reasoned judgment was handed down on February 3, 2013. Deutsche Bank and its employees filed appeals of this judgment in May 2013, and the appeals commenced on January 30, 2014. On March 7, 2014, the Milan Court of Appeal upheld all the grounds of appeal and quashed both the criminal convictions of the employees and the administrative liability of the Banks. In its reasoned judgment published on June 3, 2014, the appeal court held that the facts pleaded before the court did not occur and that the Bank s compliance model was adequate and effective. The prosecutor did not file an appeal to this judgment by the deadline of July 21, 2014. Deutsche Bank received a stamped final copy of the judgment on September 26, 2014 and has been advised that the matter is now concluded.

Corporate Securities Matters. Deutsche Bank and Deutsche Bank Securities Inc. (DBSI) regularly act in the capacity of underwriter and sales agent for debt and equity securities of corporate issuers and are from time to time named as defendants in litigation commenced by investors relating to those securities.

Deutsche Bank and DBSI, along with numerous other financial institutions, have been sued in the United States District Court for the Southern District of New York in various actions in their capacity as underwriters and sales agents for debt and equity securities issued by American International Group, Inc. (AIG) between 2006 and 2008. The complaint alleges, among other things, that the offering documents failed to reveal that AIG had substantial exposure to losses due to credit default swaps, that AIG s real estate assets were overvalued, and that AIG s financial statements did not conform to GAAP. Fact discovery is complete. On October 7, 2014, the court granted preliminary approval to a proposed settlement of the action in which AIG is providing consideration for the settlement. Approval of the settlement will result in Deutsche Bank and DBSI being released of all claims. The hearing on the fairness of the settlement has been scheduled for March 2015.

DBSI, along with numerous other financial institutions, was named as a defendant in a putative class action lawsuit pending in the United States District Court for the Southern District of New York relating to alleged misstatements and omissions in the registration statement of General Motors Company (GM) in connection with GM s November 18, 2010 initial public offering (IPO). DBSI acted as an underwriter for the offering. On September 4, 2014, the court dismissed all of the plaintiffs claims with prejudice. The court also denied plaintiffs request for leave to further amend the complaint. The plaintiffs have filed an appeal. The underwriters, including DBSI, received a customary agreement to indemnify from GM as issuer in connection with the offering, upon which they have notified GM that they are seeking indemnity.

CO2 Emission Rights. The Frankfurt am Main Office of Public Prosecution (the OPP) is investigating alleged value-added tax (VAT) fraud in connection with the trading of CO2 emission rights by certain trading firms, some of which also engaged in trading activity with Deutsche Bank. The OPP alleges that certain employees of Deutsche Bank knew that their counterparties were part of a fraudulent scheme to avoid VAT on transactions in CO2 emission rights, and it searched Deutsche Bank s head office and London branch in April 2010 and issued various requests for documents. In December 2012, the OPP widened the scope of its investigation and again searched Deutsche Bank s head office. It alleges that certain employees deleted e-mails of suspects shortly before the 2010 search and failed to issue a suspicious activity report under the Anti-Money Laundering Act which, according to the OPP, was required. It also alleges that Deutsche Bank filed an incorrect VAT return for 2009, which was signed by two members of the Management Board, and incorrect monthly returns for September 2009 to February 2010. Deutsche Bank is cooperating with the OPP.

Dole Food Company. DBSI and Deutsche Bank AG, New York Branch (DBNY) have been named as co-defendants in a class action pending in Delaware Court of Chancery that was brought by former shareholders of Dole Food Company, Inc. (Dole). Plaintiffs allege that defendant David H. Murdock and certain members of Dole s board and management (who are also named as defendants) breached their fiduciary duties, and that DBSI and DBNY aided and abetted in those breaches, in connection with Mr. Murdock s privatization of Dole, which closed on November 1, 2013 (the Transaction). Plaintiffs claim approximately U.S. $250 million in damages. On February 5, 2015, the Delaware Court of Chancery denied the motion for summary judgment of DBSI and DBNY. Trial in this matter commenced on February 23, 2015. DBSI and DBNY are parties to customary indemnity agreements from Dole (and certain of its affiliates) in connection with the Transaction, and DBSI and DBNY have notified Dole (and its relevant affiliates) that they are seeking indemnity.

ISDAFIX. Deutsche Bank has received requests for information from certain regulatory authorities concerning the setting of ISDAFIX benchmarks, which provide average mid-market rates for fixed interest rate swaps. The Bank is cooperating with these requests. In addition, the Bank has been named as a defendant in five putative class actions that were consolidated in the United States District Court for the Southern District of New York asserting antitrust, fraud, breach of contract and unjust enrichment claims relating to a purported conspiracy to manipulate the U.S. dollar ISDAFIX benchmark. Plaintiffs filed an amended complaint on February 12, 2015. Defendants intend to move to dismiss the amended complaint.

Kaupthing CLN Claims. In June 2012, Kaupthing hf, an Icelandic stock corporation, (acting through its Winding-up Committee) issued Icelandic law clawback claims for approximately 509 million (plus interest) against Deutsche Bank in both Iceland and England. The claims relate to leveraged credit linked notes, referencing Kaupthing, issued by Deutsche Bank to two British Virgin Island special purpose vehicles (SPVs) in 2008. The SPVs were ultimately owned by high net worth individuals. Kaupthing claims to have funded the SPVs and alleges that Deutsche Bank was or should have been aware that Kaupthing itself was economically exposed in the transactions. It is claimed that the transactions are voidable by Kaupthing on a number of alternative grounds, including the ground that the transactions were improper because one of the alleged purposes of the transactions was to allow Kaupthing to influence the market in its own CDS (credit default swap) spreads and thereby its listed bonds. Additionally, in November 2012, an English law claim (with allegations similar to those featured in the Icelandic law claims) was commenced by Kaupthing against Deutsche Bank in London. Deutsche Bank filed its defense in the Icelandic proceedings in late February 2013 and continues to defend the claims. In February 2014, both proceedings in England were stayed pending final determination of the Icelandic proceedings. Additionally, in December 2014, the SPVs and their Joint Liquidators served Deutsche Bank with substantively similar claims arising out of the CLN transactions against Deutsche Bank and other defendants in England. The SPVs claims are not expected to increase Deutsche Bank s overall potential liability in respect of the CLN transactions beyond the amount already claimed by Kaupthing.

Monte Dei Paschi. In February 2013 Banca Monte Dei Paschi Di Siena (MPS) issued civil proceedings in Italy against Deutsche Bank AG alleging that Deutsche Bank assisted former MPS senior management in an accounting fraud on MPS, by undertaking repo transactions with MPS and Santorini , a wholly owned SPV of MPS, which helped MPS defer losses on a previous transaction undertaken with Deutsche Bank. MPS claimed at least 500 million in damages. Subsequently, in July 2013, the Fondazione Monte Dei Paschi, MPS largest shareholder, also issued civil proceedings in Italy for damages based on substantially the same facts. In December 2013, Deutsche Bank reached an agreement with MPS in relation to the transactions that resolves the civil proceedings by MPS. The civil proceedings by the Fondazione Monte Dei Paschi remain pending.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions and certain unrelated transactions entered into by a number of other international banks with MPS. Such investigation was moved in September 2014 from Siena to the Milan Public Prosecutors as a result of a change in the alleged charges being investigated. No charges have yet been brought. Separately, Deutsche Bank has also received requests for information from certain regulators relating to the original transactions, including with respect to Deutsche Bank s accounting for its MPS-related transactions and alleged failures by Deutsche Bank s management adequately to supervise the individuals involved in the matter. Deutsche Bank is cooperating with these regulators.

Ocala Litigation. Deutsche Bank is a secured creditor of Ocala Funding LLC (Ocala), a commercial paper vehicle sponsored by Taylor Bean & Whitaker Mortgage Corp. (Taylor Bean), which ceased mortgage lending operations and filed for bankruptcy protection in August 2009. Bank of America is the trustee, collateral agent, custodian and depository agent for Ocala. Deutsche Bank commenced a civil litigation in the United States District Court for the Southern District of New York against Bank of America resulting from Bank of America s failure to secure and safeguard cash and mortgage loans that secured Deutsche Bank s commercial paper investment. This litigation is in discovery.

Parmalat Litigation. Following the bankruptcy of the Italian company Parmalat, prosecutors in Parma conducted a criminal investigation against various bank employees, including employees of Deutsche Bank, and brought charges of fraudulent bankruptcy against a number of Deutsche Bank employees and others. The trial commenced in September 2009 and is ongoing.

Certain retail bondholders and shareholders have alleged civil liability against Deutsche Bank in connection with the above-mentioned criminal proceedings. Deutsche Bank has made a formal settlement offer to those retail investors who have asserted claims against Deutsche Bank. This offer has been accepted by some of the retail investors. The outstanding claims will be heard during the criminal trial process.

In January 2011, a group of institutional investors (bondholders and shareholders) commenced a civil claim for damages, in an aggregate amount of approximately 130 million plus interest and costs, in the Milan courts against various international and Italian banks, including Deutsche Bank and Deutsche Bank S.p.A., on allegations of cooperation with Parmalat in the fraudulent placement of securities and of deepening the insolvency of Parmalat. On January 26, 2015, the court in Milan dismissed the claim on the merits and awarded costs to the banks. The claimants now have a period of time in which to decide whether to appeal.

Pas-de-Calais Habitat. On May 31, 2012, Pas-de-Calais Habitat (PDCH), a public housing office, initiated proceedings before the Paris Commercial Court (the Court) against Deutsche Bank in relation to four swap contracts entered into in 2006, restructured on March 19, 2007 and January 18, 2008 and subsequently restructured in 2009 and on June 15, 2010. PDCH asks the Court to declare the March 19, 2007 and January 18, 2008 swap contracts (the Swap Contracts) null and void, or terminated, or to grant damages to PDCH in an amount of approximately 170 million on the grounds, inter alia, that Deutsche Bank committed fraudulent and deceitful acts, manipulated the Libor and Euribor rates which are used as a basis for calculating the sums due by PDCH under the Swap Contracts and has breached its obligations to warn, advise and inform PDCH. A hearing date is set in March 2015 for the filing of PDCH s submissions in reply. The earliest date for a hearing on the merits would be in the third quarter of 2015.

Postbank Voluntary Public Takeover Offer. On September 12, 2010, Deutsche Bank announced the decision to make a takeover offer for the acquisition of all shares in Deutsche Postbank AG. On October 7, 2010, the Bank published the official offer document. In its takeover offer, Deutsche Bank offered to Postbank shareholders a consideration of 25 for each Postbank share.

In November 2010, a former shareholder of Postbank, Effecten-Spiegel AG, which had accepted the takeover offer, brought a claim against Deutsche Bank alleging that the offer price was too low and was not determined in accordance with the applicable law of the Federal Republic of Germany. The plaintiff alleges that Deutsche Bank had been obliged to make a mandatory takeover offer for all shares in Deutsche Postbank AG in 2009 already. The plaintiff avers that, in 2009, the voting rights of Deutsche Post AG in Deutsche Postbank AG had to be attributed to Deutsche Bank AG pursuant to Section 30 of the German Takeover Act.

The Cologne regional court dismissed the claim in 2011 and the Cologne appellate court dismissed the appeal in 2012. The Federal Court set aside the Cologne appellate court s judgment and referred the case back to the appellate court. In its judgment, the Federal Court stated that the appellate court had not sufficiently considered the plaintiff s allegation of an acting in concert between Deutsche Bank AG and Deutsche Post AG in 2009. The Cologne appellate court has scheduled an oral hearing for April 29, 2015 and has indicated that the chairman of Deutsche Post s management board may be heard as a witness. A formal resolution to take evidence has, however, not yet been made by the appellate court.

In 2014, some further former shareholders of Deutsche Postbank AG, who accepted the 2010 tender offer, brought similar claims as Effecten-Spiegel AG against Deutsche Bank. The Bank is of the opinion that all these actions, including the action by Effecten-Spiegel AG, are without merit and is defending itself against the claims.

Sebastian Holdings Litigation. Deutsche Bank is in litigation in the United Kingdom and the United States with Sebastian Holdings Inc., a Turks and Caicos company (SHI). The dispute arose in October 2008 when SHI accumulated trading losses and subsequently failed to meet margin calls issued by Deutsche Bank.

The U.K. litigation was commenced by Deutsche Bank to recover approximately U.S. $ 246 million owed by SHI after the termination of two sets of master trading agreements with SHI. As a counterclaim, SHI duplicated aspects of its claim in the U.S. litigation (described below). The pleaded counterclaim, although not fully specified and containing elements which may have been duplicative, was for at least NOK 8.28 billion (around 955 million or U.S. $ 1.08 billion at recent exchange rates, which do not necessarily equate to the rates applicable to the claim), plus substantial consequential loss claims based primarily on the lost profits SHI claimed it would have made on the moneys allegedly lost.

Judgment in the English Commercial Court was handed down in November 2013. SHI was found liable to Deutsche Bank for approximately U.S. $ 236 million, plus interest. Deutsche Bank was awarded 85 % of costs, including an interim costs award of GBP 34 million. SHI s counterclaim was denied in full. SHI applied for permission to appeal elements of this decision but in July 2014 the Court of Appeal ordered that as a condition of SHI continuing to prosecute its appeal it must pay into court the judgment debt, plus interest and costs, by August 27, 2014. SHI failed to comply with the Court of Appeal s order and applied to the Supreme Court for permission to appeal such order, but on February 16, 2015 the Supreme Court refused SHI permission. The appeal has now been struck out.

In June 2014, Deutsche Bank won an action in the English Commercial Court against Mr. Alexander Vik (SHI s sole shareholder and director) personally who was held liable to Deutsche Bank in respect of the GBP 34 million interim costs award, plus a further GBP 2 million in interest accrued since November 2013 and Deutsche Bank s costs. Such sums were paid by Mr. Vik who has since obtained permission to appeal this decision in the Court of Appeal, but no appeal date has yet been set.

The U.S. litigation relates to a damages claim brought by SHI against Deutsche Bank in New York State court, arising out of the same circumstances as Deutsche Bank s suit against SHI in the U.K. and seeking damages of at least U.S. $ 2.5 billion in an amended complaint filed January 10, 2011. The New York State Court has granted Deutsche Bank s motion to dismiss SHI s tort claims, certain of its contract and quasi-contract claims, and its claims for punitive damages, which ruling has been affirmed by the Appellate Division. SHI has filed a motion for leave to file an amended complaint, and Deutsche Bank has filed a motion for summary judgment dismissing the action. The Court heard argument on the two motions on January 7, 2015 and reserved decision. No trial date has been set.

In November and December 2013, Deutsche Bank commenced actions in Connecticut and New York seeking to enforce the English judgment against SHI and Mr. Vik. SHI s and Mr. Vik s jurisdictional motions to dismiss the Connecticut action were withdrawn, and their motions to strike the complaint for failure to state a claim were denied by the Court on January 6, 2015. Discovery is now beginning. The Connecticut court has scheduled the case for trial commencing November 10, 2015. The English judgment against SHI has been recognized in Connecticut, and, on July 18, 2014, a New York judge granted Deutsche Bank summary judgment in its claim to recognize the English judgment against SHI in New York. In addition, Deutsche Bank has brought claims in New York against SHI, Mr. Vik, and other defendants, including Mr. Vik s wife and a family trust, in respect of fraudulent transfers that stripped SHI of assets in October 2008. The action also seeks to enforce the English judgment against Mr. Vik.

Trust Preferred Securities Litigation. Deutsche Bank and certain of its affiliates and officers were 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. The court dismissed the plaintiffs second amended complaint with prejudice, which was affirmed by the United States Court of Appeals for the Second Circuit. On July 30, 2014, the plaintiffs filed a petition for rehearing and rehearing en banc with the Second Circuit. On October 16, 2014, the Second Circuit denied the petition. In February 2015, the plaintiffs filed a petition for a writ of certiorari seeking review by the United States Supreme Court.

ZAO FC Eurokommerz. On December 17, 2013, the liquidator of ZAO FC Eurokommerz commenced proceedings in the Arbitrazh Court of the City of Moscow against Deutsche Bank. The claim amounts to approximately 210 million and relates to the repayment of a RUB 6.25 billion bridge loan facility extended to ZAO FC Eurokommerz on August 21, 2007. The bridge loan was repaid in full on December 21, 2007. LLC Trade House, a creditor of ZAO FC Eurokommerz, filed for bankruptcy on July 31, 2009. The liquidator alleges, among other things, (i) that Deutsche Bank must have known that ZAO FC Eurokommerz was in financial difficulties at the time of repayment and (ii) that the bridge loan was repaid from the proceeds of a securitization transaction which was found to be invalid and consequently the proceeds should not have been available to repay the bridge loan. The first instance hearing on the merits of the claim took place on December 23, 2014. The judge found in favor of Deutsche Bank on the basis of the statute of limitations and the absence of evidence to prove that ZAO FC Eurokommerz was in financial difficulties at the time the loan was repaid and that an abuse of rights was committed by Deutsche Bank when accepting the contested repayment. The liquidator may appeal the decision. We have received no indication that any notice of appeal was received by the court prior to the applicable deadline.

Dividend Policy

We generally pay dividends each year. However, we may not pay dividends in the future at rates we have paid them in previous years. The dividend proposed for 2014 is 0.75, compared to dividends paid of 0.75 for 2013 and 0.75 for 2012. If we are not profitable, we may not pay dividends at all. If we fail to meet the capital adequacy requirements or the liquidity requirements under the Banking Act, the BaFin or the European Central Bank may suspend or limit the payment of dividends. See Item 4: Information on the Company Regulation and Supervision Regulation and Supervision in Germany .

Under German law, our dividends are based on the unconsolidated results of Deutsche Bank AG as prepared in accordance with German accounting rules. Our Management Board, which prepares the annual financial statements of Deutsche Bank AG on an unconsolidated basis, and our Supervisory Board, which reviews them, first allocate part of Deutsche Bank s annual surplus (if any) to our statutory reserves and to any losses carried forward, as it is legally required to do. They then allocate the remainder between other revenue reserves (or retained earnings) and balance sheet profit. They may allocate up to one-half of this remainder to other revenue reserves, and must allocate at least one-half to balance sheet profit. A profit distribution from balance sheet profit is only permitted to the extent that the balance sheet profit plus distributable earnings exceeds potential dividend blocking items, which consist of deferred tax assets, self-developed software and unrealized gains on plan assets, all net of respective deferred tax liabilities.

We then distribute the full amount of the balance sheet profit not subject to dividend blocking of Deutsche Bank AG if the Annual General Meeting so resolves. The Annual General Meeting may resolve a non-cash distribution instead of, or in addition to, a cash dividend. However, we are not legally required to distribute our balance sheet profit to our shareholders to the extent that we have issued participatory rights (Genussrechte) or granted a silent participation (stille Gesellschaft) that accord their holders the right to a portion of our distributable profit.

We declare dividends by resolution of the Annual General Meeting and pay them once a year. Dividends approved at a General Meeting are payable on the first stock exchange trading day after that meeting, unless otherwise decided at that meeting. In accordance with the German Stock Corporation Act, the record date for determining which holders of our ordinary shares are entitled to the payment of dividends, if any, or other distributions whether cash, stock or property, is the date of the General Meeting at which such dividends or other distributions are declared. If we issue a new class of shares, our Articles of Association permit us to declare a different dividend entitlement for the new class of shares.

Significant Changes

Except as otherwise stated in this document, there have been no significant changes subsequent to December 31, 2014.

Item 9: The Offer and Listing

Offer and Listing Details and Markets

Our share capital consists of ordinary shares issued in registered form without par value. Under German law, shares without par value are deemed to have a nominal value equal to the total amount of share capital divided by the number of shares. Our shares have a nominal value of 2.56 per share.

The principal trading market for our shares is the Frankfurt Stock Exchange. Our shares are also traded on the six other German stock exchanges (Berlin, Duesseldorf, Hamburg, Hanover, Munich and Stuttgart), on the Eurex and the New York Stock Exchange.

We maintain a share register in Frankfurt am Main and, for the purposes of trading our shares on the New York Stock Exchange, a share register in New York.

All shares on German stock exchanges trade in euros, and all shares on the New York Stock Exchange trade in U.S. dollars. The following table sets forth, for the calendar periods indicated, high, low and period-end prices for our shares as reported by the Frankfurt Stock Exchange and the New York Stock Exchange.

	Price per share (Xetra)[1]			Price per share (NYSE)[2]		
	High (in)	Low (in)	Period-end (in)	High (in U.S.$)	Low (in U.S.$)	Period-end (in U.S.$)
Monthly 2015:						
February	29.39	25.41	29.38	33.57	29.36	32.73
January	26.78	23.48	25.80	30.68	27.81	28.98
Monthly 2014:						
December	26.90	23.26	24.99	33.20	29.43	30.02
November	26.47	23.50	26.29	32.98	29.41	32.65
October	28.02	22.66	24.88	35.20	29.35	31.32
September	28.30	25.71	27.78	36.28	34.07	34.86
Quarterly 2014:						
Fourth Quarter	28.02	22.66	24.99	35.20	29.35	30.02
Third Quarter	28.30	24.17	27.78	36.69	32.52	34.86
Second Quarter	32.05	25.47	25.70	46.09	34.83	35.18
First Quarter	38.15	29.33	30.97	54.48	42.79	44.83
Quarterly 2013:						
Fourth Quarter	35.48	31.42	33.07	50.97	45.00	48.24
Third Quarter	34.89	29.03	32.37	49.12	39.90	45.88
Second Quarter	36.12	28.05	30.67	49.13	38.18	41.95
First Quarter	36.94	28.54	29.01	52.92	38.46	39.12
Annual:						
2014	38.15	22.66	24.99	54.48	29.35	30.02
2013	36.94	28.05	33.07	52.92	38.18	48.24

2012	37.68	21.09	31.43	52.53	27.05	44.29
2011	46.45	19.82	28.08	66.00	28.58	37.86
2010	52.70	34.27	37.29	82.16	47.35	52.05

Note: Data is based on Bloomberg and NYSE Euronext.

[1] Historical share prices have been adjusted on June 5, 2014 with retroactive effect to reflect the capital increase by multiplying a correcting factor of 0.9538. Historical share prices have been adjusted on October 6, 2010 with retroactive effect to reflect the capital increase by multiplying a correcting factor of 0.912477.

[2] Historical share prices are not adjusted for the capital increases in October 2010 and June 2014.

For a discussion of the possible effects of fluctuations in the exchange rate between the euro and the U.S. dollar on the price of our shares, see Item 3: Key Information Exchange Rate and Currency Information.

You should not rely on our past share performance as a guide to our future share performance.

Plan of Distribution

Not required because this document is filed as an annual report.

Selling Shareholders

Not required because this document is filed as an annual report.

Dilution

Not required because this document is filed as an annual report.

Expenses of the Issue

Not required because this document is filed as an annual report.

Item 10: Additional Information

Share Capital

Not required because this document is filed as an annual report.

Memorandum and Articles of Association

The following is a summary of certain information relating to certain provisions of our Articles of Association, our share capital and German law. This summary is not complete and is qualified by reference to our Articles of Association and German law in effect at the date of this filing. Copies of our Articles of Association are publicly available at the Commercial Register in Frankfurt am Main, and an English translation is filed as Exhibit 1.1 to this Annual Report.

Our Business Objectives

Section 2 of our Articles of Association sets out the objectives of our business:

- to transact all aspects of banking business;
- to provide financial and other services; and
- to promote international economic relations.

Our Articles of Association permit us to pursue these objectives directly or through subsidiaries and affiliated companies.

Our Articles of Association also provide that, to the extent permitted by law, we may transact all business and take all steps that appear likely to promote our business objectives. In particular, we may:

- acquire and dispose of real estate;
- establish branches in Germany and abroad;
- acquire, administer and dispose of participations in other enterprises; and
- conclude intercompany agreements (Unternehmensverträge).

Supervisory Board and Management Board

For more information on our Supervisory Board and Management Board, see Item 6: Directors, Senior Management and Employees.

Voting Rights and Shareholders Meetings

Each of our shares entitles its registered holder to one vote at our General Meeting. Our Annual General Meeting takes place within the first eight months of our fiscal year. Pursuant to our Articles of Association, we may hold the meeting in Frankfurt am Main, Düsseldorf or any other German city with over 500,000 inhabitants. Unless a shorter period is permitted by law, we must give the notice convening the General Meeting at least 30 days before the last day on which shareholders can register their attendance of the General Meeting (which is the fifth day immediately preceding that General Meeting). We are required to include details regarding the shareholder attendance registration process and the issuance of admission cards in our invitation to the General Meeting.

The Management Board or the Supervisory Board may also call an extraordinary General Meeting. Shareholders holding in the aggregate at least 5 % of the nominal value of our share capital may also request that such a meeting be called.

According to our Articles of Association our shares are issued in the form of registered shares. For purposes of registration in the share register, all shareholders are required to notify us of the number of shares they hold and, in the case of natural persons, of their name, address and date of birth and, in the case of legal persons, of their registered name, business address and registered domicile. Both being registered in our share register and the timely registration for attendance of the General Meeting constitute prerequisite conditions for any shareholder s attendance and exercise of voting rights at the General Meeting. Shareholders may register their attendance of a General Meeting with the Management Board (or as otherwise designated in the invitation) by written notice or electronically, no later than the fifth day immediately preceding the date of that General Meeting. Any shareholders who have failed to comply with certain notification requirements summarized under Notification Requirements below are precluded from exercising any rights attached to their shares, including voting rights.

Under German law, upon our request a registered shareholder must inform us whether that shareholder owns the shares registered in its name or whether that shareholder holds the shares for any other person as a nominee shareholder. Both the nominee shareholder and the person for whom the shares are held have an obligation to provide the same personal data as required for registration in the share register with respect to the person for whom the shares are held. For so long as a registered shareholder does not provide the requested information as to its holding of the shares or, in the case of nominee shareholding, the required information about the person for whom the shares are held has not been provided, the shares held by the registered shareholder carry no voting rights.

Shareholders may appoint proxies to represent them at General Meetings. As a matter of German law, a proxy relating to voting rights granted by shares may be revoked at any time.

As a foreign private issuer, we are not required to file a proxy statement under U.S. securities law. The proxy voting process for our shareholders in the United States is substantially similar to the process for publicly held companies incorporated in the United States.

The Annual General Meeting normally adopts resolutions on the following matters:

- appropriation of distributable balance sheet profits (Bilanzgewinn) from the preceding fiscal year;
- formal ratification of the acts (Entlastung) of the members of the Management Board and the members of the Supervisory Board in the preceding fiscal year; and
- appointment of independent auditors for the current fiscal year.

A simple majority of votes cast is generally sufficient to approve a measure, except in cases where a greater majority is otherwise required by our Articles of Association or by law. Under the Stock Corporation Act and the German Transformation Act (Umwandlungsgesetz), certain resolutions of fundamental importance require a majority of at least 75 % of the share capital represented at the General Meeting adopting the resolution, in addition to a majority of the votes cast. Such resolutions include the following matters, among others:

- amendments to our Articles of Association changing our business objectives;
- capital increases that exclude subscription rights;
- capital reductions;
- creation of authorized or conditional capital;
- our dissolution;
- transformations under the German Transformation Act (Umwandlungsgesetz) such as mergers, spin-offs and changes in our legal form;
- transfer of all our assets;
- integration of another company; and
- intercompany agreements (in particular, domination and profit-transfer agreements).

Under certain circumstances, such as when a resolution violates our Articles of Association or the Stock Corporation Act, shareholders may file a shareholder action with the appropriate Regional Court (Landgericht) in Germany to set aside resolutions adopted at the General Meeting.

Under German law, the rights of shareholders as a group can be changed by amendment of the company s articles of association. Any amendment of our Articles of Association requires a resolution of the General Meeting. The authority to amend our Articles of Association, insofar as such amendments merely relate to the wording, such as changes of the share capital as a result of the issuance of shares from authorized capital, has been assigned to our Supervisory Board by our Articles of Association. Pursuant to our Articles of Association, the resolutions of the General Meeting are taken by a simple majority of votes and, insofar as a majority of capital stock is required, by a simple majority of capital stock, except where law or our Articles of Association determine otherwise. The rights of individual shareholders can only be changed with their consent. Amendments to the Articles of Association become effective upon their registration in the Commercial Register.

Share Register

We maintain a share register with Registrar Services GmbH and our New York transfer agent, pursuant to an agency agreement between us and Registrar Services GmbH and a sub-agency agreement between Registrar Services GmbH and the New York transfer agent.

Our share register will be open for inspection by shareholders during normal business hours at our offices at Taunusanlage 12, 60325 Frankfurt am Main, Germany. The share register generally contains each shareholder s surname, first name, date of birth, address and the number or the quantity of our shares held. Shareholders may prevent their personal information from appearing in the share register by holding their securities through a bank or custodian. Although the shareholder would remain the beneficial owner of the securities, only the bank s or custodian s name would appear in the share register.

Dividend Rights

For a summary of our dividend policy and legal basis for dividends under German law, see Item 8: Financial Information Dividend Policy.

Increases in Share Capital

German law and our Articles of Association permit us to increase our share capital in any of three ways:

- Resolution by our General Meeting authorizing the issuance of new shares.
- Resolution by our General Meeting authorizing the Management Board, subject to the approval of the Supervisory Board, to issue new shares up to a specified amount (no more than 50 % of existing share capital) within a specified period, which may not exceed five years. This is referred to as authorized capital (genehmigtes Kapital).
- Resolution by our General Meeting authorizing the issuance of new shares up to a specified amount (no more than 50 % of existing share capital) for specific purposes, such as for employee stock options, for use as consideration in a merger or to issue to holders of convertible bonds or other convertible securities. This is referred to as conditional capital (bedingtes Kapital).

The issuance of new ordinary shares by resolution of the General Meeting requires the simple majority of the votes cast and of the share capital represented at the General Meeting. Resolutions of the General Meeting concerning the creation of authorized or conditional capital require the simple majority of the votes cast and a majority of at least 75 % of the share capital represented at the General Meeting.

Liquidation Rights

The Stock Corporation Act requires that if we are liquidated, any liquidation proceeds remaining after the payment of all our liabilities will be distributed to our shareholders in proportion to their shareholdings.

Preemptive Rights

In principle, holders of our shares have preemptive rights allowing them to subscribe any shares, bonds convertible into, or attached warrants to subscribe for, our shares or participatory certificates we issue. Such preemptive rights exist in proportion to the number of shares currently held by the shareholder. Preemptive rights of shareholders may be excluded with respect to any capital increase, however, as part of the resolution by the General Meeting on such capital increase. Such a resolution by the General Meeting on a capital increase that excludes the shareholders preemptive rights with respect thereto requires both a majority of the votes cast and a majority of at least 75 % of the share capital represented at the General Meeting. A resolution to exclude preemptive rights requires that the proposed exclusion is expressly disclosed in the agenda to the General Meeting and that the Management Board presents the reasons for the exclusion to the shareholders in a written report. Under the Stock Corporation Act, preemptive rights may in particular be excluded with respect to capital increases not exceeding 10 % of the existing share capital with an issue price payable in cash not significantly below the stock exchange price at the time of issuance. In addition, shareholders may, in a resolution by the General Meeting on authorized capital, authorize the Management Board to exclude the preemptive rights with respect to newly issued shares from authorized capital in specific circumstances set forth in the resolution.

Shareholders are generally permitted to transfer their preemptive rights. Preemptive rights may be traded on one or more German stock exchanges for a limited number of days prior to the final day the preemptive rights can be exercised.

Notices and Reports

We publish notices pertaining to our shares and the General Meeting in the electronic German Federal Gazette (Bundesanzeiger) and, when so required, in at least one national newspaper designated for exchange notices.

We send our New York transfer agent, through publication or otherwise, a copy of each of our notices pertaining to any General Meeting, any adjourned General Meeting or our actions with respect to any cash or other distributions or the offering of any rights. We provide such notices in the form given or to be given to our shareholders. Our New York transfer agent is requested to arrange for the mailing of such notices to all shareholders registered in the New York registry.

We will make all notices we send to shareholders available at our principal office for inspection by shareholders. Registrar Services GmbH and our New York transfer agent will send copies of all notices pertaining to General Meetings to all registered shareholders. Registrar Services GmbH and our New York transfer agent will send copies of other notices or information material, such as quarterly reports or shareholder letters, to those registered shareholders who have requested to receive such notices or information material.

Charges of Transfer Agents

We pay Registrar Services GmbH and our New York transfer agent customary fees for their services as transfer agents and registrars. Our shareholders will not be required to pay Registrar Services GmbH or our New York transfer agent any fees or charges in connection with their transfers of shares in the share register. Our shareholders will also not be required to pay any fees in connection with the conversion of dividends from euros to U.S. dollars.

Liability of Transfer Agents

Neither Registrar Services GmbH nor our New York transfer agent will be liable to shareholders if prevented or delayed by law, or any circumstances beyond their control, from performing their obligations as transfer agents and registrars.

Notification Requirements

Disclosure of Interests in a Listed Stock Corporation

Disclosure Obligations under the German Securities Trading Act

Pursuant to the German Securities Trading Act (Wertpapierhandelsgesetz), any shareholder whose voting interest in a listed company like Deutsche Bank AG, through acquisition, sale or by other means, reaches, exceeds or falls below a 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 %, 50 % or 75 % threshold must notify us and the BaFin of its current aggregate voting interest in writing and without undue delay, but at the latest within four trading days. In connection with this requirement, the German Securities Trading Act contains various provisions regarding the attribution of voting rights to the person who actually controls the voting rights attached to the shares.

Furthermore, the voting rights attached to a third party s shares are attributed to a shareholder if the shareholder coordinates its conduct concerning the listed company with the third party (so-called acting in concert) either through an agreement or other means. Acting in concert is deemed to exist if the parties coordinate their voting at the listed company s general meeting or, outside the general meeting, coordinate their actions with the goal of significantly and permanently modifying the listed company s corporate strategy. Each party s voting rights are attributed to each of the other parties acting in concert.

Shareholders failing to comply with their notification obligations are prevented from exercising any rights attached to their shares (including voting rights and the right to receive dividends) until they have complied with the notification requirements. In the event of a willful or grossly negligent breach of the notification obligations, shareholders are prevented from exercising their voting rights for a six-month period commencing upon the delayed submission of the notification, unless the shareholder submitted an incorrect notification deviating no more than 10 % from the actual percentage of voting rights and the shareholder notified the listed company that his or her holdings reached, exceeded or fell below the notification thresholds described above. Non-compliance with the disclosure requirement may also result in a fine.

Except for the 3 % threshold, similar notification obligations exist for reaching, exceeding or falling below the thresholds described above when a person holds other financial instruments that entitle their holder to unilaterally acquire existing shares of the listed company carrying voting rights pursuant to a binding legal agreement. Holdings in the relevant financial instruments are to be aggregated with the voting rights attached to shares for purposes of determining whether any of the relevant notification thresholds have been triggered. According to the German Act on Strengthening Investor Protection and Improving the Functionality of the Capital Market (Gesetz zur Stärkung des Anlegerschutzes und Verbesserung der Funktionsfähigkeit des Kapitalmarktes), this obligation has been extended to other instruments which may not qualify as financial instruments within the meaning of the German Securities Trading Act that grant the holder the right to acquire unilaterally, based on a legally binding agreement, existing shares of Deutsche Bank carrying voting rights.

Deutsche Bank must publish the foregoing notifications without undue delay, but no later than within three trading days after their receipt, and report the publication to the BaFin.

Shareholders whose voting rights reach or exceed thresholds of 10 % of the voting rights in a listed company, or higher thresholds, are obliged to inform the company within 20 trading days of the purpose of their investment and the origin of the funds used for such investment, unless the articles of association of the listed company provide otherwise. Our Articles of Association do not contain such a provision.

Disclosure Obligations under the German Securities Acquisition and Takeover Act

Pursuant to the German Securities Acquisition and Takeover Act, any person whose voting interest reaches or exceeds 30 % of the voting shares of a listed stock corporation must, within seven calendar days, publish this fact (including the percentage of its voting rights) on the Internet and by means of an electronically operated financial information dissemination system. In addition, the person must subsequently make a mandatory public tender offer within four weeks to all shareholders of the listed company unless an exemption has been granted. The German Securities Acquisition and Takeover Act contains a number of provisions intended to ensure that shareholdings are attributed to those persons who actually control the voting rights attached to the shares. The provisions regarding coordinated conduct as part of the German Securities Acquisition and Takeover Act (so-called acting in concert) and the rules on the attribution of voting rights attached to shares of third parties are the same as the statutory securities trading provisions described above under Disclosure Obligations under the German Securities Trading Act except with respect to voting rights of shares underlying financial instruments whose holders are vested with the right, pursuant to a legally binding agreement, to unilaterally acquire existing voting shares of the listed company and voting rights which may be acquired on the basis of financial and other instruments enabling the acquisition of voting shares. If a shareholder fails to provide notice on reaching or exceeding the 30 % threshold, or fails to make a public tender offer, the shareholder will be precluded from exercising any rights associated with its shares (including voting and dividend rights) until it has complied with the requirements under the German Securities Acquisition and Takeover Act. In addition, non-compliance with the disclosure requirement may result in a fine.

Disclosure of Participations in a Credit Institution

The German Banking Act (Kreditwesengesetz) requires any person intending to acquire, alone or acting in concert with another person, a qualifying holding (bedeutende Beteiligung) in a credit or financial services institution to notify the BaFin and the Bundesbank without undue delay and in writing of the intended acquisition. A qualifying holding is a direct or indirect holding in an undertaking which represents 10 % or more of the capital or voting rights or which makes it possible to exercise a significant influence over the management of such undertaking. The required notice must contain information demonstrating, among other things, the reliability of the person or, in the case of a corporation or other legal entity, the reliability of its directors and officers.

A person holding a qualifying holding shall also notify the BaFin and the Bundesbank without undue delay and in writing if he intends to increase the amount of the qualifying holding up to or beyond the thresholds of 20 %, 30 % or 50 % of the voting rights or capital or in such way that the institution comes under such person s control or if such person intends to reduce the participation below 10 % or below one of the other thresholds described above.

If the qualifying holding notified relates to an interest in a credit institution under the Capital Requirements Regulation (CRR), such as Deutsche Bank AG, the BaFin is not competent to ultimately decide on the acquisition but is required, at least 15 working days prior to expiry of the applicable assessment period, to forward its draft decision to the European Central Bank which ultimately, in accordance with applicable law, is competent to decide upon whether or not to permit the acquisition of the qualifying holding notified.

The competent authority may, within the applicable assessment period of 60 business days, prohibit the intended acquisition if there appears to be reason to assume that the acquirer or its directors and officers are not reliable or financially sound, that the participation would impair the effective supervision of the relevant banking institution, that the prospective managing director (Geschäftsleiter) is not reliable or not qualified, that money laundering or financing of terrorism has occurred or been attempted in connection with the intended acquisition, or that there would be an increased risk of such illegal acts as a result of the intended acquisition. During the applicable assessment period the competent authority may request further information necessary for the assessment. Generally, such a request delays the expiration of the assessment period by up to 20 business days.

If a person acquires a qualifying holding despite such prohibition or without making the required notification, the competent authority may prohibit the person from exercising the voting rights attached to the shares. In addition, non-compliance with the disclosure requirement may result in the imposition of a fine in accordance with statutory provisions. Moreover, the competent authority may order that any disposition of the shares requires its approval and may ultimately appoint a trustee to exercise the voting rights attached to the shares or to sell the shares to the extent they constitute a qualifying holding.

Review of Acquisition of 25 % or more by the German Federal Ministry of Economics and Technology

Pursuant to the German Foreign Trade Act (Außenwirtschaftsgesetz) and the Foreign Trade Regulation (Außenwirtschaftsverordnung), the direct or indirect acquisition of 25 % or more of the voting rights in a German company by investors from outside the European Union and the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland) or by entities which are owned by 25 % or more by investors from outside the aforementioned region may be reviewed by the German Federal Ministry of Economics and Technology. If the Ministry determines that the acquisition poses a threat to the public policy or public security of Germany, it may impose conditions on or suspend the acquisition or require that it is unwound. The decision to review an acquisition must be made within three months following the conclusion of the contract or publication of the decision to launch a take-over bid or publication of the acquisition of control. The review must be completed within two months following receipt of the complete acquisition documents. No notification of the acquisition is required but the acquirer may seek pre-clearance of a proposed acquisition from the Federal Ministry of Economics and Technology.

EU Short Selling Regulation (ban on naked short selling)

Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (the EU Short Selling Regulation) came into force on November 1, 2012. The EU Short Selling Regulation, the regulations adopted by the EU Commission implementing it, and the German act implementing the EU Short Selling Regulation replace the previously applicable German federal provisions governing the ban on naked short selling of shares and certain debt securities. (Short sales are sales of securities that the seller does not own, with the intention of buying back an identical security at a later point in time in order to be able to deliver the security. A short sale is naked when the seller has not borrowed the securities at the time of the short sale, or ensured they can be borrowed.) Under the EU Short

Selling Regulation, short sales of shares are permitted only under certain conditions. Significant net short positions in shares must be reported to the BaFin and, if a certain threshold is exceeded, they must also be publicly disclosed. Net short positions are calculated by netting the long and short positions held by a natural or legal person in the issued capital of the company concerned. The details are set forth in the EU Short Selling Regulation and the regulations adopted by the EU Commission implementing it. In certain situations described in greater detail in the EU Short Selling Regulation, the BaFin is permitted to limit short selling and comparable transactions.

Material Contracts

In the usual course of our business, we enter into numerous contracts with various other entities. We have not, however, entered into any material contracts outside the ordinary course of our business within the past two years.

Exchange Controls

As in other member states of the European Union, regulations issued by the competent European Union authorities to comply with United Nations resolutions have caused freeze orders on assets of certain legal and natural persons designated in such regulations. In addition, Regulation (EU) No. 961/2010 of October 25, 2010 on restrictive measures against Iran requires that transfers of funds from or to Iranian persons, entities or bodies that exceed 10,000 (or the equivalent in a foreign currency) shall be notified in advance in writing to the Bundesbank. If the amount to be transferred exceeds 40,000 (or the equivalent in a foreign currency), a prior authorization of the Bundesbank is required.

With some exceptions, corporations or individuals residing in Germany are required to report to the Bundesbank any payment received from, or made to or for the account of, a nonresident corporation or individual that exceeds 12,500 (or the equivalent in a foreign currency). This reporting requirement is for statistical purposes.

Subject to the above-mentioned exceptions, there are currently no German laws, decrees or regulations that would prevent the transfer of capital or remittance of dividends or other payments to our shareholders who are not residents or citizens of Germany.

There are also no restrictions under German law or our Articles of Association concerning the right of nonresident or foreign shareholders to hold our shares or to exercise any applicable voting rights. Where the investment reaches or exceeds certain thresholds, however, certain reporting obligations apply and the investment may become subject to review by the BaFin, the European Central Bank and other competent authorities. For more information see Item 10: Additional Information Notification Requirements.

Taxation

The following is a summary of material German and United States federal income tax consequences of the ownership and disposition of shares for a resident of the United States for purposes of the income tax convention between the United States and Germany (the Treaty) who is fully eligible for benefits under the Treaty. A U.S. resident will generally be entitled to Treaty benefits if it is:

- the beneficial owner of shares (and of the dividends paid with respect to the shares);
- an individual resident of the United States, a U.S. corporation, or a partnership, estate or trust to the extent its income is subject to taxation in the United States in its hands or in the hands of its partners or beneficiaries;

not also a resident of Germany for German tax purposes; and

not subject to anti-treaty shopping articles under German domestic law or the Treaty that apply in limited circumstances.

The Treaty benefits discussed below generally are not available to shareholders who hold shares in connection with the conduct of business through a permanent establishment in Germany. The summary does not discuss the treatment of those shareholders.

The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular shareholder, including tax considerations that arise from rules of general application or that are generally assumed to be known by shareholders. In particular, the summary deals only with shareholders that will hold shares as capital assets and does not address the tax treatment of shareholders that are subject to special rules, such as fiduciaries of pension, profit-sharing or other employee benefit plans, banks, insurance companies, dealers in securities or currencies, persons that hold shares as a position in a straddle, conversion transaction, synthetic security or other integrated financial transaction, persons that elect mark-to-market treatment, persons that own, directly or indirectly, 10 % or more of our voting stock, persons that hold shares through a partnership or hybrid entity and persons whose functional currency is not the U.S. dollar. The summary is based on German and U.S. laws, treaties and regulatory interpretations, including in the United States current and proposed U.S. Treasury regulations as of the date hereof, all of which are subject to change (possibly with retroactive effect).

Shareholders should consult their own advisors regarding the tax consequences of the ownership and disposition of shares in light of their particular circumstances, including the effect of any state, local or other national laws.

Taxation of Dividends

Dividends that we pay are subject to German withholding tax at an aggregate rate of 26.375 % (consisting of a 25 % withholding tax and a 1.375 % surcharge). Under the Treaty, a U.S. resident will be entitled to receive a refund from the German tax authorities of 11.375 in respect of a declared dividend of 100. For example, for a declared dividend of 100, a U.S. resident initially will receive 73.625 and may claim a refund from the German tax authorities of 11.375 and, therefore, receive a total cash payment of 85 (i.e., 85 % of the declared dividend). For U.S. tax purposes, a U.S. resident will be deemed to have received total dividends of 100. The gross amount of dividends that a U.S. resident receives (which includes amounts withheld in respect of German withholding tax) generally will be subject to U.S. federal income taxation as foreign source dividend income, and will not be eligible for the dividends received deduction generally allowed to U.S. corporations. German withholding tax at the 15 % rate provided under the Treaty will be treated as a foreign income tax that, subject to generally applicable limitations under U.S. tax law, is eligible for credit against a U.S. resident s U.S. federal income tax liability or, at its election, may be deducted in computing taxable income. Thus, for a declared dividend of 100, a U.S. resident will be deemed to have paid German taxes of 15. A U.S. resident cannot claim credits for German taxes that would have been refunded to it if it had filed a claim for refund. Foreign tax credits will not be allowed for withholding taxes imposed in respect of certain short-term or hedged positions. The creditability of foreign withholding taxes may be limited in certain situations, including where the burden of foreign taxes is separated inappropriately from the related foreign income.

Subject to certain exceptions for short-term and hedged positions, qualified dividends received by certain non-corporate U.S. shareholders will generally be subject to taxation in the United States at a lower rate than other ordinary income. Dividends received will be qualified dividends if we (i) are eligible for the benefits of a comprehensive income tax treaty with the United States that the U.S. Internal Revenue Service (IRS) has approved for purposes of the qualified dividend rules and (ii) were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (PFIC). The Treaty has been approved for purposes of the qualified dividend rules, and we believe we qualify for benefits under the Treaty. The determination of whether we are a PFIC must be made annually and is dependent on the particular facts and circumstances at the time. It requires an analysis of our income and valuation of our assets, including goodwill and other intangible assets. Based on our audited financial statements and relevant market and shareholder data, we believe that we were not a PFIC for U.S. federal income tax purposes with respect to our taxable years ended December 31, 2013 or December 31, 2014. In addition, based on our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not currently anticipate becoming a PFIC for our taxable year ending December 31, 2015, or for the foreseeable future. However, the PFIC rules are complex and their application to financial services companies is unclear. Each U.S. shareholder should consult its own tax advisor regarding the potential applicability of the PFIC regime to us and its implications for their particular circumstances.

If a U.S. resident receives a dividend paid in euros, it will recognize income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If dividends are converted into U.S. dollars on the date of receipt, a U.S. resident generally should not be required to recognize foreign currency gain or loss in respect of the dividend income but may be required to recognize foreign currency gain or loss on the receipt of a refund in respect of German withholding tax to the extent the U.S. dollar value of the refund differs from the U.S. dollar equivalent of that amount on the date of receipt of the underlying dividend.

Refund Procedures

To claim a refund, a U.S. resident must submit, within four years from the end of the calendar year in which the dividend is received, a claim for refund to the German tax authorities together with the original bank voucher (or certified copy thereof) issued by the paying entity documenting the tax withheld. For dividends received after 2011, the claim for refund must be accompanied by a withholding tax certificate (Kapitalertragsteuerbescheinigung) on an officially prescribed form and issued by the institution that withheld the tax.

Claims for refunds are made on a special German claim for refund form (Form E-USA), which must be filed with the German tax authorities: Bundeszentralamt für Steuern, An der Küppe 1, D-53225 Bonn, Germany. The German claim for refund forms may be obtained inter alia from the German tax authorities at the same address where the applications are filed or can be downloaded from the homepage of the Bundeszentralamt für Steuern (www.bzst.bund.de). A U.S. resident must also submit to the German tax authorities a certification (on IRS Form 6166) with respect to its last filed U.S. federal income tax return. Requests for IRS Form 6166 are made on IRS Form 8802, which requires payment of a user fee. IRS Form 8802 and its instructions can be obtained from the IRS website at www.irs.gov. Instead of the individual refund procedure described above, a U.S. resident may use an IT-supported quick-refund procedure (Datenträgerverfahren DTV / Data Medium Procedure DMP). If the U.S. resident s bank or broker elects to participate in the DMP, it will perform administrative functions necessary to claim the Treaty refund for the beneficiaries. The refund beneficiaries must provide specified information to the DMP participant and confirm to the DMP participant that they meet the conditions of the Treaty provisions and that they authorize the DMP participant to file applications and receive notices and payments on their behalf.

The refund beneficiaries also must provide a certification of filing a tax return on IRS Form 6166 with the DMP participant. In addition, if the individual refund procedure requires a withholding tax certificate (see above), such certificate is generally also necessary under the DMP.

The German tax authorities reserve the right to audit the entitlement to tax refunds for several years following their payment pursuant to the Treaty in individual cases. The DMP participant must assist with the audit by providing the necessary details or by forwarding the queries to the respective refund beneficiaries/shareholders.

The German tax authorities will issue refunds denominated in euros. In the case of shares held through banks or brokers participating in the Depository Trust Company, the refunds will be issued to the Depository Trust Company, which will convert the refunds to U.S. dollars. The resulting amounts will be paid to banks or brokers for the account of holders.

If a U.S. resident holds its shares through a bank or broker who elects to participate in the DMP, it could take at least three weeks for it to receive a refund after a combined claim for refund has been filed with the German tax authorities. If a U.S. resident files a claim for refund directly with the German tax authorities, it could take at least eight months for it to receive a refund. The length of time between filing a claim for refund and receipt of that refund is uncertain and we can give no assurances as to when any refund will be received.

Taxation of Capital Gains

Under the Treaty, a U.S. resident will not be subject to German capital gains tax in respect of a sale or other disposition of shares. For U.S. federal income tax purposes, a U.S. holder will recognize capital gain or loss on the sale or other disposition of shares in an amount equal to the difference between such holder s tax basis in the shares and the U.S. dollar value of the amount realized from their sale or other disposition. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the shares were held for more than one year. The net amount of long-term capital gain realized by an individual generally is subject to taxation at a lower rate than ordinary income. Any such gain generally would be treated as income arising from sources within the United States; any such loss would generally be allocated against U.S. source income. The ability to offset capital losses against ordinary income is subject to limitations.

Shareholders whose shares are held in an account with a German bank or financial services institution (including a German branch of a non-German bank or financial services institution) are urged to consult their own advisors. This summary does not discuss their particular tax situation.

United States Information Reporting and Backup Withholding

Dividends and payments of the proceeds on a sale of shares, paid within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding unless the U.S. resident (i) is a corporation or other exempt recipient or (ii) provides a taxpayer identification number and certifies (on IRS Form W-9) that no loss of exemption from backup withholding has occurred. Shareholders that are not U.S. persons generally are not subject to information reporting or backup withholding.

However, a non-U.S. person may be required to provide a certification (generally on IRS Form W-8BEN or W-8BEN-E) of its non-U.S. status in connection with payments received in the United States or through a U.S.-related financial intermediary.

Backup withholding tax is not an additional tax, and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder s U.S. federal income tax liability, provided the required information is furnished to the IRS.

Shareholders may be subject to other U.S. information reporting requirements. Shareholders should consult their own advisors regarding the application of U.S. information reporting rules in light of their particular circumstances.

German Gift and Inheritance Taxes

Under the current estate, inheritance and gift tax treaty between the United States and Germany (the Estate Tax Treaty), a transfer of shares generally will not be subject to German gift or inheritance tax so long as the donor or decedent, and the heir, donee or other beneficiary, were not domiciled in Germany for purposes of the Estate Tax Treaty at the time the gift was made, or at the time of the decedent s death, and the shares were not held in connection with a permanent establishment or fixed base in Germany.

The Estate Tax Treaty provides a credit against U.S. federal estate and gift tax liability for the amount of inheritance and gift tax paid in Germany, subject to certain limitations, where shares are subject to German inheritance or gift tax and United States federal estate or gift tax.

Other German Taxes

There are presently no German net wealth, transfer, stamp or other similar taxes that would apply to a U.S. resident as a result of the receipt, purchase, ownership or sale of shares.

Dividends and Paying Agents

Not required because this document is filed as an annual report.

Statement by Experts

Not required because this document is filed as an annual report.

Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended. In accordance with these requirements, we file reports and other information with the Securities and Exchange Commission. You may inspect and copy these materials, including this document and its exhibits, at the Commission s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the materials from the Public Reference Room at prescribed rates. You may obtain information on the operation of the Commission s Public Reference Room by calling the Commission in the United States at 1-800-SEC-0330. Our Securities and Exchange Commission filings are also available over the Internet at the Securities and Exchange Commission s website at www.sec.gov under File Number 001-15242.

Subsidiary Information

Not applicable.

Item 11: Quantitative and Qualitative Disclosures about Credit, Market and Other Risk

For Quantitative and Qualitative Disclosures about Credit Market and Other Risk, please see Management Report: Risk Report beginning on page 56 of the Financial Report.

Please see pages S-1 through S-14 of the Supplemental Financial Information, which pages are incorporated by reference herein, for information required by SEC Industry Guide 3.

Item 12: Description of Securities other than Equity Securities

Not required because this document is filed as an annual report and our ordinary shares are not represented by American Depositary Receipts.

PART II

Item 13: Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14: Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15: Controls and Procedures

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of our management, including our Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of December 31, 2014. There are, as described below, inherent limitations to the effectiveness of any control system, including disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives. Based upon such evaluation, our Co-Chief Executive Officers and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective as of December 31, 2014.

Management s Annual Report on Internal Control over Financial Reporting

Management of Deutsche Bank Aktiengesellschaft, together with its consolidated subsidiaries, is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of our co-principal executive officers and our principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm s financial statements for external reporting purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as endorsed by the European Union. As of December 31, 2014, management conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the assessment performed, management has determined that our internal control over financial reporting as of December 31, 2014 was effective based on the COSO framework (2013).

KPMG AG Wirtschaftsprüfungsgesellschaft, the registered public accounting firm that audited the financial statements included in this document, has issued an attestation report on our internal control over financial reporting, which attestation report is set forth below.

Report of Independent Registered Public Accounting Firm

To the Supervisory Board of

Deutsche Bank Aktiengesellschaft:

We have audited Deutsche Bank Aktiengesellschaft and subsidiaries (the Company or Deutsche Bank) internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Annual Report on Internal Control over Financial Reporting . Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Deutsche Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Deutsche Bank Aktiengesellschaft and subsidiaries on pages 312 to 455 of the Financial Report as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2014, including the disclosures described in Note 1 to the Consolidated Financial Statements as being part of the financial statements and our report dated March 6, 2015 expressed an unqualified opinion on those consolidated financial statements.

Frankfurt am Main, Germany

March 6, 2015

KPMG AG

Wirtschaftsprüfungsgesellschaft

Change in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation referred to above that occurred during the year ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

For 2013 and prior years, management s assessment of the effectiveness of internal control over financial reporting was conducted based on the framework established in Internal Control Integrated Framework (1992) issued by COSO in 1992. In 2013, COSO issued a revised version of its framework. For the year ended December 31, 2014, our management conducted its assessment based on the COSO framework (2013). In 2013 and 2014, we revised certain elements of our approach to internal control over financial reporting to support the transition to the COSO framework (2013). Because of the evolutionary nature of the revisions, we have determined that they did not constitute a change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. As such, disclosure controls and procedures or systems for internal control over financial reporting may not prevent all error and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and any design may not succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 16A: Audit Committee Financial Expert

Please see Management Report: Corporate Governance Statement/Corporate Governance Report: Auditing and Controlling: Audit Committee Financial Expert on page 504 of the Financial Report.

Item 16B: Code of Ethics

Please see Management Report: Corporate Governance Statement/Corporate Governance Report: Auditing and Controlling: Code of Business Conduct and Ethics on pages 504 and 505 of the Financial Report.

Item 16C: Principal Accountant Fees and Services

Please see Management Report: Corporate Governance Statement/Corporate Governance Report: Auditing and Controlling: Principal Accountant Fees and Services on pages 505 and 506 of the Financial Report.

Item 16D: Exemptions from the Listing Standards for Audit Committees

Our common shares are listed on the New York Stock Exchange, the corporate governance rules of which require a foreign private issuer such as us to have an audit committee that satisfies the requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934. These requirements include a requirement that the audit committee be composed of members that are independent of the issuer, as defined in the Rule, subject to certain exemptions, including an exemption for employees who are not executive officers of the issuer if the employees are elected or named to the board of directors or audit committee pursuant to the issuer s governing law or documents, an employee collective bargaining or similar agreement or other home country legal or listing requirements. The German Co-Determination Act of 1976 (Mitbestimmungsgesetz) requires that the shareholders elect half of the members of the supervisory board of large German companies, such as us, and that employees in Germany elect the other half. Employee-elected members are typically themselves employees or representatives of labor unions representing employees. Pursuant to law and practice, committees of the Supervisory Board are typically composed of both shareholder- and employee-elected members. Of the current members of our Audit Committee, three Henriette Mark, Gabriele Platscher and Bernd Rose are current employees of Deutsche Bank who have been elected as Supervisory Board members by the employees. None of them is an executive officer. Accordingly, their service on the Audit Committee is permissible pursuant to the exemption from the independence requirements provided for by paragraph (b)(1)(iv)(C) of the Rule. We do not believe the reliance on such exemption would materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of the Rule.

Item 16E: Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In 2014, we repurchased a total of 28,615,000 shares, of which 4 million via derivatives, for group purposes pursuant to share buybacks authorized by the General Meeting. During the period from January 1, 2014 until the 2014 Annual General Meeting on May 22, 2014, we repurchased 11,367,000, of which 4 million via derivatives, of our ordinary shares pursuant to the authorization granted by the Annual General Meeting on May 23, 2013, at an average price of 33.65 and for a total consideration of 382 million. This authorization was replaced by a new authorization to buy back shares approved by the Annual General Meeting on May 22, 2014. Under the new authorization, up to 101,949,964 shares may be repurchased through April 30, 2019. Of these, 50,974,982 shares may be purchased by using derivatives. During the period from the 2014 Annual General Meeting until December 31, 2014, we repurchased 17,248,000 shares at an average price of 25.84 and for a total consideration of 446 million (excluding option premium). At December 31, 2014, the number of shares held in Treasury from buybacks totaled 101,034 shares. This figure stems from nine shares at the beginning of the year, plus 28.6 million shares from buybacks in 2014, less 28.5 million shares which were used to fulfill delivery obligations in the course of share-based compensation of employees. We did not cancel any shares in 2014.

In addition to these share buybacks for group purposes, pursuant to a shareholder authorization approved at our 2014 Annual General Meeting, we are authorized to buy and sell, for the purpose of securities trading, our ordinary shares through April 30, 2019, provided that the net number of shares held for this purpose at the close of any trading day may not exceed 5 % of our share capital on that day. The gross volume of these securities trading transactions is often large, and even the net amount of such repurchases or sales may, in a given month, be large, though over longer periods of time such transactions tend to offset and are in any event constrained by the 5 % of share capital limit. These securities trading transactions consist predominantly of transactions on major non-U.S. securities exchanges. We also enter into derivative contracts with respect to our shares.

The following table sets forth, for each month in 2014 and for the year as a whole, the total gross number of our shares repurchased by us and our affiliated purchasers (pursuant to both activities described above), the total gross number of shares sold, the net number of shares purchased or sold, the average price paid per share (based on the gross shares repurchased), the number of shares that were purchased for group purposes mentioned above and the maximum number of shares that at that date remained eligible for purchase under such programs.

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Issuer Purchases of Equity Securities in 2014

Month	Total number of shares purchased	Total number of shares sold	Net number of shares purchased or (sold)	Average price paid per share (in)	Number of shares purchased for group purposes (incl. derivatives)	Maximum number of shares that may yet be purchased under plans or programs
January	50,261,898	42,790,051	7,471,847	37.28	7,400,000	74,585,164
February	30,702,305	38,092,415	(7,390,110)	34.54	3,967,000	70,618,164
March	18,670,913	18,743,818	(72,905)	32.56	0	70,618,164
April	7,890,646	7,795,311	95,335	32.00	0	70,618,164
May	16,800,580	16,801,819	(1,239)	30.42	0	101,949,964
June	30,587,502	30,583,160	4,342	27.79	0	101,949,964
July	46,448,394	36,131,059	10,317,335	26.31	10,340,000	91,609,964
August	36,282,241	46,369,439	(10,087,198)	25.20	6,320,000	85,289,964
September	25,122,243	25,110,296	11,947	27.53	0	85,289,964
October	17,177,548	16,688,644	488,904	24.94	588,000	84,701,964
November	15,603,656	16,212,273	(608,617)	24.95	0	84,701,964
December	15,298,235	15,439,598	(141,363)	25.20	0	84,701,964
Total 2014	310,846,161	310,757,883	88,278	29.55	28,615,000	84,701,964

At December 31, 2014, our issued share capital consisted of 1,379,273,131 ordinary shares, of which 1,379,012,949 were outstanding and 260,182 were held by us in treasury.

On June 5, 2014, Deutsche Bank AG issued 59.9 million new common shares at 29.20 per share, resulting in total proceeds of 1.7 billion. The shares were issued with full dividend rights for the year 2014 from authorized capital and without pre-emptive rights. The shares were placed with Paramount Services Holdings Ltd., an investment vehicle ultimately beneficially owned and controlled by His Excellency Sheikh Hamad bin Jassim Bin Jabor al Thani.

On June 25, 2014, Deutsche Bank AG completed a capital increase from authorized capital against cash contributions through a public offering with subscription rights. In total, 299.8 million new common shares were issued, resulting in total proceeds of 6.8 billion. The shares were issued with full dividend rights for the year 2014. 99.1 % of the subscription rights were exercised and thus 297.1 million new shares were issued at the subscription price of 22.50 per share. The remaining 2.8 million new shares were sold in the market at an average price of 26.58 per share.

Item 16F: Change in Registrant s Certifying Accountant

Not applicable.

Item 16G: Corporate Governance

Our common shares are listed on the New York Stock Exchange, as well as on all seven German stock exchanges. Set forth below is a description of the significant ways in which our corporate governance practices differ from those applicable to U.S. domestic companies under the New York Stock Exchange s listing standards as set forth in its Listed Company Manual (the NYSE Manual).

The Legal Framework. Corporate governance principles for German stock corporations (Aktiengesellschaften) are set forth in the German Stock Corporation Act (Aktiengesetz), the German Co-Determination Act of 1976 (Mitbestimmungsgesetz) and the German Corporate Governance Code (Deutscher Corporate Governance Kodex, referred to as the Code).

The Two-Tier Board System of a German Stock Corporation. The Stock Corporation Act provides for a clear separation of management and oversight functions. It therefore requires German stock corporations to have both a Supervisory Board (Aufsichtsrat) and a Management Board (Vorstand). These boards are separate; no individual may be a member of both. Both the members of the Management Board and the members of the Supervisory Board must exercise the standard of care of a diligent business person to the company. In complying with this standard of care they are required to take into account a broad range of considerations, including the interests of the company and those of its shareholders, employees and creditors.

The Management Board is responsible for managing the company and representing the company in its dealings with third parties. The Management Board is also required to ensure appropriate risk management within the corporation and to establish an internal monitoring system. The members of the Management Board, including its chairperson or speaker, are regarded as peers and share a collective responsibility for all management decisions.

The Supervisory Board appoints and removes the members of the Management Board. It also may appoint a chairperson of the Management Board. Although it is not permitted to make management decisions, the Supervisory Board has comprehensive monitoring functions, including advising the company on a regular basis and participating in decisions of fundamental importance to the company. To ensure that these monitoring functions are carried out properly, the Management Board must, among other things, regularly report to the Supervisory Board with regard to current business operations and business planning, including any deviation of actual developments from concrete and material targets previously presented to the Supervisory Board. The Supervisory Board may also request special reports from the Management Board at any time. Transactions of fundamental importance to the company, such as major strategic decisions or other actions that may have a fundamental impact on the company s assets and liabilities, financial condition or results of operations, may be subject to the consent of the Supervisory Board. Pursuant to our Articles of Association (Satzung), such transactions include the granting of powers of attorney without limitation to the affairs of a specific office, major acquisitions or disposals of real estate or participations in companies and granting of loans and acquiring participations if the Banking Act (Kreditwesengesetz) requires approval by the Supervisory Board.

Pursuant to the Co-Determination Act, our Supervisory Board consists of representatives elected by the shareholders and representatives elected by the employees in Germany. Based on the total number of Deutsche Bank employees in Germany these employees have the right to elect one-half of the total of twenty Supervisory Board members. The chairperson of the Supervisory Board of Deutsche Bank is a shareholder representative who has the deciding vote in the event of a tie.

This two-tier board system contrasts with the unitary board of directors envisaged by the relevant laws of all U.S. states and the New York Stock Exchange listing standards for U.S. companies.

The Group Executive Committee of Deutsche Bank is a body that is not specified by the Stock Corporation Act. It has been created by the Management Board under its terms of reference and serves as a tool to coordinate the corporate divisions and regional management with the Management Board. It comprises the members of the Management Board and senior representatives from regions, corporate divisions and certain infrastructure and control functions appointed by the Management Board. The Co-Chairmen of the Management Board, Messrs. Fitschen and Jain, are also the Co-Chairmen of the Group Executive Committee. It reviews the development of the businesses, discusses matters of group strategy and prepares recommendations for decision by the Management Board. Functional committees assist the Management Board in executing cross-divisional strategic management, resource allocation, control and risk management.

German companies which have their shares listed on a stock exchange must report each year on the company s corporate governance in their annual report to shareholders.

The Recommendations of the Code. The Code was issued in 2002 by a commission composed of German corporate governance experts appointed by the German Federal Ministry of Justice in 2001. The Code was last amended in June 2014 and, as a general rule, will be reviewed annually and amended if necessary to reflect international corporate governance developments. The Code describes and summarizes the basic mandatory statutory corporate governance principles found in the provisions of German law. In addition, it contains supplemental recommendations and suggestions for standards on responsible corporate governance intended to reflect generally accepted best practice.

The Code addresses six core areas of corporate governance. These are (1) shareholders and shareholders meetings, (2) the cooperation between the Management Board and the Supervisory Board, (3) the Management Board, (4) the Supervisory Board, (5) transparency and (6) financial reporting and audits.

The Code contains three types of provisions. First, the Code describes and summarizes the existing statutory, i.e., legally binding, corporate governance framework set forth in the Stock Corporation Act and in other German laws. Those laws and not the incomplete and abbreviated summaries of them reflected in the Code must be complied with. The second type of provisions is recommendations. While these are not legally binding, Section 161 of the Stock Corporation Act requires that any German exchange-listed company declare annually that the recommendations of the Code have been adopted by it or which recommendations have not been adopted. The third type of Code provisions comprises suggestions which companies may choose not to adopt without disclosure. The Code contains a significant number of such suggestions, covering almost all of the core areas of corporate governance it addresses.

In their last Declaration of Conformity of October 29, 2014, the Management Board and the Supervisory Board of Deutsche Bank stated that they will act in conformity with the recommendations of the Code. The Declaration of Conformity is available on Deutsche Bank s internet website at www.deutsche-bank.com/corporate-governance.

Supervisory Board Committees. The Supervisory Board may form committees. The Co-Determination Act requires that the Supervisory Board form a mediation committee to propose candidates for the Management Board in the event that the two-thirds majority of the members of the Supervisory Board needed to appoint members of the Management Board is not met.

The Stock Corporation Act specifically mentions the possibility to establish an audit committee to handle issues of accounting and risk management, compliance, auditor independence, the engagement and compensation of outside auditors appointed by the shareholders meeting and the determination of auditing focal points. The Code recommends establishing such an audit committee . Since 2007 the Code also recommends establishing a nomination committee comprised only of shareholder elected Supervisory Board members to prepare the Supervisory Board s proposals for the election or appointment of new shareholder representatives to the Supervisory Board. The Code also includes suggestions on the subjects that may be handled by Supervisory Board committees, including corporate strategy, compensation of the members of the Management Board, investments and financing. Under the Stock Corporation Act, any Supervisory Board committee must regularly report to the Supervisory Board. Sections 25d (7) to (12) of the German Banking Act require, depending on size and complexity of the respective credit institution, the establishment of Supervisory Board committees with specific tasks to be performed as follows: Risk Committee (Section 25d (8)), Audit Committee (Section 25d (9)), Nomination Committee (with different tasks and composition requirements than under the Code) (Section 25d (11)) and Compensation Control Committee (Section 25d (12)).

The Supervisory Board of Deutsche Bank has established a Chairman s Committee (Präsidialausschuss) which is responsible for conclusion, amendment and termination of employment and pension contracts in consideration of the plenary Supervisory Board s sole authority to decide on the remuneration of the members of the Management Board, a Nomination Committee (Nominierungsausschuss), an Audit Committee (Prüfungsausschuss), a Risk Committee (Risikoausschuss), an Integrity Committee (Integritätsausschuss), a Compensation Control Committee (Vergütungskontrollausschuss) and the required Mediation Committee (Vermittlungsausschuss). The functions of a nominating/corporate governance committee and of a compensation committee required by the NYSE Manual for U.S. companies listed on the NYSE are therefore performed by the Supervisory Board or one of its committees, in particular the Chairman s Committee, the Compensation Control Committee and the Mediation Committee.

Independent Board Members. The NYSE Manual requires that a majority of the members of the board of directors of a NYSE listed U.S. company and each member of its nominating/corporate governance, compensation and audit committees be independent according to strict criteria and that the board of directors determines that such member has no material direct or indirect relationship with the company.

As a foreign private issuer, Deutsche Bank is not subject to these requirements. However, its audit committee must meet the more lenient independence requirement of Rule 10A-3 under the Securities Exchange Act of 1934. German corporate law does not require an affirmative independence determination, meaning that the Supervisory Board need not make affirmative findings that audit committee members are independent. However, the Stock Corporation Act requires that at least one member of the supervisory board or, if an audit committee is established, such audit committee, must be independent and have expertise in accounting and audit matters, unless all members have been appointed before May 29, 2009. Moreover, both the Stock Corporation Act and the Code contain several rules, recommendations and suggestions to ensure the Supervisory Board s independent advice to, and supervision of, the Management Board. As noted above, no member of the Management Board may serve on the Supervisory Board (and vice versa). Supervisory Board members will not be bound by directions or instructions from third parties. Any advisory, service or similar contract between a member of the Supervisory Board and the company is subject to the Supervisory Board s approval. A similar requirement applies to loans granted by the company to a Supervisory Board member or other persons, such as certain members of a Supervisory Board member s family. In addition, the Stock Corporation Act prohibits a person who within the last two years was a member of the management board from becoming a member of the supervisory board of the same company unless he or she is elected upon the proposal of shareholders holding more than 25 % of the voting rights of the company.

The Code also recommends that each member of the Supervisory Board inform the Supervisory Board of any conflicts of interest which may result from a consulting or directorship function with clients, suppliers, lenders or other business partners of the stock corporation. In the case of material conflicts of interest or ongoing conflicts, the Code recommends that the mandate of the Supervisory Board member be removed by the shareholders meeting. The Code further recommends that any conflicts of interest that have occurred be reported by the Supervisory Board at the Annual General Meeting, together with the action taken, and that potential conflicts of interest also be taken into account in the nomination process for the election of Supervisory Board members.

Audit Committee Procedures. Pursuant to the NYSE Manual the audit committee of a U.S. company listed on the NYSE must have a written charter addressing its purpose, an annual performance evaluation, and the review of an auditor s report describing internal quality control issues and procedures and all relationships between the auditor and the company. The Audit Committee of Deutsche Bank operates under written terms of reference and reviews the efficiency of its activities regularly.

Disclosure of Corporate Governance Guidelines. Deutsche Bank discloses its Articles of Association, the Terms of Reference of its Management Board, its Supervisory Board, the Chairman s Committee, the Audit Committee, the Risk Committee, the Integrity Committee, the Compensation Control Committee and the Nomination Committee, its Declaration of Conformity under the Code and other documents pertaining to its corporate governance on its internet website at www.deutsche-bank.com/corporate-governance.

Item 16H: Mine Safety Disclosure

Not applicable.

Disclosures Under Iran Threat Reduction and Syria Human Rights Act of 2012

Under Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the U.S. Securities Exchange Act of 1934, as amended, an issuer of securities registered under the Securities Exchange Act of 1934 is required to disclose in its periodic reports filed under the Securities Exchange Act of 1934 certain of its activities and those of its affiliates relating to Iran and to other persons sanctioned by the U.S. under programs relating to terrorism and proliferation of weapons of mass destruction that occurred during the period covered by the report. We describe below a number of potentially disclosable activities of Deutsche Bank AG and its affiliates. Disclosure is generally required regardless of whether the activities, transactions or dealings were conducted in compliance with applicable law.

Legacy Financing Arrangements. Despite having ceased entering into new business in or with Iran in 2007, we continue to be engaged as lender, sponsoring bank and/or facility agent or arranger in several long-term financing agreements relating to the construction or acquisition of plant or equipment for the petroleum and petrochemical industries, under which Iranian entities were the direct or indirect borrowers. Before 2007, as part of banking consortia, we entered into a number of financing arrangements, three of which remained outstanding as of December 31, 2014, with the National Petrochemical Company (NPC) and its group entities as borrowers. The latest final maturity under these loan facilities is in 2019. These loan facilities were guaranteed by national export credit agencies representing two European governments. In principle, the obligations of the borrowers under these loan facilities are secured by assignments of receivables from oil and oil products exported by NPC and/or its trading subsidiaries to buyers, mostly in Asia. These delivery obligations, however, were waived for the period covered by this report, because of the current sanctions environment. For some of these arrangements, we act as escrow agent, holding escrow accounts for the Iranian borrowers mentioned above, into which receivables are, in principle, paid by the buyers of the oil and oil products. During the period covered by this report, no such receivables were paid to the said escrow accounts. Such accounts are pledged in favor of the relevant banking consortium. We have no involvement in the contractual arrangements related to, or in the physical settlement of, the oil and oil product exports mentioned above. Iranian entities in whose names the escrow accounts are held are not permitted to draw on such accounts, either because they are sanctioned parties or, where this is not the case, because of our business decision to not allow access to such accounts in light of the overall sanctions environment.

During 2014, approximately 1.0 million was paid into the escrow account. We, in our role as agent, distributed to the participants in the banking consortia 45 million including portions attributable to us totaling 5.9 million.

We received approximately 2.6 million of repayments in principal and approximately 4,000 interest in 2014 with respect to transactions in which we were a lender but not an agent or arranger.

In one financing arrangement, we are not ourselves a lender but act rather as agent for a lender, a state-owned development bank. In this capacity, we received fees from the Iranian borrower of approximately 2,000 and passed them on to the lender.

We generated revenues in 2014 of approximately 2.2 million in respect of these financing arrangements, of which approximately 1.9 million consisted of escrow account revenues, 0.2 million consisted of loan interest revenues and 34,000 consisted of fee revenues. The net profits were less than these amounts. This amount includes the revenues from BHF-BANK s business related to Iran attributable to the time it still was our subsidiary. BHF-BANK was acquired as part of the acquisition of the Sal. Oppenheim Group in March 2010 and was sold by us effective March 26, 2014.

As of December 31, 2014, we have an undrawn commitment of approximately 1.3 million under one of the financing agreements referred to above. Due to the export credit agency coverage, this remainder cannot be cancelled without German government approval, for which we have applied but which we have not yet received. We do not intend to make further disbursements upon this undrawn commitment.

Our portion of the outstanding principal amount of the remaining loan facilities amounted to approximately 25 million as of December 31, 2014. We intend to continue pursuing repayment and fulfilling our administrative role under these agreements, but we do not intend to engage in any new extensions of credit to these or other Iranian entities.

Legacy Contractual Obligations Related to Guarantees and Letters of Credit. Prior to 2007, we provided guarantees to a number of Iranian entities. In almost all of these cases, we issued counter-indemnities in support of guarantees issued by Iranian banks because the Iranian beneficiaries of the guarantees required that they be backed directly by Iranian banks. In 2007, we made a decision to discontinue issuing new guarantees to Iranian or Iran-related beneficiaries. Although the pre-existing guarantees stipulate that they must be either extended or honored if we receive such a demand and we are legally not able to terminate these guarantees, we decided in 2011 to reject any extend or pay demands under such guarantees. Even though we exited, where possible, many of these guarantees, guarantees with an aggregate face amount of approximately 7.6 million are still outstanding as of year-end 2014. The gross revenues from this business in 2014 were approximately 76,000 and the net profit we derived from these activities was less than this amount. This amount includes revenues of BHF-BANK, which was sold in March 2014.

We also have outstanding legacy guarantees in relation to a Syrian bank sanctioned by the U.S. under its non-proliferation program. The aggregate face amount of these legacy guarantees was approximately 11.1 million as of December 31, 2014, the gross revenues received from non-Syrian parties for these guarantees were approximately 110,000 in 2014 and the net profit we derived from these activities was less than this amount. This amount includes revenues of BHF-BANK, which was sold in March 2014. In one case we paid cancellation fees of less than 400 to the frozen account of the Syrian bank. The amount of legacy guarantees related to this Syrian bank is higher than the amount reported for 2013 (which was 9.0 million) because an analysis initiated in 2014 identified additional legacy guarantees, dating from or before 2007, with regard to this Syrian bank booked in one of the Bank s (non-German) European locations.

We intend to exit these guarantee arrangements as soon as possible.

Payments Received. In 2014, we received less than 80 payments adding up to approximately 19 million in favor of non-Iranian clients in Germany, the Netherlands and Belgium, which payments stemmed ultimately from relevant Iranian entities. Revenues for these incoming payments were less than 20,000. These figures include relevant payments in favor of clients of our subsidiary Postbank. We expect that we will also have to execute such transactions in the future.

On behalf of one of our clients in Poland we transferred to an account of the Iranian embassy in Poland, held by another bank, one payment of approximately 100. We do not intend to make such payments in the future.

Operations of Iranian Bank Branches and Subsidiaries in Germany and/or France. Several Iranian banks, including Bank Melli Iran, Bank Saderat, Bank Tejarat and Europäisch-Iranische Handelsbank, have branches or offices in Germany and/or France, even though their funds and other economic resources are frozen under European law. As part of the payment clearing system in Germany and other European countries, when these branches or offices need to make payments in Germany or Europe to cover their day-to-day operations such as rent, taxes, insurance premia and salaries for their remaining staff, or for any other kind of banking-related operations necessary to wind down their legacy trade business, the German Bundesbank and French banks accept fund transfers from these Iranian banks and disburse them to the applicable (mainly German) payees, some of whom hold accounts with us. In 2014, we received approximately 14.1 million in such disbursements in approximately 1,000 transactions via the German Bundesbank and French banks in respect of payments from the above-mentioned Iranian banks, and the gross revenues derived from these payments were less than 5,000. Relevant transactions of our subsidiary Postbank are included in these figures. We expect that we will also have to execute such transactions in the future.

Based on discussions initiated by the German Bundesbank, in 2014 BHF-BANK continued to maintain accounts for Bank Sepah s branch in Frankfurt, Germany. These accounts were frozen under European sanctions law. Until BHF-BANK was sold in March 2014 the total volume of outgoing payments from these accounts was approximately 0.5 million, which payments were made with the involvement of the competent authorities in Germany under applicable law. The gross revenues from this activity attributable to this time were approximately 3,500 and the net profits were less than this amount.

Maintaining of Accounts for Iranian Consulates and Embassies. In 2014, Iranian embassies and consulates in Germany and the Netherlands were holding accounts with us as well as with Postbank. This includes the provision by a subsidiary of Postbank to the Iranian consulate of girocard (debitcard/ATM)-terminals as well as the processing of transactions of cardholders using the terminals; the terminals are used to facilitate the payment of fees for the issuance of visas and other administrative measures by the consulate. The additional purpose of these accounts was the funding of day-to-day operational costs of the embassies and consulates, such as salaries, rent, and electricity. One of the account relationships was between Deutsche Bank Netherlands N.V. and the Agent Bureau of the Embassy of the Islamic Republic of Iran in The Hague (which is responsible for all Iran-U.S. Claims Tribunal activities). The total volume of outgoing payments from these accounts was approximately 32.5 million in 2014, which payments were made with the involvement of the competent authorities in the relevant European countries under applicable law. We derived gross revenues of approximately 51,000 and net profits which were less than this amount from these activities. The relevant European governments have requested that we continue to provide these services in the future to enable the Government of Iran to conduct its diplomatic relations.

Relationships with Corporate Clients. We maintain a business relationship with one corporate client registered in Germany who was sanctioned by the United States in the first quarter of 2014 pursuant to Executive Order 13382. We did not terminate this relationship but imposed several restrictive measures to mitigate the relevant risks. On October 16, 2014, the client s name was removed from the U.S. Office of Foreign Asset Control s Specially Designated Nationals List. Until that day the generated revenues derived from this relationship were less than 7,000 and the net profits were less than this amount.

Activities of Entities in Which We Have Interests. Section 13(r) requires us to provide the specified disclosure with respect to ourselves and our affiliates, as defined in Exchange Act Rule 12b-2. Although we have minority equity interests in certain entities that could arguably result in these entities being deemed affiliates, we do not have the authority or the legal ability to acquire in every instance the information from these entities that would be necessary to determine whether they are engaged in any disclosable activities under Section 13(r). In some cases, legally independent entities are not permitted to disclose the details of their activities to us because of German privacy and data protection laws or the applicable banking laws and regulations. In such cases, voluntary disclosure of such details could violate such legal and/or regulatory requirements and subject the relevant entities to criminal prosecution or regulatory investigations.

PART III

Item 17: Financial Statements

Not applicable.

Item 18: Financial Statements

The Financial Statements of this Annual Report on Form 20-F consist of the Consolidated Financial Statements including Notes 1 to 45 thereto, which are set forth as Part 2 of the Financial Report, and, as described in Note 1 Significant Accounting Policies and Critical Accounting Estimates thereto in the third paragraph under Basis of Accounting , certain parts of the Management Report set forth as Part 1 of the Financial Report. Such Consolidated Financial Statements have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, as described in their Report of Independent Registered Public Accounting Firm included on page 455 of the Financial Report.

Item 19: Exhibits

We have filed the following documents as exhibits to this document.

Exhibit number	Description of Exhibit
1.1	English translation of the Articles of Association of Deutsche Bank AG, furnished as Exhibit 99.4 to our Report on Form 6-K dated July 29, 2014 and incorporated by reference herein.
2.1	The total amount of long-term debt securities of us or our subsidiaries authorized under any instrument does not exceed 10 percent of the total assets of our Group on a consolidated basis. We hereby agree to furnish to the Commission, upon its request, a copy of any instrument defining the rights of holders of long-term debt of us or of our subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.
4.1	Equity Plan Rules 2011, furnished as Exhibit 4.3 to our 2010 Annual Report on Form 20-F and incorporated by reference herein.
4.2	Equity Plan Rules 2012, furnished as Exhibit 4.4 to our 2011 Annual Report on Form 20-F and incorporated by reference herein.
4.3	Equity Plan Rules 2013, furnished as Exhibit 4.4 to our 2012 Annual Report on Form 20-F and incorporated by reference herein.
4.4	Equity Plan Rules 2014, furnished as Exhibit 4.5 to our 2013 Annual Report on Form 20-F and incorporated by reference herein.
4.5	Equity Plan Rules 2015.
7.1	Statement re Computation of Ratio of Earnings to Fixed Charges of Deutsche Bank AG for the periods ended December 31, 2014, 2013, 2012, 2011 and 2010 (also incorporated as Exhibit 12.9 to Registration Statement No. 333-184193 of Deutsche Bank AG).
8.1	List of Subsidiaries.
12.1	Principal Executive Officer Certifications Required by 17 C.F.R. 240.13a-14(a).
12.2	Principal Executive Officer Certifications Required by 17 C.F.R. 240.13a-14(a).
12.3	Principal Financial Officer Certifications Required by 17 C.F.R. 240.13a-14(a).
13.1	Chief Executive Officer Certification Required by 18 U.S.C. Section 1350.
13.2	Chief Executive Officer Certification Required by 18 U.S.C. Section 1350.
13.3	Chief Financial Officer Certification Required by 18 U.S.C. Section 1350.
14.1	Legal Opinion regarding confidentiality of related party customers.
15.1	Consent of KPMG AG Wirtschaftsprüfungsgesellschaft.

Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: March 20, 2015

Deutsche Bank Aktiengesellschaft

/s/ JUERGEN FITSCHEN

Juergen Fitschen

Co-Chairman of the Management Board

/s/ ANSHUMAN JAIN

Anshuman Jain

Co-Chairman of the Management Board

/s/ STEFAN KRAUSE

Stefan Krause

Member of the Management Board

Chief Financial Officer

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Management Report

Operating and Financial Review

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes to them. Our Operating and Financial Review includes qualitative and quantitative disclosures on Segmental Results of Operations and Entity Wide disclosures on Net Revenue Components as required by International Financial Reporting Standard (IFRS) 8, Operating Segments . This information, which forms part of and is incorporated by reference into the financial statements of this report, is marked by a bracket in the margins throughout this Operating and Financial Review. For additional Business Segment disclosure under IFRS 8 please refer to Note 4 Business Segments and Related Information of the Consolidated Financial Statements.

Executive Summary

The Global Economy

We estimate that growth of the global economy remained relatively weak at 3.4 % on an annual average in 2014, which was unchanged compared to the year before. After reaching its peak on the previous year at 3.6 % in the first quarter of 2014, growth declined to 3.3 % over the remainder of the year.

On an annual average, growth in industrialized countries accelerated in 2014, while growth in emerging market countries slowed. The economic output growth of industrialized countries is estimated to have increased from 1.2 % in 2013 to 1.7 % in 2014. The reduction in household debt continued to curb growth, especially in the eurozone. The major central banks maintained their extremely expansionary monetary policies, which supported the global economy. Key interest rates remained at historically low levels in 2014, and extensive quantitative easing provided additional stimulus.

In 2014, the eurozone continued its moderate recovery, which had begun mid-2013. After falling by 0.4 % in 2013, GDP rose by 0.9 % on an annual average in 2014, driven primarily by consumer spending. German economic growth accelerated from 0.1 % in 2013 to 1.6 % in 2014. After stagnation over the summer, growth accelerated markedly in the fourth quarter. The German economy is supported by the solid trend in consumer spending, driven by record employment levels and sound real income growth. In response to concerns about a negative feedback loop resulting from weak inflation, a de-anchoring of inflation expectations and a weak banking system that was restricting the credit supply, the European Central Bank (ECB) decided to adopt an even more expansionary policy in 2014. Over the course of the year, the ECB cut its key interest rates to 0.05 %, made liquidity available to the banks via targeted longer-term refinancing operations (TLTROs) and, towards the end of the year, launched a program to purchase covered bonds and asset-backed securities.

Despite the weather-related decline in GDP in the first quarter of 2014, U.S. economic growth accelerated slightly from 2.2 % in 2013 to 2.4 % in 2014. This was thanks to the continuous improvement in employment figures, the fracking boom as well as positive wealth effects from the ongoing recovery of the real estate market and the sharp rise in prices on the stock markets. Growth was also stimulated by the Federal Reserve s expansionary monetary policy. In light of the sound economic trend, the Fed scaled back its asset purchases during 2014 before terminating the program entirely in October.

In Japan, growth declined from 1.6 % in 2013 to stagnation in 2014. This was largely due to the increase in sales tax from 5 % to 8 % in April 2014. The Japanese economy continued to receive support from the country s extremely expansionary fiscal and monetary policies, the first two pillars of Abenomics . However, the comprehensive structural reforms that constitute the third pillar of Abenomics have, for the most part, still not been implemented.

Economic activity in the emerging market countries slowed from 5.0 % in 2013 to an estimated 4.6 % in 2014. This was partly due to the relatively weak external demand, but also to restrictions on the supply side, for example, slower growth in labor supply and the capital stock. Growth was weaker in all regions, with the sharpest decline in Latin America.

We estimate that economic growth in Asia (excluding Japan) has slightly weakened from 6.6 % in 2013 to 6.5 % in 2014. After growth of 7.7 % in 2013, China s economy expanded by just 7.4 % in 2014, largely as a result of the downturn on the real estate market. Thanks to investor-friendly reforms in India by the new government under Prime Minister Modi, the Indian economy grew at an estimated 7.2 %, which was stronger than in 2013 with 6.9 %.

In the emerging market economies of Eastern Europe, the Middle East and Africa, growth slowed from 2.6 % in 2013 to an estimated 2.2 % in 2014. Growth in Russia declined from 1.3 % in 2013 to 0.6 % in 2014 as a result of the weak trend in commodity prices and sanctions in response to the Ukraine crisis.

We estimate that economic activity in Latin America grew by just 0.8 % in 2014, down from 2.5 % in 2013. In Brazil, political uncertainty surrounding the presidential elections, an interventionist economic policy, high inflation and weak commodity prices had a dampening effect. As a result, we estimate that the Brazilian economy merely stagnated in 2014, following growth of 2.5 % in 2013.

The Banking Industry

On balance, 2014 was characterized by moderate progress for the banking industry. At the same time, the sharp contrast between Europe and the U.S. continued.

In Europe, lending to households edged up again over the course of the year, while the decline in the volume of lending to firms gradually slowed. Overall, however, there was a moderate decline in private sector lending. On the deposit side, business was remarkably stable given the increasingly serious repercussions of the low interest-rate environment and further cuts in key interest rates. There was consistently strong growth in corporate deposits as well as solid growth in retail deposits. In Germany, both corporate and household lending volumes increased slightly over the course of the year, once again outperforming the eurozone as a whole. In 2014, banks in Europe were far more active in debt funding markets than in the extremely weak preceding years, even though the volume remained below the average over the past decade. At the same time, demand for the ECB s targeted longer term refinancing operations (TLTROs) was limited. Total assets of eurozone banks saw a moderate increase for the first time since 2011, rising about 2.5 % in the year.

In the U.S., the contrast between corporate and retail lending was even more pronounced in 2014, with a double-digit expansion in the volume of loans to firms compared with sluggish growth in retail loans. There was, however, a solid increase in consumer loans, while mortgages declined slightly. The issuance of mortgage-backed securities also fell substantially on the previous year, highlighting the fact that, for the most part, the recent rises in real estate prices in the U.S. were not credit-driven. Banks deposit volumes again increased sharply in 2014, although the pace of growth slowed suddenly at the end of the year.

Executive Summary

Global investment banking delivered a relatively solid performance in 2014, resulting largely from a significant increase in equity origination and a slight increase in bond origination. M&A activity surged. Consequently, both equity underwriting and M&A volumes recorded their highest level since the boom year 2007. Fixed-income trading contracted in 2014. By contrast, equity trading picked up. Revenues in corporate finance increased across the board with the exception of the syndicated loan business, which saw a slight decline. From a regional perspective, revenues in Asia and Europe rose particularly sharply in 2014, albeit from a relatively weak starting point.

Global asset management continued to benefit from growing wealth of high net-worth clients in all key regions. This was largely due to strong stock and bond market gains. The yield on ten-year German government bonds plummeted over the course of the year from just below 2 % to 0.5 %, marking several all-time lows. By contrast, important share indices in North America and Europe reached record highs. Increased market volatility particularly in the second half of the year, with considerable fluctuation in commodity prices (notably the decline in oil prices) and exchange rates, is likely to have had a positive effect on the business.

With regard to changes in banking regulation and financial supervision, in 2014 the focus in Europe was on preparations for the Banking Union, which was launched at the end of the year with the start of the single supervisory mechanism led by the ECB. Prior to the launch, Europe s largest banks underwent a comprehensive balance-sheet assessment and stress test, which enhanced the transparency and cross-border comparability of bank data. In addition, the EU adopted new rules governing the recovery and resolution of failed banks, in which the principle of creditor bail-in plays a key role. In the U.S., a potential increase in capital requirements was again on the agenda, which fuelled a global debate on total loss-absorbing capacity (TLAC). Banks on both sides of the Atlantic continued to be plagued by numerous litigation and enforcement issues, with settlements sometimes involving considerable financial burdens.

Overall, U.S. banks were once again very profitable with net profits matching historical peak levels thanks to a stable trend in the operating business and another slight decline in loan loss provisions. By contrast, the profitability of European banks remained unsatisfactory in light of stagnating revenue levels and increasing expenditures, a decline in the cost of risk notwithstanding.

Deutsche Bank Performance

In 2014 we continued to invest in the bank s future growth and in further strengthening our capital base. Revenues remained stable despite challenging markets. While we made progress on OpEx savings, costs were negatively affected by required regulatory spending. We expect 2015 to be a year of further challenges and disciplined implementation; however, we will continue to work diligently towards our 2015 targets and to our strategic vision for Deutsche Bank.

The financial highlights for the Group in the period and key performance indicators can be summarized as follows:

Group net revenues of 31.9 billion in 2014, up 34 million versus 2013;
Income before income taxes of 3.1 billion, up 1.7 billion versus 2013;
Net income increased to 1.7 billion in 2014; up 1.0 billion versus 2013;
Cost/income ratio (reported) was 86.7 %, down from 89.0 % in 2013. Cost/income ratio (adjusted) was 74.4 %, up from 72.5 % in 2013;
CRR/CRD 4 fully loaded Common Equity Tier 1 ratio was 11.7 % at the end of 2014;
Post-tax return on average active equity (reported) was 2.7 %, up from 1.2 % in 2013. Post-tax return on average active equity (adjusted) was 7.1 %, down from 7.7 % in 2013;
CRR/CRD 4 fully loaded leverage ratio was 3.5 % at year-end 2014;
CRR/CRD 4 fully loaded risk-weighted assets of 394 billion as of December 31, 2014.

Executive Summary

Our Group Key Performance Indicators are as follows:

Group Key Performance Indicators	Status end of 2014	Status end of 2013
Post-tax return on average active equity (reported) [1]	2.7%	1.2%
Post-tax return on average active equity (adjusted) [2]	7.1%	7.7%
Cost/income ratio (reported)[3]	86.7%	89.0%
Cost/income ratio (adjusted)[4]	74.4%	72.5%
Cost savings[5]	3.3 bn	2.1 bn
Costs to achieve savings[6]	2.9 bn	1.8 bn
CRR/CRD 4 fully loaded Common Equity Tier 1 ratio[7]	11.7%	9.7%
Fully loaded CRR/CRD 4 leverage ratio[8]	3.5%	2.4%[9]

1 Based on Net Income attributable to Deutsche Bank shareholders.
2 Based on Net Income attributable to Deutsche Bank shareholders, adjusted for litigation, CtA, impairment of goodwill and intangible assets, other severances and CRR/CRD 4 Credit Valuation Adjustment (CVA)/Debt Valuation Adjustment (DVA)/Funding Valuation Adjustment (FVA). Calculation is based on an adjusted tax rate of 34 % for year ended December 31, 2014 and 36 % for year ended December 31, 2013.
3 Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.
4 Based on noninterest expenses, adjusted for litigation, CtA, impairment of goodwill and intangible assets, policyholder benefits and claims, other severances and other divisional specific cost one-offs; divided by reported revenues.
5 Cost savings resulting from the implementation of the OpEx program.
6 Costs-to-achieve (CtA) savings are costs which are directly required for the realisation of savings in the OpEx program.
7 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents our calculation of our Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4. Further detail on the calculation of this ratio is provided in the Risk Report.
8 Further detail on the calculation of this ratio is provided in the Risk Report.
9 Does not take into account recent revisions to the leverage exposure calculation under CRR/CRD 4.

Income before income taxes grew significantly year on year to 3.1 billion driven by solid performances in the Core businesses, plus lower provision for credit losses and reduced litigation costs compared to 2013 as the resolution of some matters was pushed beyond 2014.

Net revenues in 2014 were 31.9 billion, up 34 million from 2013. Despite market challenges, CB&S, GTB and PBC reported increased net revenues in 2014, while Deutsche AWM reported a slight revenue decrease following mark-to-market movements on policyholder positions in Abbey Life. NCOU revenues were down year on year, primarily impacted by a decreasing portfolio following de-risking activities.

Noninterest expenses in 2014 were 27.7 billion, down 2 % from 2013, benefitting primarily from lower litigation costs. In addition policyholder benefits & claims fell, savings were realized from the OpEx program, and restructuring activity costs decreased. However, compensation and benefits were higher compared to 2013, mainly driven by costs to comply with regulatory compensation requirements.

OpEx program annual cost savings of 3.3 billion were achieved in 2014, above the 2.9 billion target for 2014. Cumulative costs to achieve were 2.9 billion (thereof 1.2 billion spent in 2014, 1.3 billion spent in 2013 and 0.5 billion spent in 2012). However, the prevailing business environment and additional regulatory cost challenges had an adverse impact on our adjusted cost-income ratio and adjusted post-tax return on average active equity.

Our capital position strengthened with a fully loaded Common Equity Tier 1 ratio of 11.7 %, in excess of our strategy 2015+ target. Additionally the fully loaded CRR/CRD 4 leverage ratio was 3.5 % at the end of 2014 based on a CRR/CRD 4 leverage exposure of 1,445 billion as of December 31, 2014.

Deutsche Bank met the requirements of the Comprehensive Assessment conducted by the European Central Bank (ECB) in 2014. The assessment comprised an Asset Quality Review (AQR) and a Stress Test which modeled the capital adequacy of the Bank under different stress scenarios. The assessment reaffirmed that our capital base exceeds regulatory requirements, even under severe market stress conditions, and underlined the quality of our asset base. The AQR adjustments identified were not material in nature and did not result in changes to the reported results or ratios.

Deutsche Bank Group

Deutsche Bank: Our Organization

Headquartered in Frankfurt am Main, Germany, we are the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of 1,709 billion as of December 31, 2014. As of that date, we employed 98,138 people on a full-time equivalent basis and operated in 71 countries out of 2,814 branches worldwide, of which 66 % were in Germany. We offer a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

Following a comprehensive strategic review, we realigned our organizational structure in the fourth quarter 2012. We reaffirmed our commitment to the universal banking model and to our four existing corporate divisions. We strengthened this emphasis with an integrated Deutsche Asset & Wealth Management Corporate Division that includes former Corporate Banking & Securities businesses such as exchange-traded funds (ETFs). Furthermore, we created a Non-Core Operations Unit. This unit includes the former Group Division Corporate Investments (CI) as well as non-core operations which were re-assigned from other corporate divisions.

As of December 31, 2014 we were organized into the following five corporate divisions:

- Corporate Banking & Securities (CB&S)
- Private & Business Clients (PBC)
- Global Transaction Banking (GTB)
- Deutsche Asset & Wealth Management (Deutsche AWM)
- Non-Core Operations Unit (NCOU)

The five corporate divisions are supported by infrastructure functions. In addition, we have a regional management function that covers regional responsibilities worldwide.

We have operations or dealings with existing or potential customers in most countries in the world. These operations and dealings include:

- subsidiaries and branches in many countries;
- representative offices in many other countries; and
- one or more representatives assigned to serve customers in a large number of additional countries.

Management Structure

We operate the five corporate divisions and the infrastructure functions under the umbrella of a virtual holding company . We use this term to mean that, while we subject the corporate divisions to the overall supervision of our Management Board, which is supported by infrastructure functions, we do not have a separate legal entity holding these five corporate divisions but we nevertheless allocate substantial managerial autonomy to them. To support this structure, key governance bodies function as follows:

The Management Board has the overall responsibility for the management of Deutsche Bank, as provided by the German Stock Corporation Act. Its members are appointed and removed by the Supervisory Board, which is a separate corporate body. Our Management Board focuses on strategic management, corporate governance, resource allocation, risk management and control, assisted by functional committees.

The Group Executive Committee was established in 2002. It comprises the members of the Management Board and senior representatives from our regions, corporate divisions and certain infrastructure functions appointed by the Management Board. The Group Executive Committee is a body that is not required by the

Stock Corporation Act. It serves as a tool to coordinate our businesses and regions, discusses Group strategy and prepares recommendations for Management Board decisions. It has no decision making authority.

Within each corporate division and region, coordination and management functions are handled by operating committees and executive committees, which helps ensure that the implementation of the strategy of individual businesses and the plans for the development of infrastructure areas are integrated with global business objectives.

Corporate Divisions

Corporate Banking & Securities Corporate Division

Corporate Division Overview

CB&S is made up of the business divisions Corporate Finance and Markets. These businesses offer financial products worldwide including the underwriting of stocks and bonds, trading services for investors and the tailoring of solutions for companies financial requirements.

The CB&S businesses are supported by the Credit Portfolio Strategies Group (CPSG), which has responsibility for a range of loan portfolios and, from 2013, centralized the hedging of certain uncollateralized counterparty derivative exposures, actively managing the risk of these through the implementation of a structured hedging regime.

As part of the ongoing optimization of our business model, in response to the changing market and regulatory environment, we continued to evaluate our business portfolio, adapting it to reflect current market opportunities and meet client needs. In that context, at the end of 2014, we announced the cessation of most trading in single name credit default swaps (CDS) and physical precious metals.

During the fourth quarter of 2013, the decision was taken to scale down and discontinue elements of the commodities business. The portfolios containing discontinued activities were aggregated under the Special Commodities Group (SCG), which was subsequently transferred from CB&S to NCOU in the first quarter of 2014. SCG contains assets, liabilities and contingent risks related to Energy, Agriculture, Base Metals and Dry Bulk exposures. The continued commodities business remains in CB&S.

Effective in November 2012, following a comprehensive strategic review of the Group s organizational structure, CB&S was realigned as part of the Group s new banking model. This realignment covered three main aspects: the transfer of non-core assets (namely correlation and capital intensive securitization positions, monoline positions, and IAS 39 reclassified assets) to the NCOU; the transfer of passive and third-party alternatives businesses, such as ETF s, into the newly integrated Deutsche AWM Corporate Division; and a refinement of coverage costs between CB&S and GTB.

We have made the following significant capital expenditures or divestitures since January 1, 2012:

In December 2014, we completed the sale of 75 % of a U.S.$ 2.5 billion portfolio of U.S. special situation commercial real estate loans to a fund managed by the Texas Pacific Group. Deutsche Bank retains a 25 % stake in the portfolio and continues to originate and acquire new loans in the U.S. special situations commercial real estate market.

In June 2014, Markit Ltd., a provider of financial data and trade processing services, initiated its listing on NASDAQ Stock Market via a sale of shares from existing shareholders. As part of this listing, we sold 5.8 million of the 11.6 million shares (5.7 %) we held in Markit.

In June 2012, we completed the sale of DB Export Leasing GmbH to Interoute Communications Limited.

In March 2012, we completed the sale of our U.S. multi-family financing business (Deutsche Bank Berkshire Mortgage) to a group led by Lewis Ranieri and Wilbur L. Ross, in line with our desire to focus on our core business strengths in the U.S.

Products and Services

Within our Corporate Finance Business Division, our clients are offered mergers and acquisitions, equity and debt financing and general corporate finance advice. In addition, we provide a variety of financial services to the public sector.

The Markets Business Division is responsible for the sales, trading and structuring of a wide range of fixed income, equity, equity-linked, foreign exchange and commodities products. The division aims to deliver solutions for the investing, hedging and other needs of customers. As part of increasing the efficiency of the business, our Rates, Flow Credit and FX businesses now operate as an integrated business with a single management team. The Structured Finance business encompasses non-flow financing and structured risk for clients across all industries and asset classes.

All our trading activities are covered by our risk management procedures and controls which are described in detail in the Risk Report.

Distribution Channels and Marketing

In CB&S, the focus of our corporate and institutional coverage bankers and sales teams is on our client relationships. We have restructured our client coverage model so as to provide varying levels of standardized or dedicated services to our customers depending on their needs and level of complexity.

Private & Business Clients Corporate Division

Corporate Division Overview

PBC operates under a single retail banking business model across Europe and selected Asian markets. PBC serves retail and affluent clients as well as small and medium sized business customers.

The PBC Corporate Division comprises three business units under one strategic steering, supported by a joint services and IT platform:

- Private & Commercial Banking, which comprises all of PBC s activities in Germany under the Deutsche Bank brand;
- Advisory Banking International, which covers PBC s activities in Europe (outside Germany) and Asia including our stake in and partnership with Hua Xia Bank; and
- Postbank, which comprises, among other businesses, Postbank, norisbank and BHW.

PBC continued to focus on realizing potential from the Private & Commercial Banking business unit by leveraging the integrated commercial banking coverage model for small and medium sized corporate clients. This enables us to capture new opportunities from small and medium sized business clients by improving PBC s client proximity and cross-divisional collaboration leveraging the expertise of Deutsche Bank Group.

In Continental Europe we operate our Advisory Banking International business unit in five major banking markets: Italy, Spain, Poland, Belgium and Portugal. In Asia, India and China are our core markets. In India, PBC operates a branch network of seventeen branches supported by a mobile sales force. In China, we hold a 19.99 % stake in the Hua Xia Bank, with which we have a strategic partnership and cooperation agreement.

Postbank continues to operate in the market with its own brand. We continued our integration of Postbank into PBC and we seek to significantly strengthen our joint business model and to generate revenue and cost synergies.

We have made the following significant capital expenditures or divestitures since January 1, 2012:

In October 2014, we contributed ownership of the real estate of 90 retail banking branches in Italy to a closed-end institutional real estate fund, Italian Banking Fund (IBF) managed by Hines Italy SGR. The contributed real estate had a total value of 134 million and will mostly be leased back for a period of at least 12 years.

In May 2014, we completed the sale of a 20.2 % stake in Deutsche Herold AG to Zürich Beteiligungs AG, a subsidiary of Zurich Insurance Group AG. Deutsche Bank acquired the 20.2 % stake from a third party immediately ahead of selling it to Zurich. 15.2 % of the disposal to Zurich was based on a share purchase agreement that was entered into by DB and Zurich in 2001. The remaining 5.0 % stake was sold due to Zurich exercising a call option.

In March 2012, Postbank and our wholly owned subsidiary DB Finanz-Holding GmbH (DB Finanz-Holding) agreed to enter into a domination and profit and loss transfer agreement according to Section 291 of the German Stock Corporation Act, with DB Finanz-Holding as controlling company and Postbank as dependent. The agreement became effective in June 2012 and reached final legal validity on September 11, 2012. The share in Postbank held at the end of 2014 is 94.1 %.

In February 2012, we exchanged a mandatorily-exchangeable bond issued by Deutsche Post in February 2009 into 60 million Postbank shares (and cash) and one day later Deutsche Post exercised its option to sell to us an additional 12.1 % of the share capital in Postbank. Together with shares held at this point in time, our ownership in Postbank increased to 93.7 %.

Products and Services

PBC offers a similar range of banking products and services throughout Europe and Asia, with some variations among countries that are driven by local market, regulatory and customer requirements.

We offer Investment and Insurance, Mortgages, Business Products, Consumer Finance, Payments, Cards & Accounts, Deposits and mid-cap related products provided by other divisions as part of our mid-cap joint venture, as well as postal services and non-bank products in Postbank.

Our investment products cover the full range of brokerage products (equities, bonds), mutual/closed-end funds (single- and multi-assets), structured products as well as discretionary portfolio management and securities custody services. In addition we provide life- and non-life insurance products as well as corporate pension schemes to our clients.

We offer standard to complex mortgage solutions and our mortgage product portfolio is complemented by publicly subsidized mortgages, mortgage brokerage and mortgage-related insurance. Our business products focus on managing transactions, risk and liquidity for our clients. In commercial banking and international services we optimize cash flow and market volatility for our clients and support their business expansions. In addition our loan product offering consists of personal installment loans, credit lines and overdrafts as well as point of sale (POS) business.

Our payments, cards and account products provide domestic, international and SEPA payments, debit, credit and prepaid cards as well as current accounts for private clients and business clients. Our deposits portfolio consists of sight deposits, term deposits and savings.

Our lending businesses are subject to our credit risk management processes. Please see the Monitoring Credit Risk and Main Credit Exposure Categories sections in the Risk Report.

Distribution Channels and Marketing

In following a client-centric banking approach, we seek to optimize the interaction with our customers as well as the accessibility and availability of our services. PBC uses a broad multi-channel approach to serve its customers and distribute financial solutions depending on local strategic positioning and business model.

- Branches: Within our branches, we generally offer the entire range of products and advice.
- Financial Agents: In most countries, we additionally market our retail banking products and services through self-employed financial agents.
- Customer Contact Centers: Our Customer Contact Centers provide clients with remote services (i.e., account information, securities brokerage) supported by automated systems.
- Online and Mobile Banking: On our websites, we offer clients a broad variety of relevant product information and services including interactive tools, tutorials and rich media content. We provide a high performing transaction-platform for banking, brokerage and self-services, combined with a highly frequented multi-mobile offering for smartphones and tablets. Moreover, we further invest in improvements of selected digital capabilities. This digitization program is being rolled out in all our businesses.
- Self-service Terminals: These terminals support our branch network and allow clients to withdraw and transfer funds, receive custody account statements and make appointments with our financial advisors.

Moreover, we enter into country-specific distribution and cooperation arrangements. In Germany, we maintain cooperation partnerships with companies such as DP DHL (Postbank cooperation) and Deutsche Vermögensberatung AG (DVAG). With DVAG, we distribute our mutual funds and other banking products through DVAG s independent distribution network. In order to complement our product range, we have signed distribution agreements, in which PBC distributes the products of product suppliers. These include an agreement with Zurich Financial Services for insurance products, and product partnerships with thirteen fund companies for the distribution of their investment products.

To achieve a strong brand position internationally, we market our services consistently throughout the European and Asian countries we consider to be part of our strategic focus.

Global Transaction Banking Corporate Division

Corporate Division Overview

GTB delivers commercial banking products and services to corporate clients and financial institutions, including domestic and cross-border payments, financing for international trade, lending, as well as the provision of trust, agency, depositary, custody and related services. Our business divisions consist of:

- Trade Finance and Cash Management Corporates
- Institutional Cash and Securities Services

We have made the following significant capital expenditures or divestitures since January 1, 2012:

On February 28, 2014, registrar services GmbH was sold to Link Market Services.

On June 1, 2013, the sale of Deutsche Card Services to EVO Payments International was completed.

Products and Services

Trade Finance offers local expertise, a range of international trade products and services (including financing), custom-made solutions for structured trade and the latest technology across our international network so that our clients can better manage the risks and other issues associated with their cross-border and domestic trades.

Cash Management caters to the needs of a diverse client base of corporates and financial institutions. With the provision of a comprehensive range of innovative and robust solutions, we handle the complexities of global and regional treasury functions including customer access, payment and collection services, liquidity management, information and account services and electronic bill presentation and payment solutions.

Securities Services provides a range of trust, payment, administration and related services for selected securities and financial transactions, as well as domestic securities custody in more than 30 markets.

Distribution Channels and Marketing

GTB develops and markets its own products and services in Europe, the Middle East, Asia and the Americas. The marketing is carried out in conjunction with the coverage functions in this division, in CB&S and in PBC. Leveraging the integrated commercial banking coverage model for small and medium sized corporate clients enables us to capture new opportunities from this client group.

Customers can be differentiated into two main groups: (i) financial institutions, such as banks, mutual funds and retirement funds, broker-dealers, fund managers and insurance companies, and (ii) multinational corporations, large local corporates and medium-sized companies, predominantly in Germany and the Netherlands.

Deutsche Asset & Wealth Management Corporate Division (Deutsche AWM)

Corporate Division Overview

With 1.0 trillion of invested assets as of December 31, 2014, Deutsche AWM is one of the world s leading investment organizations. Deutsche AWM helps individuals and institutions worldwide to protect and grow their wealth, offering traditional active, passive and alternative investments across all major asset classes. Deutsche AWM also provides customized wealth management solutions and private banking services to high-net-worth and ultra-high-net-worth (UHNW) individuals and family offices.

Products and Services

Deutsche AWM s investment capabilities span both active and passive strategies and a diverse array of asset classes including equities, fixed income, real estate, infrastructure, private equity and hedge funds. The division also offers customized wealth management solutions and private banking services, including lending and discretionary portfolio management.

In 2014, Deutsche AWM enhanced its product offering across innovative and high-growth sectors, including expanding products based on the Cash Return on Capital Invested (CROCI) approach, alternative fund offerings and physical replication exchange-traded funds (ETFs), for which it is Europe s second largest provider (source: Deutsche Bank, Bloomberg Finance LP, Reuters). Additionally, through targeted hires, Deutsche AWM increased its private banking and wealth advisory teams to serve UHNW clients worldwide, and added to institutional and retail coverage teams in the Global Client Group.

Distribution Channels and Marketing

Global Coverage/Advisory teams manage client relationships, provide advice and assist clients to access Deutsche AWM s products and services. Deutsche AWM also markets and distributes its offering through other business divisions of Deutsche Bank Group, notably PBC for retail customers and CB&S for selected institutional and corporate clients, as well as through third-party distributors. To ensure holistic service and advice, all clients have a single point of access to Deutsche AWM, with dedicated teams serving specific client groups.

Deutsche AWM created its Key Client Partners (KCP) advisory centers in 2013, to deliver its cross divisional investment banking, corporate banking and asset management capabilities. The global centres give professional investors access to cross-asset class and cross-border investment opportunities and financing solutions in tandem with CB&S.

Non-Core Operations Unit Corporate Division

In the fourth quarter 2012, we established the NCOU to operate as a separate division alongside Deutsche Bank s core businesses. As set out in Strategy 2015+, our objectives in setting up the NCOU are to improve external transparency of our non-core positions; to increase management focus on the core operating businesses by separating the non-core activities; and to facilitate targeted accelerated de-risking.

The NCOU manages assets with a value of approximately 39 billion and fully loaded RWA equivalent of 59 billion, as of December 31, 2014.

In addition to managing our global principal investments and holding certain other non-core assets to maturity, targeted de-risking activities within the NCOU are intended to help us reduce risks that are not related to our planned future strategy, thereby reducing both balance sheet and the associated capital demand. In carrying out these targeted de-risking activities, the NCOU will prioritize for exit those positions with less favorable capital and leverage profiles, which is aligned with the Bank s overall strategic objectives.

The NCOU s portfolio includes activities that are non-core to the Bank s strategy going forward; assets materially affected by business, environment, legal or regulatory changes; assets earmarked for de-risking; assets suitable for separation; assets with significant capital absorption but low returns; and assets exposed to legal risks. In addition, certain liabilities were also assigned to the NCOU following similar criteria to those used for asset selection, e.g. liabilities of businesses in run-off or for sale, legacy bond issuance formats and various other short-dated liabilities, linked to assigned assets.

In RWA terms the majority of NCOU s assets now relate to legacy CB&S assets, and includes credit correlation trading positions, securitization assets, exposures to monoline insurers and assets reclassified under IAS 39. NCOU s portfolio also includes legacy PBC assets such as selected foreign residential mortgages and consumer assets as well as other financial investments no longer deemed strategic for Postbank. The assets previously managed in the former Group Division Corporate Investments relate to the Bank s global principal investment activities which now primarily consist of our stake in the port operator Maher Terminals.

During 2014, the NCOU continued to reduce risks and achieved a 39 % reduction in total assets. Significant disposals were executed from across portfolios, notably the completion of the sales of BHF-BANK and The Cosmopolitan of Las Vegas.

We have made the following significant divestitures since January 1, 2012:

On December 19, 2014, we closed the sale of Nevada Property 1 LLC, the owner of The Cosmopolitan of Las Vegas, to Blackstone Real Estate Partners VII for U.S.$ 1.73 billion, subject to closing purchase price adjustments.

In March 2014, we completed the sale of BHF-BANK to Kleinwort Benson Group and RHJ International for a total consideration of 347 million primarily in cash (316 million) and the remainder in the form of new shares in RHJ International issued at par value. These shares have also subsequently been sold.

In December 2013, our subsidiary Deutsche Postbank AG completed the sale of an approximately £ 1.4 billion UK commercial real estate loan portfolio to GE Capital Real Estate.

In June 2013, our subsidiary PB Capital Corporation, completed the sale of an approximately U.S.$ 3.7 billion commercial real estate loan portfolio to San Francisco based Union Bank, N.A., an indirect subsidiary of Mitsubishi UFJ Financial Group, Inc.

In May 2013, Sicherungseinrichtungsgesellschaft deutscher Banken mbH (SdB) fully repaid the remaining exposure (of which 0.8 billion was allocated to the former Corporate Investments, now part of the NCOU) of ECB-eligible notes guaranteed by the SOFFin (Sonderfonds Finanzmarktstabilisierung, established in October 2008 by the German government in the context of the financial crisis).

In January 2013, we completed the sale of our 15 % participation in Dedalus GmbH & Co. KGaA, through which we indirectly held approximately 1.1 % of the shares in EADS N.V., for a consideration of approximately 250 million.

In October 2012, we exited our exposure to Actavis, the generic pharmaceuticals company, upon completion of Watson Pharmaceuticals acquisition of the company.

Infrastructure and Regional Management

The infrastructure group consists of our centralized business support areas. These areas principally comprise control and service functions supporting our five corporate divisions.

This infrastructure group is organized to reflect the areas of responsibility of those Management Board members that are not in charge of a specific business line. The infrastructure group is organized into COO functions (i.e., Global Technology Operations, Corporate Services and COO Group Function), CFO functions (i.e., Finance, Tax, Insurance and Treasury), CRO functions (i.e., Credit Risk Management and Market Risk Management), CEO functions (i.e., Communications & Corporate Social Responsibility, Deutsche Bank Research, Group Audit), HR, Special Groups & Works Council, Legal & Audit, Compliance, AML & GRAD (Compliance, Anti-Money Laundering, Government & Regulatory Affairs) and Strategy, Organisation & Transformation (VKO).

The Regional Management function covers regional responsibilities worldwide. It focuses on governance, franchise development and performance development. Regional and country heads and management committees are established in the regions to enhance client-focused product coordination across businesses and to ensure compliance with regulatory and control requirements, both from a local and Group perspective. In addition, the Regional Management function represents regional interests at the Group level and enhances cross-regional coordination.

All expenses and revenues incurred within the Infrastructure and Regional Management areas are fully allocated to our five corporate divisions.

Significant Capital Expenditures and Divestitures

Information on each Corporate Division s significant capital expenditures and divestitures from the last three financial years has been included in the above descriptions of the Corporate Divisions.

Since January 1, 2014, there have been no public takeover offers by third parties with respect to our shares and we have not made any public takeover offers in respect of any other company s shares.

Results of Operations

Consolidated Results of Operations

You should read the following discussion and analysis in conjunction with the consolidated financial statements.

Condensed Consolidated Statement of Income

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Net interest income	14,272	14,834	15,975	(562)	(4)	(1,141)	(7)
Provision for credit losses	1,134	2,065	1,721	(931)	(45)	344	20
Net interest income after provision for credit losses	**13,138**	**12,769**	**14,254**	**369**	**3**	**(1,485)**	**(10)**
Commissions and fee income [1]	12,409	12,308	11,809	101	1	500	4
Net gains (losses) on financial assets/liabilities at fair value through profit or loss [1]	4,299	3,817	5,608	481	13	(1,791)	(32)
Net gains (losses) on financial assets available for sale	242	394	301	(152)	(39)	93	31
Net income (loss) from equity method investments	619	369	163	251	68	206	127
Other income (loss)	108	193	(120)	(85)	(44)	313	N/M
Total noninterest income	**17,677**	**17,082**	**17,761**	**596**	**3**	**(679)**	**(4)**
Total net revenues[2]	**30,815**	**29,850**	**32,015**	**965**	**3**	**(2,164)**	**(7)**
Compensation and benefits	12,512	12,329	13,490	183	1	(1,160)	(9)
General and administrative expenses	14,654	15,126	15,017	(472)	(3)	110	1
Policyholder benefits and claims	289	460	414	(172)	(37)	46	11
Impairment of intangible assets	111	79	1,886	33	42	(1,808)	(96)
Restructuring activities	133	399	394	(267)	(67)	5	1

Total noninterest expenses	**27,699**	**28,394**	**31,201**	**(695)**	**(2)**	**(2,807)**	**(9)**
Income before income taxes	**3,116**	**1,456**	**814**	**1,660**	**114**	**642**	**79**
Income tax expense	1,425	775	498	650	84	277	56
Net income	**1,691**	**681**	**316**	**1,010**	**148**	**365**	**116**
Net income attributable to noncontrolling interests	28	15	53	13	83	(37)	(71)
Net income attributable to Deutsche Bank shareholders	1,663	666	263	997	150	403	154

N/M Not meaningful

1 Prior periods have been restated. For further detail please refer to Note 1 Significant Accounting Policies and Critical Accounting Estimates of this report.
2 After provision for credit losses.

Net Interest Income

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	 in %	2013 increase (decrease) from 2012 in m.	 in %
Total interest and similar income	25,001	25,601	31,593	(600)	(2)	(5,992)	(19)
Total interest expenses	10,729	10,768	15,619	(39)	0	(4,851)	(31)
Net interest income	**14,272**	**14,834**	**15,975**	**(562)**	**(4)**	**(1,141)**	**(7)**
Average interest-earning assets [1]	1,040,908	1,136,662	1,250,002	(95,754)	(8)	(113,340)	(9)
Average interest-bearing liabilities [1]	851,714	979,245	1,119,374	(127,531)	(13)	(140,129)	(13)
Gross interest yield[2]	2.40%	2.25%	2.53%	0.15 ppt	7	(0.28) ppt	(11)
Gross interest rate paid[3]	1.26%	1.10%	1.40%	0.16 ppt	15	(0.30) ppt	(21)
Net interest spread[4]	1.14%	1.15%	1.13%	(0.01) ppt	(1)	0.02 ppt	2
Net interest margin[5]	1.37%	1.31%	1.28%	0.06 ppt	5	0.03 ppt	2

ppt Percentage points

1 Average balances for each year are calculated in general based upon month-end balances.
2 Gross interest yield is the average interest rate earned on our average interest-earning assets.
3 Gross interest rate paid is the average interest rate paid on our average interest-bearing liabilities.
4 Net interest spread is the difference between the average interest rate earned on average interest-earning assets and the average interest rate paid on average interest-bearing liabilities.
5 Net interest margin is net interest income expressed as a percentage of average interest-earning assets.

2014

The decrease in net interest income in 2014 of 562 million, or 4 %, to 14.3 billion compared to 14.8 billion in 2013, was primarily driven by lower interest income in NCOU due to asset reductions as a result of our continued de-risking. Overall, the net interest spread decreased by 1 basis point as a result of slightly lower increase of gross interest yield as compared to gross interest rate paid. The net interest margin improved by 6 basis points, mainly due to effects resulting from the aforementioned asset reductions.

2013

The decrease in net interest income in 2013 of 1.1 billion, or 7 %, to 14.8 billion compared to 16.0 billion in 2012, was primarily driven by lower interest income on trading assets in CB&S, due to lower client activity reflecting lower liquidity and ongoing market uncertainty. Another main driver of the decline in net interest income was the accelerated de-risking strategy in NCOU. In PBC, slightly reduced margins and a strategic deposit volume reduction in Postbank also impacted net interest income in 2013. Overall, the net interest spread increased by 2 basis points, following an almost parallel decline in gross interest yield and gross interest rate paid. The net interest margin improved by 3 basis points, mainly due to margin improvements in Germany.

Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss

in m. (unless stated otherwise)	**2014**	**2013**	**2012**	2014 increase (decrease) from 2013 **in m.**	 **in %**	2013 increase (decrease) from 2012 **in m.**	 **in %**
CB&S Sales & Trading (equity)	1,066	1,125	991	(58)	(5)	133	13
CB&S Sales & Trading (debt and other products)	2,487	2,544	4,508	(57)	(2)	(1,964)	(44)
Non-Core Operations Unit	(663)	(374)	(846)	(289)	77	472	(56)
Other	1,408	523	955	886	170	(433)	(45)
Total net gains (losses) on financial assets/ liabilities at fair value through profit or loss	**4,299**	**3,817**	**5,608**	**481**	**13**	**(1,791)**	**(32)**

2014

Net gains on financial assets/liabilities at fair value through profit or loss increased by 481 million to 4.3 billion for the full year 2014. The main driver for this was an increase of 886 million in Other, mainly reflecting mark to market gains from interest rate movements in CB&S which was partly offset by an increase in net losses on financial assets/liabilities at fair value through profit or loss of 289 million in NCOU, which included a loss related to the Special Commodities Group from our exposure to traded products in the U.S. power sector in 2014.

2013

Net gains on financial assets/liabilities at fair value through profit or loss decreased by 1.8 billion to 3.8 billion for the full year 2013. The main driver for this development was a decrease of 2.0 billion in Sales & Trading (debt and other products), which was primarily driven by lower client activity coupled with a challenging trading environment and market uncertainty impacting Rates and Commodities, as well as by lower revenues in Foreign Exchange due to lower volatility and margin compression. In addition, the decrease was significantly driven by a fall of 433 million in Other, mainly reflecting the non-recurrence of a prior year refinement in the calculation methodology of the Debt Valuation Adjustment (DVA) on certain derivative liabilities in CB&S, and the deconsolidation of funds in Deutsche AWM, offset by increases in other revenues categories and C&A. The increase of 472 million in NCOU was due to a decrease in net losses on financial assets/liabilities at fair value through profit or loss, mainly driven by a smaller asset base as a result of an accelerated de-risking strategy and fair value movements on some of our non-core assets. The increase of 133 million in net gains on financial assets/liabilities at fair value through profit or loss in Sales & Trading (equity) was due to increased client activity and an improved market environment resulting in higher revenues from equity trading.

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

Our trading and risk management businesses include significant activities in interest rate instruments and related derivatives. Under IFRS, interest and similar income earned from trading instruments and financial instruments designated at fair value through profit or loss (i.e., coupon and dividend income) and the costs of funding net trading positions are part of net interest income. Our trading activities can periodically shift income between net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss depending on a variety of factors, including risk management strategies.

In order to provide a more business-focused discussion, the following table presents net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss by corporate division and by product within CB&S.

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Net interest income	14,272	14,834	15,975	(562)	(4)	(1,141)	(7)
Total net gains (losses) on financial assets/ liabilities at fair value through profit or loss	4,299	3,817	5,608	481	13	(1,791)	(32)
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**18,570**	**18,651**	**21,583**	**(81)**	**0**	**(2,932)**	**(14)**
Breakdown by Corporate Division/product: [1]							
Sales & Trading (equity)	2,314	2,129	1,732	185	9	397	23
Sales & Trading (debt and other products)	6,685	6,069	7,851	616	10	(1,782)	(23)
Total Sales & Trading	8,998	8,197	9,582	801	10	(1,385)	(14)
Loan products [2]	695	599	182	95	16	418	N/M
Remaining products [3]	(61)	72	589	(133)	N/M	(517)	(88)
Corporate Banking & Securities	9,632	8,869	10,353	764	9	(1,485)	(14)
Private & Business Clients	5,962	5,966	6,220	(4)	0	(254)	(4)
Global Transaction Banking	2,232	1,984	2,016	248	12	(32)	(2)
Deutsche Asset & Wealth Management	1,505	1,568	1,974	(63)	(4)	(406)	(21)
Non-Core Operations Unit	(573)	245	650	(818)	N/M	(405)	(62)

Consolidation & Adjustments	(187)	19	369	(206)	N/M	(350)	(95)
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**18,570**	**18,651**	**21,583**	**(81)**	**0**	**(2,932)**	**(14)**

N/M Not meaningful

[1] This breakdown reflects net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss only. For a discussion of the corporate divisions total revenues by product please refer to Note 4 Business Segments and Related Information .

[2] 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.

[3] Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss of origination, advisory and other products.

Corporate Banking & Securities (CB&S)

2014

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 9.6 billion in 2014, an increase of 764 million, or 9 %, compared to 2013. In Sales & Trading (debt and other products), the main drivers for the increase were higher revenues in RMBS after having been impacted by de-risking activity and challenging market conditions in 2013, mark-to-market gains in relation to RWA mitigation efforts arising on CVA compared to a loss in 2013, and higher revenues in Credit Solutions due to increased financing. The increase in Sales & Trading (equity) in 2014 was primarily driven by client financing balances in Prime Finance and favorable trading conditions in Equity Derivatives. Revenue from Loan products also increased in the year reflecting investment in the Commercial Real Estate business. These revenue increases were partly offset by a decrease in Remaining products, mainly due to a Debt Valuation Adjustment (DVA) loss of 126 million (full year 2013: a loss of 21 million).

2013

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 9.0 billion in 2013, a decrease of 1.5 billion, or 14 %, compared to 2012. This decrease was partly driven by products outside of Sales & Trading. For Remaining products, the decrease was mainly related to the non-recurrence of a refinement in the calculation methodology of the DVA on certain derivative liabilities in 2012. In Sales & Trading (debt and other products), the main drivers for the decrease were lower revenues in RMBS due to de-risking activity undertaken this year, weaker liquidity and market uncertainty, lower revenues in Foreign Exchange due to lower volatility and margin compression and weaker trading revenues in Commodities and Rates. Partly offsetting these were an increase in Loan products due to favourable movements in credit spreads, a lower proportion of lending activity measured at fair value and lower overall hedge costs. The increase in Sales & Trading (equity) in 2013 was primarily driven by non-recurrence of higher dividend payout in 2012 in Equity Derivatives, increased client activity and an improved market environment in Equity Trading business.

Private & Business Clients (PBC)

2014

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 6.0 billion in 2014, a decrease of 4 million, compared to 2013, primarily reflecting a continued challenging interest rate environment in Europe. This was partly offset by the positive impact of a subsequent gain related to a business sale closed in a prior period.

2013

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 6.0 billion in 2013, a decrease of 254 million, or 4 %, compared to 2012. This decrease was primarily due to the ongoing low interest rate environment affecting revenues on deposits and a higher negative impact from purchase price allocation on Postbank.

Global Transaction Banking (GTB)

2014

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 2.2 billion in 2014, an increase of 248 million, or 12 %, compared to 2013. The increase was primarily driven by a change of our hedging instruments to manage the interest rate risk which increases our revenues at fair value through profit or loss but is offset in other revenues. Overall, net interest income remained under pressure due to the low interest rate environment.

2013

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 2.0 billion in 2013, a decrease of 32 million, or 2 %, compared to 2012. Net interest income declined compared to the prior year driven by low interest rate in core markets, and competitive pressure on margins. Furthermore, foreign exchange-movements compared to 2012 adversely impacted the income reported in Euro.

Deutsche Asset & Wealth Management (Deutsche AWM)

2014

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 1.5 billion in 2014, a decrease of 63 million, or 4 %, compared to 2013. Higher net interest revenues in lending, deposits and alternatives were more than offset by an unfavorable change in the fair value of guarantees and negative effects from mark-to-market movements on policyholder positions in Abbey Life.

2013

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 1.6 billion in 2013, a decrease of 406 million, or 21 %, compared to 2012. The decrease in net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss was mainly attributable to the deconsolidation of funds in 2013 and was offset by increases in other revenues categories.

Non-Core Operations Unit (NCOU)

2014

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were a loss of 573 million in 2014, a decrease of 818 million, compared to 2013. The main driver of the decrease was lower net interest revenues due to asset reductions in NCOU as a result of our de-risking strategy. A one-time loss related to the Special Commodities Group from our exposure to traded products in the U.S. power sector during the first quarter 2014 also contributed to the fair value losses.

2013

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were 245 million in 2013, a decrease of 405 million, or 62 %, compared to 2012. The main driver of the decrease was lower portfolio revenues due to asset reductions across all products in the NCOU. This was a result of an accelerated de-risking strategy, leading overall to a reduction in fair value losses.

Consolidation & Adjustments (C&A)

2014

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were a negative 187 million in 2014, compared with a gain of 19 million in 2013. This decrease was largely driven by negative effects from timing differences from different accounting methods used for management reporting and IFRS. This was partially offset by higher income from our capital account, largely resulting from the capital increase.

2013

Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss was a gain of 19 million in 2013, compared with 369 million in 2012. This decrease primarily reflected lower positive effects resulting from timing differences from different accounting methods used for management reporting and IFRS. The remaining decline was mainly due to net interest income which was not allocated to the business segments and items outside the management responsibility of the business segments, for example funding expenses on non-divisionalized assets/liabilities.

Provision for Credit Losses

2014

Provision for credit losses in 2014 was 1.1 billion, down by 931 million, or 45 % versus 2013 reflecting material reductions in all businesses. Reduction in NCOU was driven by decreased provision for credit losses in IAS 39 reclassified and commercial real estate assets. Our Core bank benefited from increased releases and a non-recurrence of large single name bookings.

2013

Provision for credit losses recorded in 2013 increased by 344 million to 2.1 billion. In NCOU, provision for credit losses increased reflecting a number of single client items, including an item related to the European Commercial Real Estate sector. Provision for credit losses also increased in GTB, related to a single client credit event, and in CB&S, from higher charges relating to shipping companies. These increases were partly offset by lower provisions in PBC reflecting the improved credit environment in Germany.

Remaining Noninterest Income

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Commissions and fee income [1]	12,409	12,308	11,809	101	1	500	4
Net gains (losses) on financial assets available for sale	242	394	301	(152)	(39)	93	31
Net income (loss) from equity method investments	619	369	163	251	68	206	127
Other income (loss)	108	193	(120)	(85)	(44)	313	N/M
Total remaining noninterest income	**13,379**	**13,264**	**12,153**	**114**	**1**	**1,111**	**9**

[1] includes							
Commissions and fees from fiduciary activities:							
Commissions for administration	404	435	449	(31)	(7)	(13)	(3)
Commissions for assets under management	3,057	2,963	2,609	94	3	354	14
Commissions for other securities business	283	247	239	36	14	8	3
Total	**3,745**	**3,646**	**3,297**	**98**	**3**	**349**	**11**
Commissions, broker s fees, mark-ups on securities underwriting and other securities activities:							
Underwriting and advisory fees	2,545	2,378	2,318	167	7	60	3
Brokerage fees	1,488	1,542	1,526	(54)	(3)	15	1
Total	**4,033**	**3,920**	**3,844**	**113**	**3**	**76**	**2**
Fees for other customer services	4,632	4,742	4,667	(111)	(2)	76	2
Total commissions and fee income	**12,409**	**12,308**	**11,809**	**101**	**1**	**500**	**4**

N/M Not meaningful

Commissions and fee income

2014

Total Commissions and fee income increased from 12.3 billion in 2013 by 101 million to 12.4 billion in 2014. Advisory revenues were higher than in the prior year reflecting a higher fee pool and market share gains. Fees for assets under management increased due to a favorable development in European & U.S. exchange traded funds. This was offset by a decrease in Fees for other customer services, mainly triggered by changes in regulatory requirements with regard to payment and card fees as well as lower revenues from Postal Services. Additionally a change in the reporting classification of certain product-related expenses resulted in a further decline.

2013

Total Commissions and fee income increased from 11.8 billion in 2012 by 500 million to 12.3 billion in 2013. Commissions for assets under management increased from a favorable development in the leveraged debt markets globally, which benefited from low interest rates. Underwriting and advisory fees as well as brokerage fees and fees for other customer services improved, driven by higher client activity levels and improved market conditions for global equity trading.

Net gains (losses) on financial assets available for sale

2014

Net gains on financial assets available for sale were 242 million in 2014 compared to 394 million in 2013. The decline in 2014 mainly resulted from de-risking activities related to the NCOU.

2013

Net gains on financial assets available for sale were 394 million in 2013 compared to 301 million in 2012. The net gain in 2013 mainly resulted from the de-risking activities related to the NCOU portfolio.

Net income (loss) from equity method investments

2014

Net gains from equity investments increased from 369 million in 2013 to 619 million in 2014. The drivers for this positive effect were prior year impairments in NCOU and an increased equity pick up related to the investment in Hua Xia Bank.

2013

Net gains from equity investments increased from 163 million in 2012 to 369 million in 2013. The result in 2013 included 374 million from an equity pick up related to the investment in Hua Xia Bank.

Other income (loss)

2014

Other income declined from 193 million in 2013 to 108 million in 2014. The decline in 2014 was primarily related to the restructuring of the debt financing of Maher Terminals, which resulted in a reclassification of the cumulative mark-to-market loss from other comprehensive income to other income in NCOU.

2013

Other income improved from negative 120 million in 2012 to positive 193 million in 2013. The improvement in 2013 is predominantly due to NCOU de-risking of portfolios. An impairment related to the expected sale of BHF-BANK was partly offset by continuing positive development of operating profits in Maher Terminals. Losses recorded from derivatives qualifying for hedge accounting were significantly lower than in the prior year.

Noninterest Expenses

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	 in %	2013 increase (decrease) from 2012 in m.	 in %
Compensation and benefits	12,512	12,329	13,490	183	1	(1,160)	(9)
General and administrative expenses [1]	14,654	15,126	15,017	(472)	(3)	110	1
Policyholder benefits and claims	289	460	414	(172)	(37)	46	11
Impairment of intangible assets	111	79	1,886	33	42	(1,808)	(96)
Restructuring activities	133	399	394	(267)	(67)	5	1

Total noninterest expenses	**27,699**	**28,394**	**31,201**	**(695)**	**(2)**	**(2,807)**	**(9)**

N/M Not meaningful
1 includes:

	2014	2013	2012	in m.	in %	in m.	in %
IT costs	3,333	3,074	2,547	259	8	527	21
Occupancy, furniture and equipment expenses	1,978	2,073	2,115	(95)	(5)	(42)	(2)
Professional service fees [2]	2,029	1,772	1,887	256	14	(115)	(6)
Communication and data services [2]	725	706	756	18	3	(50)	(7)
Travel and representation expenses [2]	500	496	579	4	1	(84)	(14)
Banking and transaction charges [2]	660	743	1,274	(83)	(11)	(532)	(42)
Marketing expenses	313	314	362	0	0	(48)	(13)
Consolidated investments	811	797	760	14	2	37	5
Other expenses [2,3]	4,305	5,151	4,736	(846)	(16)	415	9
Total general and administrative expenses	**14,654**	**15,126**	**15,017**	**(472)**	**(3)**	**110**	**1**

2 In 2014, prior period comparatives have been restated in order to reflect changes in the Group s cost reporting.
3 Includes litigation related expenses of 1.6 billion in 2014, 3.0 billion in 2013 and of 2.6 billion in 2012.

Compensation and benefits

2014

Compensation and benefits increased by 183 million, or 1 %, to 12.5 billion in 2014 compared to 12.3 billion in 2013. This primarily reflects higher fixed compensation costs to comply with regulatory requirements, driven significantly by CB&S, as well as strategic hires in our business and control functions. This increase was partly offset by positive effects from the ongoing implementation of OpEx across our Core businesses.

2013

Compensation and benefits decreased by 1.2 billion, or 9 %, to 12.3 billion in 2013 compared to 13.5 billion in 2012. The reduction reflected a reduced deferred award amortization due to lower deferred grants awarded and positive effects from the ongoing implementation of OpEx.

General and administrative expenses

2014

General and administrative expenses decreased by 472 million, or 3 %, to 14.7 billion in 2014 compared to 15.1 billion in 2013. The decrease was primarily driven by lower litigation costs of 1.6 billion compared to 3.0 billion in 2013 as well as savings from the OpEx program. The decrease was partly offset by higher expenses from regulatory requirements, investments in our Core businesses and charges in relation to loan processing fees in PBC.

2013

General and administrative expenses increased by 110 million, or 1 %, from 15.0 billion in 2012 to 15.1 billion in 2013. The increase was primarily driven by higher litigation expenses as well as higher IT costs resulting from cost-to-achieve and project ramp-up costs in 2013. Partly offsetting was the non-recurrence of turnaround measures taken in the Netherlands in 2012. In addition, professional service fees, communication, travel and representation expenses as well as marketing expenses decreased.

Policyholder benefits and claims

2014

Policyholder benefits and claims decreased by 172 million from 460 million in 2013 to 289 million in 2014 and were solely driven by insurance-related charges regarding the Abbey Life business. These charges are offset by net gains on financial assets/liabilities at fair value through profit or loss on policyholder benefits and claims.

2013

Policyholder benefits and claims increased by 46 million from 414 million in 2012 to 460 million in 2013 and were solely driven by insurance-related charges regarding the Abbey Life business. These charges are offset by net gains on financial assets/liabilities at fair value through profit or loss on policyholder benefits and claims.

Impairment of intangible assets

2014

In 2014, the impairment charges on goodwill and intangibles of 111 million were mainly attributable to a 194 million impairment to our Maher Terminal investment, with a partial offset from a write-up on Scudder of 84 million.

2013

In 2013 the impairment charges on goodwill and intangibles of 79 million were mainly attributable to the commercial banking activities in the Netherlands. As in 2012, these charges were incurred in respect of the further execution of the turn-around measures as part of the Strategy 2015+.

Restructuring

2014

Restructuring expenses from our OpEx program decreased by 267 million, or 67 %, to 133 million in 2014 compared to 399 million in 2013.

2013

In 2013, restructuring expenses of 399 million resulted from our OpEx program and were virtually unchanged to the prior year.

Income Tax Expense

2014

In 2014, income tax expense was 1.4 billion versus 775 million in the comparative period. The effective tax rate of 46 % was mainly impacted by non-tax deductible litigation charges and income taxes of prior periods which were partially offset by changes in the recognition and measurement of deferred taxes.

2013

In 2013, income tax expense was 775 million, which led to an effective tax rate of 53 % compared to an income tax expense of 498 million and an effective tax rate of 61 % in 2012. The effective tax rate in each of 2013 and 2012 was impacted by expenses that were not deductible for tax purposes, which for 2012 included impairments of goodwill.

Segment Results of Operations

The following is a discussion of the results of our business segments. See Note 4 Business Segments and Related Information to the consolidated financial statements for information regarding:

- changes in the format of our segment disclosure;
- the framework of our management reporting systems and
- definitions of non-GAAP financial measures that are used with respect to each segment.

The criterion for segmentation into divisions is our organizational structure as it existed at December 31, 2014. Segment results were prepared in accordance with our management reporting systems.

in € m. (unless stated otherwise)	Corporate Banking & Securities	Private & Business Clients	Global Transaction Banking	Deutsche Asset & Wealth Management	Non-Core Operations Unit	Total Management Reporting	Consoli-dation & Adjustments	Total Consolidated
Net revenues[1]	**13,742**	**9,639**	**4,146**	**4,708**	**211**	**32,446**	**(497)**	**31,949**
Provision for credit losses	**103**	**622**	**156**	**(7)**	**259**	**1,133**	**1**	**1,134**
Total noninterest expenses	**10,348**	**7,682**	**2,791**	**3,685**	**2,804**	**27,310**	**389**	**27,699**
thereof:								
Depreciation, depletion and amortization	2	0	0	0	0	2	117	120
Severance payments	46	134	11	10	5	207	36	242
Policyholder benefits and claims	0	0	0	289	0	289	0	289
Restructuring activities	112	9	10	(3)	4	133	0	133
Impairment of intangible assets	0	0	0	(83)	194	111	0	111
Noncontrolling interests	**25**	**1**	**0**	**4**	**(2)**	**28**	**(28)**	**0**
Income (loss) before income taxes	**3,266**	**1,335**	**1,198**	**1,027**	**(2,851)**	**3,975**	**(859)**	**3,116**
Cost/income ratio	75%	80%	67%	78%	N/M	84%	N/M	87%
Assets[2]	1,213,612	258,381	106,252	81,132	38,853	1,698,230	10,474	1,708,703
Expenditures for additions to long-lived assets	0	108	0	1	0	109	517	626
Risk-weighted assets[3]	175,561	79,571	43,265	16,597	58,538	373,532	20,437	393,969
Average active equity	24,204	14,420	5,860	6,454	7,649	58,588	2,037	60,624
Pre-tax return on average active equity	13%	9%	20%	16%	(37)%	7%	N/M	5%
Post-tax return on average active equity[4]	9%	6%	14%	11%	(25)%	N/M	N/M	3%
[1] Includes:								
Net interest income	5,451	5,887	1,875	1,052	90	14,355	(83)	14,272
Net income (loss) from equity method investments	128	431	3	22	34	617	2	619
[2] Includes:								
Equity method investments	521	3,154	50	163	170	4,058	85	4,143

N/M Not meaningful

3 Risk weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded since January 1, 2014.

4 The post-tax return on average active equity at the Group level reflects the reported effective tax rate for the Group, which was 46 % for the year ended December 31, 2014. For the post-tax return on average active equity of the segments, the Group effective tax rate was adjusted to exclude the impact of permanent differences not attributed to the segments, so that the segment tax rates were 34 % for the year ended December 31, 2014.

Results of Operations

in m. (unless stated otherwise)	Corporate Banking & Securities	Private & Business Clients	Global Transaction Banking	Deutsche Asset & Wealth Management	Non-Core Operations Unit	Total Management Reporting	Consoli-dation & Adjustments	2013 Total Consolidated
Net revenues[1]	**13,526**	**9,550**	**4,069**	**4,735**	**964**	**32,844**	**(929)**	**31,915**
Provision for credit losses	**189**	**719**	**315**	**23**	**818**	**2,064**	**0**	**2,065**
Total noninterest expenses	**10,162**	**7,276**	**2,648**	**3,929**	**3,550**	**27,564**	**830**	**28,394**
thereof:								
Depreciation, depletion and amortization	2	0	0	0	2	5	18	23
Severance payments	26	224	8	5	14	278	25	303
Policyholder benefits and claims	0	0	0	460	0	460	0	460
Restructuring activities	130	22	54	170	25	399	0	399
Impairment of intangible assets	0	7	57	14	0	79	0	79
Noncontrolling interests	**16**	**0**	**0**	**1**	**(3)**	**15**	**(15)**	**0**
Income (loss) before income taxes	**3,158**	**1,555**	**1,107**	**782**	**(3,402)**	**3,200**	**(1,744)**	**1,456**
Cost/income ratio	75%	76%	65%	83%	N/M	84%	N/M	89%
Assets[2]	1,102,007	265,360	97,240	72,613	63,810	1,601,029	10,371	1,611,400
Expenditures for additions to long-lived assets	12	176	9	7	0	203	539	742
Risk-weighted assets (Basel 2.5)	114,729	73,001	36,811	12,553	52,443	289,537	10,832	300,369
Average active equity[3]	20,161	13,976	5,136	5,864	10,296	55,434	0	55,434
Pre-tax return on average active equity	16%	11%	22%	13%	(33)%	6%	N/M	3%
Post-tax return on average active equity[4]	9%	6%	13%	8%	(19)%	N/M	N/M	1%
[1] Includes:								
Net interest income	5,409	5,963	1,930	988	618	14,909	(76)	14,834
Net income (loss) from equity method investments	78	375	3	18	(106)	368	1	369

2 Includes:

Equity method investments	628	2,563	48	143	171	3,554	28	3,581

N/M Not meaningful

3 Effective July 1, 2013, the definition of active equity has been aligned to the CRR/CRD 4 framework. Under the revised definition, shareholders equity is adjusted only for dividend accruals; the figures for 2013 were adjusted to reflect this effect.

4 The post-tax return on average active equity at the Group level reflects the reported effective tax rate for the Group, which was 53 % for the year ended December 31, 2013. For the post-tax return on average active equity of the segments, the Group effective tax rate was adjusted to exclude the impact of permanent differences not attributed to the segments, so that the segment tax rates were 42 % for the year ended December 31, 2013.

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Results of Operations

in m. (unless stated otherwise)	Corporate Banking & Securities	Private & Business Clients	Global Transaction Banking	Deutsche Asset & Wealth Management	Non-Core Operations Unit	Total Management Reporting	Consolidation & Adjustments	2012 Total Consolidated
Net revenues[1]	**15,073**	**9,540**	**4,200**	**4,472**	**1,427**	**34,711**	**(975)**	**33,736**
Provision for credit losses	**81**	**781**	**208**	**18**	**634**	**1,721**	**0**	**1,721**
Total noninterest expenses	**12,071**	**7,224**	**3,327**	**4,299**	**3,697**	**30,618**	**582**	**31,201**
thereof: Depreciation, depletion and amortization	5	0	0	0	2	8	17	25
Severance payments	164	249	24	42	4	484	59	543
Policyholder benefits and claims	0	0	0	414	0	414	0	414
Restructuring activities	236	0	40	104	12	392	0	394
Impairment of intangible assets	1,174	15	73	202	421	1,886	0	1,886
Noncontrolling interests	**17**	**16**	**0**	**1**	**31**	**65**	**(65)**	**0**
Income (loss) before income taxes	**2,904**	**1,519**	**664**	**154**	**(2,935)**	**2,307**	**(1,493)**	**814**
Cost/income ratio	80%	76%	79%	96%	N/M	88%	N/M	92%
Assets[2]	1,448,924	282,428	87,997	78,103	113,247	2,010,699	11,576	2,022,275
Expenditures for additions to long-lived assets	15	140	1	1	0	157	477	634
Risk-weighted assets (Basel 2.5)	112,630	72,695	34,976	12,429	84,743	317,472	16,133	333,605
Average active equity[3]	20,213	12,177	4,181	5,916	12,440	54,927	0	54,927
Pre-tax return on average active equity	14%	12%	16%	3%	(24)%	4%	N/M	1%
Post-tax return on average active equity[4]	9%	8%	10%	2%	(15)%	N/M	N/M	0%
[1] Includes:								
Net interest income	5,244	6,115	1,964	1,033	1,496	15,851	123	15,975

Net income (loss) from equity method investments	131	312	5	6	(295)	159	4	163
[2] Includes:								
Equity method investments	750	2,303	46	131	307	3,538	39	3,577

N/M Not meaningful

[3] Effective July 1, 2013, the definition of active equity has been aligned to the CRR/CRD 4 framework. Under the revised definition, shareholders equity is adjusted only for dividend accruals; the figures for 2012 were adjusted to reflect this effect.

[4] The post-tax return on average active equity at the Group level reflects the reported effective tax rate for the Group, which was 61 % for the year ended December 31, 2012. For the post-tax return on average active equity of the segments, the Group effective tax rate was adjusted to exclude the impact of permanent differences not attributed to the segments, so that the segment tax rates were 35 % for the year ended December 31, 2012.

Corporate Divisions

Corporate Banking & Securities Corporate Division

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Net revenues:							
Sales & Trading (debt and other products)	6,841	6,806	8,815	35	1	(2,009)	(23)
Sales & Trading (equity)	2,928	2,737	2,288	191	7	449	20
Origination (debt)	1,527	1,557	1,417	(30)	(2)	140	10
Origination (equity)	761	732	518	29	4	214	41
Advisory	580	480	590	100	21	(110)	(19)
Loan products	1,196	1,234	899	(39)	(3)	336	37
Other products	(90)	(21)	547	(70)	N/M	(567)	N/M
Total net revenues	**13,742**	**13,526**	**15,073**	**217**	**2**	**(1,547)**	**(10)**
Provision for credit losses	**103**	**189**	**81**	**(87)**	**(46)**	**108**	**133**
Total noninterest expenses	**10,348**	**10,162**	**12,071**	**186**	**2**	**(1,909)**	**(16)**
thereof:							
Restructuring activities	112	130	236	(17)	(13)	(106)	(45)
Impairment of intangible assets	0	0	1,174	0	N/M	(1,174)	N/M
Noncontrolling interests	**25**	**16**	**17**	**9**	**57**	**(1)**	**(6)**
Income (loss) before income taxes	**3,266**	**3,158**	**2,904**	**108**	**3**	**255**	**9**
Cost/income ratio	75%	75%	80%	N/M	0 ppt	N/M	(5) ppt
Assets [1]	1,213,612	1,102,007	1,448,924	111,605	10	(346,917)	(24)
Risk-weighted assets [2]	175,561	114,729	112,630	N/M	N/M	2,099	2

Average active equity [3]	24,204	20,161	20,213	4,043	20	(52)	0
Pre-tax return on average active equity	13%	16%	14%	N/M	(2) ppt	N/M	1 ppt

N/M Not meaningful

1 Segment assets represent consolidated view, i.e., the amounts do not include intersegment balances.
2 Risk weighted assets and capital ratios are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since January 1, 2014.
3 See Note 4 Business Segments and Related Information to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

2014

CB&S reported solid revenues in full year 2014 despite a challenging market environment with low market volatility and client activity in the first half of the year. In the second half of 2014 volatility increased and CB&S saw stronger revenue momentum across the franchise.

Full year 2014 net revenues were 13.7 billion, an increase of 217 million, or 2 % from 13.5 billion in 2013. Net revenues included valuation adjustments relating to Credit Valuation Adjustment (CVA) arising on RWA mitigation efforts, Debt Valuation Adjustment (DVA), Funding Valuation Adjustment (FVA) and refinements in the calculation of IFRS CVA and FVA, totalling a loss of 299 million (full year 2013: a loss of 201 million).

Sales & Trading (debt and other products) net revenues were 6.8 billion, in line with the prior year. Revenues in RMBS were significantly higher, reflecting de-risking activity and a challenging market environment in 2013. Revenues in Distressed Products were higher than the prior year driven by strong performance in Europe. Revenues in Flow Credit were significantly lower than the prior year driven by weaker performance in North America. Core Rates revenues were lower than the prior year driven by FVA losses due to market movements and a calculation refinement, coupled with weaker performance in APAC and Europe. Revenues in Foreign Exchange were lower than the prior year due to lower volatility and reduced client activity notably in the first six months of 2014. Global Liquidity Management, Credit Solutions and Emerging Markets revenues were in line with the prior year. Sales & Trading (debt and other products) net revenues included three valuation adjustment items totalling a loss of 173 million. First, a mark-to-market gain of 7 million (full year 2013: a loss of 240 million) relating to RWA mitigation efforts arising on CVA. Second, a loss of 58 million (full year 2013: nil) relating to a refinement in the calculation of IFRS CVA. Third, a FVA loss of 122 million (full year 2013: a gain of 67 million) including a negative impact of 51 million due to a calculation refinement.

Sales & Trading (equity) net revenues were 2.9 billion, an increase of 191 million, or 7 %, compared to the prior year. Prime Finance revenues were higher than the prior year driven by increased client balances. Equity Trading revenues and Equity Derivatives revenues were both in line with the prior year.

Origination and Advisory net revenues were 2.9 billion for the full year 2014, an increase of 99 million, or 4 %, compared to the prior year. Revenues in Advisory were higher than the prior year driven by increased fee pool and market share. Revenues in Equity Origination and Debt Origination were both in line with the prior year.

Loan products net revenues were 1.2 billion for the full year 2014, in line with the prior year.

Net revenues from Other products were negative 90 million, compared to negative 21 million in the prior year. Net revenues from Other products included a DVA loss of 126 million (full year 2013: a loss of 21 mil-lion), including a gain of 37 million related to a refinement in the calculation of IFRS CVA.

In provision for credit losses, CB&S recorded a net charge of 103 million for the full year 2014, a decrease of 87 million, or 46 % compared to the prior year, driven by decreased provisions in the Shipping portfolio and a net release of provisions in our Leveraged Finance Portfolio.

Noninterest expenses increased by 186 million or 2 % compared to full year 2013. The increase was due to regulatory required expenditures, platform enhancements and adverse foreign exchange movements. These more than offset the progress on OpEx cost reduction initiatives and lower litigation costs.

Income before income taxes was 3.3 billion, compared to 3.2 billion in the prior year, driven by solid revenue performance and lower litigation costs partly offset by higher regulatory costs and cost-to-achieve (CtA) spend.

2013

Full year 2013 performance was significantly impacted by continued market uncertainty, in particular regarding the U.S. Federal Reserve s decision on tapering its quantitative easing program, coupled with a reduction in liquidity and slowdown in client activity.

Full year 2013 net revenues were 13.5 billion, a decline of 1.5 billion, or 10 %, from 15.1 billion in 2012. Net revenues were impacted by three valuation adjustment items. First, a mark-to-market loss of 265 million related to Credit Valuation Adjustment (CVA) RWA mitigation efforts. Second, a loss of 21 million related to the impact of a Debt Valuation Adjustment (DVA). Partly offsetting these was a gain of 85 million related to a Funding Valuation Adjustment (FVA). Excluding these items in both 2013 and 2012, net revenues decreased by 1.0 billion, or 7 %, compared to the full year 2012.

Sales & Trading (debt and other products) net revenues were 6.8 billion, a decrease of 2.0 billion, or 23 % compared to the prior year. Revenues in Rates were significantly lower than the prior year, due to lower client activity reflecting weaker liquidity and ongoing market uncertainty. RMBS was impacted by de-risking activity undertaken this year, exacerbated by weaker liquidity and continued market uncertainty, resulting in significantly lower revenues compared to the prior year. Despite increased volumes, revenues in Foreign Exchange were lower than the prior year due to lower volatility and margin compression. Revenues in Flow Credit were lower than the prior year due to weak performance in the Europe region. Revenues in Emerging Market and Distressed Products were in line with the prior year.

Sales & Trading (equity) net revenues were 2.7 billion, an increase of 449 million, or 20 % compared to the prior year. Equity Trading revenues increased and Equity Derivatives revenues increased significantly from prior year driven by higher client activity and an improved market environment. Prime Finance revenues were in line with the prior year.

Origination and Advisory net revenues were 2.8 billion for the full year 2013, an increase of 244 million, or 10 %, compared to the prior year. Debt Origination revenues were higher, and Equity Origination revenues were significantly higher than the prior year reflecting strong global market debt and equity issuance activity. Revenues in Advisory were down from the prior year, due to reduced fee pool and deal volumes.

Loan products net revenues were 1.2 billion for the full year 2013, an increase of 336 million, or 37 %, compared to 2012, due to lower overall hedge costs, a lower proportion of lending activity measured at fair value, favourable movements in credit spreads and continued strengthening in our commercial real estate franchise.

For the full year 2013, net revenues from Other products were negative 21 million, compared to positive 547 million in 2012. The decrease was mainly driven by non-recurrence of prior-year positive impact of a refinement in the calculation methodology of a Debt Valuation Adjustment (DVA) implemented in 2012 on certain derivative liabilities.

In provision for credit losses, CB&S recorded a net charge of 189 million for the full year 2013, an increase of 108 million, or 133 % compared to the prior year, driven by increased provisions taken in the Shipping portfolio.

Noninterest expenses decreased by 1.9 billion or 16 % compared to full year 2012, which included an impairment of intangible assets. Excluding these charges, the decrease was driven by lower compensation and non-compensation expenses reflecting the continued implementation of OpEx measures, coupled with favourable foreign exchange rate movements, partially offset by increased litigation costs.

Income before income taxes was 3.2 billion, compared to 2.9 billion in the prior year, driven by non-recurrence of the impairment on intangible assets, lower compensation and non-compensation expenses, partly offset by lower revenues and higher litigation provisions.

Private & Business Clients Corporate Division

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Net revenues:							
Global credit products	3,463	3,408	3,331	55	2	76	2
Deposits	2,977	3,012	3,175	(34)	(1)	(163)	(5)
Payments, cards & account products	983	1,019	1,027	(36)	(3)	(8)	(1)
Investment & insurance products	1,308	1,220	1,146	88	7	74	6
Postal and supplementary Postbank Services	416	434	454	(17)	(4)	(20)	(4)
Other products	491	457	407	33	7	51	12
Total net revenues	**9,639**	**9,550**	**9,540**	**89**	**1**	**10**	**0**
Provision for credit losses	**622**	**719**	**781**	**(97)**	**(13)**	**(62)**	**(8)**
Total noninterest expenses	**7,682**	**7,276**	**7,224**	**406**	**6**	**52**	**1**
thereof: Impairment of intangible assets	0	7	15	(7)	N/M	(8)	(54)
Noncontrolling interests	**1**	**0**	**16**	**0**	**46**	**(15)**	**(97)**
Income (loss) before income taxes	**1,335**	**1,555**	**1,519**	**(220)**	**(14)**	**35**	**2**
Cost/income ratio	80%	76%	76%	N/M	4 ppt	N/M	0 ppt
Assets[1]	258,381	265,360	282,428	(6,978)	(3)	(17,068)	(6)
Risk-weighted assets[2]	79,571	73,001	72,695	N/M	N/M	306	0
Average active equity[3]	14,420	13,976	12,177	444	3	1,799	15
Pre-tax return on average active equity	9%	11%	12%	N/M	(2) ppt	N/M	(1) ppt

Breakdown of PBC by business

Private & Commercial Banking:

Net revenues	3,855	3,704	3,741	150	4	(36)	(1)
Provision for credit losses	79	128	174	(49)	(38)	(46)	(26)
Noninterest expenses	3,533	3,237	3,098	296	9	139	4
Income before income taxes	**243**	**339**	**468**	**(96)**	**(28)**	**(129)**	**(28)**
Advisory Banking International:							
Net revenues	2,134	2,052	1,971	82	4	81	4
Provision for credit losses	272	248	211	24	10	37	17
Noninterest expenses	1,179	1,139	1,217	41	4	(78)	(6)
Income before income taxes	**683**	**666**	**543**	**17**	**3**	**122**	**22**
Postbank:[4]							
Net revenues	3,651	3,794	3,828	(143)	(4)	(34)	(1)
Provision for credit losses	271	343	395	(71)	(21)	(52)	(13)
Noninterest expenses	2,970	2,900	2,910	70	2	(9)	0
Noncontrolling interests	1	0	15	0	69	(15)	(97)
Income before income taxes	**409**	**550**	**508**	**(141)**	**(26)**	**43**	**8**

N/M Not meaningful
[1] Segment assets represent consolidated view, i.e., the amounts do not include intersegment balances.
[2] Risk weighted assets and capital ratios are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since January 1, 2014.
[3] See Note 4 Business Segments and Related Information to the consolidated financial statements for a description of how average active equity is allocated to the divisions.
[4] Contains the major core business activities of Postbank AG as well as BHW and norisbank.

Additional information

in bn. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in bn.	 in %	2013 increase (decrease) from 2012 in bn.	 in %
Invested assets[1]	291	282	293	9	3	(11)	(4)
Net new money	6	(15)	(10)	21	N/M	(6)	58

N/M Not meaningful
[1] We define invested assets as (a) assets we hold on behalf of customers for investment purposes and/or (b) client assets that are managed by us. We manage invested assets on a discretionary or advisory basis, or these assets are deposited with us.

2014

PBC s business environment remained challenging during 2014 with headwinds including further declines in interest rates, tighter regulation and significant non-recurring charges regarding loan processing fees triggered by two rulings in May and October 2014 of the German Federal Court of Justice (Bundesgerichtshof). Despite the challenging environment, PBC s revenues grew on a year-on-year basis reflecting an upturn in client activity in respect of Investment & Insurance Products and growth in certain Credit products, primarily in Germany. Provision for credit losses also improved in the period reflecting the quality of the loan portfolio.

PBC s reported full year result declined compared with 2013 due to the above-mentioned impact of 400 million for the reimbursement of loan processing fees. Appropriate provisions for loan processing fees were booked in 2014 and on this basis we expect no further impact in 2015 and beyond.

Net revenues in PBC increased by 89 million, or 1 %, compared to 2013. Growth in revenues from Investment & Insurance products of 88 million, or 7 %, reflected net asset inflows and higher transaction levels, mainly in securities. Net revenues from Credit products increased by 55 million, or 2 %, primarily driven by increased loan volumes, especially in German Mortgages. Net revenues from Other products increased by 33 million, or 7 %, mainly reflecting the impacts of a subsequent gain in Private & Commercial Banking related to a business sale closed in a prior period, gains from securities sales in DB Bauspar, as well as growth in the performance of the Hua Xia Bank equity investment. This was partly offset by decreased revenues related to Postbank nonoperating activities. Additionally, 2013 was positively impacted by a partial release of loan loss allowances in Postbank, which were reported in Other product revenues as the allowances were recognized prior to consolidation. Net revenues from Payments, Cards & Accounts decreased by 36 million, or 3 %, mainly triggered by changes in regulatory requirements with regard to payment and card fees. Net revenues from Deposits decreased by 34 million, or 1 %, due to the continued challenging interest rate environment in Europe as well as a result of de-leveraging mainly in Postbank. Net revenues from Postal and supplementary Postbank Services declined by 17 million, or 4 %, due to a change in the reporting classification of certain product-related expenses previously reported in other revenues.

Provision for credit losses decreased by 97 million, or 13 %, versus prior year period, benefiting from a favorable environment in Germany. In the prior year, an additional credit of 86 million was recorded in other interest income, representing a partial release of loan loss allowances in Postbank as well as improved credit quality of Postbank loans recorded at fair value on initial consolidation by the Group.

Noninterest expenses increased by 406 million, or 6 %, compared to 2013. 2014 was significantly impacted by 400 million of charges relating to loan processing fees following the above-mentioned changes triggered by recent German legal decisions. Additionally, higher infrastructure expenses, mainly caused by regulatory requirements, resulted in cost increases. Offsetting these expense increases in 2014 was the gain from the disposition of real estate in Europe. Noninterest expenses in 2013 also included an item of comparable size which was related to a release of a provision in respect of the Hua Xia Bank credit card cooperation. Expenditures for our OpEx and Postbank integration programs decreased by 42 million, or 8 %, in line with the progress of these programs. Additionally, PBC continued to realize incremental savings from efficiency measures implemented under the OpEx program.

Income before income taxes decreased by 220 million, or 14 %, compared to 2013, mainly driven by charges for loan processing fees as mentioned above.

Invested assets increased by 9 billion versus December 31, 2013, due to 6 billion in net inflows, mainly in securities, and additional market appreciation.

2013

PBC delivered a stable operating performance, in an environment of low interest rates and the muted client investment activity in Germany. The lending environment in 2013 was benign, with provision for credit losses below the prior years. The European markets in which we operate besides Germany were marked by a reduced credit activity that was compensated with increased business in Investment Products. The turmoil in the Chinese and Indian financial markets, observed in the last months of 2013, did not materially impact our operations in these countries.

Net revenues increased slightly by 10 million as compared to 2012. Higher revenues from credit products, investment & insurance products and other products were compensated by lower revenues from deposits, related to the ongoing low interest rate environment and higher negative impact from purchase price allocation on Postbank. Revenues from credit products increased by 76 million, or 2 %, mainly reflecting mortgage volume growth in Private & Commercial Banking and higher consumer finance margins in Advisory Banking International. Revenues from investment & insurance products increased by 74 million, or 6 %, driven by higher transaction volumes in Advisory Banking International and higher revenues from discretionary portfolio management in Private & Commercial Banking. Revenues from other products increased by 51 million, or 12 %, benefitting from the performance of Hua Xia Bank, partly offset by several, mainly Postbank related, one-off items. Net revenues from Postal and supplementary Postbank Services declined by 20 million, or 4 %, reflecting usual revenue fluctuations. Net revenues from payments, cards and accounts remained stable.

Provision for credit losses was 719 million, down 8 % from 781 million for 2012, driven by Private & Commercial Banking and Postbank, reflecting an improved portfolio quality and credit environment in Germany. Additionally, a credit of 86 million (2012: 94 million) was recorded in other interest income representing increases in the credit quality of Postbank loans recorded at fair value on initial consolidation by the Group. Advisory Banking International had an increase in provisions for credit losses, mainly caused by a difficult credit environment in Italy.

Noninterest expenses increased by 52 million, or 1 %, compared to 2012 due to higher costs-to-achieve of 112 million, related to Postbank integration and to OpEx, as well as higher cost allocations from infrastructure functions, which were mostly counterbalanced by savings, mainly driven by realization of synergies from Postbank.

Income before income taxes increased by 35 million, or 2 %, versus 2012, despite higher costs-to-achieve of 112 million.

Invested assets were down by 11 billion mainly driven by 15 billion net outflows, mostly in deposits, partly offset by 4 billion market appreciation.

Results of Operations

Global Transaction Banking Corporate Division

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Net revenues:							
Transaction services	4,146	4,069	4,200	76	2	(130)	(3)
Other products	0	0	0	0	N/M	0	N/M
Total net revenues	**4,146**	**4,069**	**4,200**	**76**	**2**	**(130)**	**(3)**
Provision for credit losses	**156**	**315**	**208**	**(159)**	**(50)**	**107**	**52**
Total noninterest expenses	**2,791**	**2,648**	**3,327**	**144**	**5**	**(680)**	**(20)**
thereof:							
Restructuring activities	10	54	40	(44)	(81)	13	33
Impairment of intangible assets	0	57	73	(57)	N/M	(16)	(22)
Noncontrolling interests	**0**	**0**	**0**	**0**	**N/M**	**0**	**N/M**
Income (loss) before income taxes	**1,198**	**1,107**	**664**	**92**	**8**	**442**	**67**
Cost/income ratio	67%	65%	79%	N/M	2 ppt	N/M	(14) ppt
Assets[1]	106,252	97,240	87,997	9,012	9	9,243	11
Risk-weighted assets[2]	43,265	36,811	34,976	N/M	N/M	1,835	5
Average active equity[3]	5,860	5,136	4,181	724	14	955	23
Pre-tax return on average active equity	20%	22%	16%	N/M	(1) ppt	N/M	6 ppt

N/M Not meaningful

1 Segment assets represent consolidated view, i.e., the amounts do not include intersegment balances.
2 Risk weighted assets and capital ratios are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since January 1, 2014.
3 See Note 4 Business Segments and Related Information to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

2014

In 2014, net revenues and income before income taxes in GTB developed solidly, despite a persistently challenging market environment, as reflected by further cuts to already low interest rates, heightened geopolitical risks and a highly competitive business environment. Noninterest expenses in 2014 and 2013 were impacted by specific items. 2014 contained a litigation-related charge, whereas the performance in 2013 included higher expenses for the turn-around of our commercial banking activities in the Netherlands as part of the Strategy 2015+ as well as an impairment of an intangible asset.

Net revenues increased by 76 million, or 2 %, compared to 2013 including a gain on the sale of registrar services GmbH in 2014 and the sale of Deutsche Card Services in 2013. In Trade Finance, revenues in-creased due to strong volumes and stabilizing margins especially in Asia and Europe. Securities Services benefited from increasing volumes. Revenues in Cash Management remained under pressure in the ongoing low interest rate environment.

Provision for credit losses decreased by 159 million, or 50 %, compared to 2013. The decrease primarily related to the non-recurrence of a single client credit event in Trade Finance recorded in 2013.

Noninterest expenses increased by 144 million, or 5 %, compared to 2013. As mentioned above, 2014 included a litigation-related charge, while the prior year was impacted by higher expenses related to the Strategy 2015+. This contained higher cost-to-achieve related to the OpEx program for the turn-around in the Netherlands and an impairment of an intangible asset. Excluding those items, noninterest expenses increased due to higher revenue-related expenses as well as increased costs to comply with regulatory requirements. Furthermore, investments to enable business growth contributed to the cost increase.

Income before income taxes increased by 92 million, or 8 %, compared to 2013 due to lower provision for credit losses following the single client credit event in 2013 as well as higher revenues. This was partly offset by an increased cost base.

2013

Despite the challenging market conditions in 2013, GTB s profitability increased compared to 2012. Both periods included specific items related to the execution of the Strategy 2015+. 2013 was impacted by the specific items mentioned above, and the results in 2012 included a litigation-related charge, the settlement of the credit protection received from the seller as part of the turn-around measures of the commercial banking activities in the Netherlands as well as an impairment of an intangible asset.

Net revenues decreased by 130 million, or 3 %, compared to 2012, which included the aforementioned settlement payment related to the turn-around measures in the Netherlands. 2013 contained a gain from the sale of Deutsche Card Services. Throughout 2013, the macroeconomic environment proved to be challenging with persistent low interest rates in core markets, and competitive pressures on margins. Furthermore, foreign exchange movements compared to 2012 adversely impacted GTB s result reported in Euro. Excluding the above headwinds and specific items, revenues increased versus 2012 with growth materializing in Asia-Pacific (APAC) and the Americas. Net revenues in Trade Finance were stable benefiting from strong volumes which offset the impact from the competitive margin environment. Securities Services showed a robust performance in this market environment based on higher volumes. Revenues in Cash Management benefited from strong transaction volumes and client balances.

Provision for credit losses increased by 107 million, or 52 %, versus 2012. The increase was primarily driven by a single client credit event in Trade Finance, partly offset by lower provisions in the commercial banking activities in the Netherlands.

Noninterest expenses decreased by 680 million, or 20 %, compared to 2012, mainly driven by the non-recurrence of the aforementioned litigation-related charge as well as lower turn-around charges in the Netherlands. Cost-to-achieve related to the OpEx program of 109 million increased by 68 million versus 2012. Excluding these charges, noninterest expenses were lower than in 2012 due to the continued focus on cost management. This was partly offset by an increase in expenses related to higher business activity and the execution of the Strategy 2015+.

Income before income taxes increased by 442 million, or 67 %, compared to 2012 due to specific items incurred in 2012 such as litigation and turn-around measures of the commercial banking activities in the Netherlands.

Deutsche Asset & Wealth Management Corporate Division

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Net revenues:							
Management Fees and other recurring revenues	2,601	2,441	2,282	161	7	158	7
Performance and transaction fees and other non recurring revenues	826	924	905	(97)	(11)	19	2
Net Interest revenues	624	578	496	45	8	83	17
Other product revenues	367	299	369	68	23	(70)	(19)
Mark-to-market movements on policyholder positions in Abbey Life	291	494	420	(202)	(41)	74	18
Total net revenues	**4,708**	**4,735**	**4,472**	**(27)**	**(1)**	**263**	**6**
Provision for credit losses	**(7)**	**23**	**18**	**(30)**	**N/M**	**5**	**29**
Total noninterest expenses	**3,685**	**3,929**	**4,299**	**(245)**	**(6)**	**(370)**	**(9)**
thereof:							
Policyholder benefits and claims	289	460	414	(172)	(37)	46	11
Restructuring activities	(3)	170	104	(173)	N/M	66	63
Impairment of intangible assets	(83)	14	202	(97)	N/M	(188)	(93)
Noncontrolling interests	**4**	**1**	**1**	**2**	**N/M**	**0**	**60**
Income (loss) before income taxes	**1,027**	**782**	**154**	**245**	**31**	**628**	**N/M**
Cost/income ratio	78%	83%	96%	N/M	(5) ppt	N/M	(13) ppt
Assets[1]	81,132	72,613	78,103	8,519	12	(5,490)	(7)
Risk-weighted assets[2]	16,597	12,553	12,429	N/M	N/M	124	1
Average active equity[3]	6,454	5,864	5,916	590	10	(52)	(1)
Pre-tax return on average active equity	16%	13%	3%	N/M	3 ppt	N/M	11 ppt

N/M Not meaningful

1 Segment assets represent consolidated view, i.e., the amounts do not include intersegment balances.
2 Risk weighted assets and capital ratios are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since January 1, 2014.
3 See Note 4 Business Segments and Related Information to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

Additional information

in bn. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in bn.	 in %	2013 increase (decrease) from 2012 in bn.	 in %
Invested assets[1]	1,039	923	920	116	13	3	0
Net new money	40	(13)	(25)	53	N/M	12	(48)

N/M Not meaningful

1 We define invested assets as (a) assets we hold on behalf of customers for investment purposes and/or (b) client assets that are managed by us. We manage invested assets on a discretionary or advisory basis, or these assets are deposited with us.

2014

In 2014, Deutsche AWM continued to benefit from higher assets under management following elevated market levels, increased net new money, and the positive foreign exchange impact from the strengthening of the U.S. dollar, which have positively increased recurring revenue streams. Performance continues to be impacted by increased regulatory costs and an ongoing low interest rate environment, which challenges deposit revenue margins. Overall net revenues have decreased following lower mark-to-market movements on policyholder positions in Abbey Life, which have been offset by lower Policyholder benefits and claims within noninterest expenses.

In Deutsche AWM, net revenues for full year 2014 were 4.7 billion, a decrease of 27 million, or 1 %, compared to 2013.

Management Fees and other recurring revenues increased by 161 million, or 7 %, due to an increase of average assets under management driven by positive net new money from clients, favorable foreign exchange development and market appreciation. Performance and transaction fees and other non-recurring revenues were down 97 million, or 11 %, driven by lower performance fees in asset management, and lower transactional revenues from fixed income and foreign exchange products for private clients. Net interest revenues increased by 45 million, or 8 %, due to increased lending volumes, recovery of prior period interest, and improved lending margins. Other product revenues increased compared to 2013 by 68 million, or 23 %,

partly due to higher revenues from alternatives partially offset by unfavorable change in fair value of guarantees, which have been impacted by the fall in long-term interest rates. Mark-to-market movements on policyholder positions in Abbey Life decreased by 202 million, or 41 % versus 2013, largely offset in noninterest expenses.

Provision for credit losses decreased by 30 million mainly resulting from lower specific client-related lending provisions and the recovery of prior charges in 2014.

Noninterest expenses were down 245 million, or 6 %, compared to 2013, mainly driven by lower policyholder benefits, reversal of intangible write-downs for Scudder, lower costs-to-achieve related to OpEx and the positive impact of ongoing OpEx program measures and lower litigation costs. This was partially offset by strategic hiring and one-time effects in compensation to comply with regulatory requirements and pension changes.

Income before income taxes was 1.0 billion in 2014, an increase of 245 million compared to 2013. Slightly lower revenue performance was more than offset by decreased provision for credit losses and noninterest expenses.

Invested assets in Deutsche AWM were 1.0 trillion as of December 31, 2014, an increase of 116 billion, or 13 %, versus December 31, 2013, mainly driven by foreign currency movements of 50 billion, market appreciation of 43 billion and inflows of 40 billion.

2013

In 2013, Deutsche AWM benefited from the increase in equity and bond markets. In addition, Deutsche AWMs initiative to improve its operating platform delivered cost efficiencies.

In Deutsche AWM net revenues for full year 2013 were 4.7 billion, an increase of 263 million, or 6 %, compared to 2012.

Management Fees and other recurring revenues increased by 158 million, or 7 %, due to an increase of the average assets under management for the year following positive market conditions as well as margin improvements arising from a favorable shift in product mix from growth in Alternatives and private clients. Mark-to-market movements on policyholder positions in Abbey Life increased by 74 million, or 18 % versus 2012, largely offset in noninterest expenses. Net interest revenues increased by 83 million, or 17 %, due to strong growth in lending revenues for securitized loans and commercial mortgages. Performance and transaction fees and other non recurring revenues were up 19 million, or 2 %, driven by higher performance fees across Alternatives and actively managed funds. Other product revenues decreased compared to 2012 by 70 million, or 19 % mainly due to a gain on the sale of the Value Retail business in the prior year.

Provision for credit losses increased by 5 million compared to 2012 mainly resulting from a specific client lending provision in Switzerland.

Noninterest expenses were down 370 million, or 9 %, compared to 2012 mainly due to headcount reductions related to OpEx in 2013 as well as Scudder and IT related impairments in 2012, partly offset by the aforementioned effect related to Abbey Life.

Income before income taxes was 782 million in 2013, an increase of 628 million compared to 2012. This reflects a solid revenue performance, impairments taken in 2012 as well as our progress made on OpEx in 2013.

Invested assets in Deutsche AWM were 923 billion as of December 31,2013, an increase of 3 billion versus December 31, 2012, mainly driven by market appreciation of 40 billion, partly offset by foreign currency effects, outflows and other movements. Net outflows were primarily driven by low-margin institutional clients partially offset by 11 billion inflows from private clients.

Non-Core Operations Unit Corporate Division

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	in %	2013 increase (decrease) from 2012 in m.	in %
Net revenues	**211**	**964**	**1,427**	**(753)**	**(78)**	**(463)**	**(32)**
thereof:							
Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	(573)	245	650	(818)	N/M	(405)	(62)
Provision for credit losses	**259**	**818**	**634**	**(559)**	**(68)**	**185**	**29**
Total noninterest expenses	**2,804**	**3,550**	**3,697**	**(746)**	**(21)**	**(147)**	**(4)**
thereof							
Policyholder benefits and claims	0	0	0	0	N/M	0	N/M
Restructuring activities	4	25	12	(20)	(83)	13	104
Impairment of intangible assets	194	0	421	194	N/M	(421)	N/M
Noncontrolling interests	**(2)**	**(3)**	**31**	**1**	**(24)**	**(34)**	**N/M**
Income (loss) before income taxes	**(2,851)**	**(3,402)**	**(2,935)**	**551**	**(16)**	**(467)**	**16**
Cost/income ratio	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Assets[1]	38,853	63,810	113,247	(24,957)	(39)	(49,437)	(44)
Risk-weighted assets[2]	58,538	52,443	84,743	N/M	N/M	(32,300)	(38)
Average active equity[3]	7,649	10,296	12,440	(2,647)	(26)	(2,143)	(17)
Pre-tax return on average active equity	(37%)	(33)%	(24)%	N/M	(4) ppt	N/M	(9) ppt

N/M Not meaningful

1 Segment assets represent consolidated view, i.e., the amounts do not include intersegment balances.
2 Risk weighted assets and capital ratios are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since Jan
3 See Note 4 Business Segments and Related Information to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

2014

During 2014, NCOU continued to execute its de-risking strategy with specific focus on the disposal of operating assets previously held in the former Corporate Investments division. Sales completed in 2014 included BHF-BANK and The Cosmopolitan of Las Vegas. These were supplemented by the further winding down of legacy banking assets, such as the early termination of some of the credit derivative protection currently in the monoline portfolio together with the sale of underlying bonds as well as a significant reduction in CRD IV exposure from the credit correlation portfolio. Asset de-risking in 2014 has delivered net gains of 181 million.

Net revenues for the NCOU in the reporting period decreased by 753 million, or 78 % to 211 million. This reflects a lower level of portfolio revenues in line with the asset reductions achieved and lower de-risking gains partially offset by lower valuation adjustments in the period. In 2014 specific items included 314 million of accumulated mark-to-market loss on a swap transaction relating to the restructuring of the debt financing of Maher Terminals which resulted in a reclassification of the cumulative mark-to-market loss from other comprehensive income to other income and a 151 million loss related to the Special Commodities Group from our exposure to traded products in the U.S. power sector. Net revenues in 2013 included a 183 million loss related to the sale of BHF-BANK, 171 million negative effect from the first-time application of Funding Valuation Adjustment (FVA) and mortgage repurchase costs of 122 million.

Provisions for credit losses decreased by 559 million, or 68 %, in comparison to 2013, driven by a decrease in provisions for credit losses in IAS 39 reclassified and commercial real estate assets.

Noninterest expenses decreased by 746 million, or 21 % in comparison to 2013, predominately due to lower litigation-related expenses. Direct costs have also decreased by 327 million, or 21 % driven by the sale of BHF-BANK in the year as well as other de-risking measures. This was offset by a specific impairment charge of 194 million taken against our investment in Maher Terminals in the current period.

The loss before income taxes was 2.9 billion, a decrease of 551 million compared to the prior year. Lower revenues and lower credit losses reflect the progress of de-risking, while noninterest expenses were lower but continued to be impacted by the timing and nature of specific items.

Results of Operations

2013

Net revenues decreased by 463 million, or 32 %, compared to 2012 driven by the reduction in portfolio revenues which have fallen in line with asset levels. In 2013 specific items included 183 million loss related to the expected sale of BHF-BANK, 171 million negative effect from the first-time application of Funding Valuation Adjustment (FVA), mortgage repurchase costs of 122 million and the impact from various impairments which were partially offset by an increase in net de-risking gains generated in the period. Net revenues in 2012 included negative effects related to an impairment of 257 million to our previously held exposure in Actavis Group, refinements of the CVA methodology of 203 million and mortgage repurchase costs of 233 million.

Provision for credit losses increased by 185 million, or 29 % in comparison to 2012, mainly due to specific credit events seen across portfolios including in exposures to European Commercial Real Estate.

Noninterest expenses decreased by 147 million compared to 2012. The movement includes higher litigation related costs offset by the non-recurrence of the impairment of intangible assets of 421 million reported in the prior year.

The loss before income taxes was 3.4 billion, an increase of 467 million compared to the prior year. Lower net revenues were the main driver, but each period was impacted by the timing and nature of specific items.

Consolidation & Adjustments

in m. (unless stated otherwise)	2014	2013	2012	2014 increase (decrease) from 2013 in m.	2014 increase (decrease) from 2013 in %	2013 increase (decrease) from 2012 in m.	2013 increase (decrease) from 2012 in %
Net revenues[1]	(497)	(929)	(975)	432	(47)	46	(5)
Provision for credit losses	1	0	0	0	38	0	N/M
Total noninterest expenses	389	830	582	(440)	(53)	247	42
Noncontrolling interests	(28)	(15)	(65)	(13)	82	49	(76)
Income (loss) before income taxes	**(859)**	**(1,744)**	**(1,493)**	**885**	**(51)**	**(251)**	**17**
Assets[2]	10,474	10,371	11,576	102	1	(1,205)	(10)

Risk-weighted assets[3]	20,437	10,832	16,133	N/M	N/M	(5,300)	(33)
Average active equity[4]	2,037	0	0	2,037	N/M	0	N/M

N/M Not meaningful

[1] Net interest income and noninterest income.

[2] Assets in C&A reflect corporate assets, such as deferred tax assets or central clearing accounts, outside the management responsibility of the business segments.

[3] Risk weighted assets are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since January 1, 2014. Risk-weighted assets in C&A reflect corporate assets outside the management responsibility of the business segments, primarily those corporate assets related to the Group s pension schemes. The decrease of risk-weighted assets in 2013 was primarily driven by the de-risking initiatives in our pension assets.

[4] Average active equity assigned to C&A reflects the residual amount of equity that is not allocated to the segments as described in Note 4 Business Segments and Related Information .

2014

In 2014, C&A net revenues of negative 497 million included negative 336 million related to spreads for capital instruments and a 66 million loss from a FVA on internal uncollateralized derivatives between Treasury and CB&S; the aforementioned items amounted in 2013 negative 330 million in spreads for capital instruments and negative 276 million from FVA due to its first time inclusion in that year. Revenues in 2014 also reflected negative 172 million in valuation and timing differences compared to negative 249 million in 2013 as volatility in USD/EUR cross-currency basis spreads was down and effect from own credit spread decreased.

Noninterest expenses of 389 million declined by 53 % compared to prior year mainly due to a 528 million non-recurring major litigation charge in 2013. Noninterest expenses also included 342 million in charges related to bank levies compared to 197 million in 2013.

Noncontrolling interests were 28 million in 2014, mainly due to a Structured Finance transaction compared to 15 million in 2013 primarily due to Postbank; these noncontrolling interests are deducted from income before income taxes of the divisions and reversed in C&A.

Loss before income taxes at 859 million compared to a loss of 1.7 billion in 2013. The result was primarily driven by the non-recurrence of major litigation items partly offset by higher bank levies.

2013

In 2013, C&A net revenues of negative 929 million included negative 330 million related to spreads for capital instruments and a 276 million loss due to the first time inclusion of a FVA on internal uncollateralized derivatives between Treasury and CB&S. Also included were timing differences of negative 249 million related to positions which were measured at fair value for management reporting purposes and measured at amortized cost under IFRS. These effects will reverse over the life time of the positions. Compared to 2012, these effects were significantly less negative primarily reflecting decreased EUR/USD basis risk movements and amortization back through P&L of prior years losses.

Noninterest expenses of 830 million were up 42 % compared to prior year mainly due to litigation related charges, including 528 million related to settlement with Kirch Group. Partly offsetting was a correction of historical internal cost allocation in 2013. Noninterest expenses in 2013 also included bank levy-related charges of 197 million.

The decrease in noncontrolling interests, which are deducted from income before income taxes of the divisions and reversed in C&A, was mainly due to Postbank.

Loss before income taxes was 1.7 billion in 2013, compared to 1.5 billion in 2012. The increase was primarily driven by the settlement with Kirch Group and the aforementioned loss due to the first time inclusion of a FVA. Partly offsetting were lower negative effects from valuation and timing differences and lower noninterest expenses.

Financial Position

in m.	Dec 31, 2014	Dec 31, 2013	2014 increase (decrease) from 2013 in m.	in %
Cash and due from banks	20,055	17,155	2,900	17
Interest-earning deposits with banks	63,518	77,984	(14,466)	(19)
Central bank funds sold, securities purchased under resale agreements and securities borrowed	43,630	48,233	(4,603)	(10)
Trading assets	195,681	210,070	(14,389)	(7)
Positive market values from derivative financial instruments	629,958	504,590	125,368	25
Financial assets designated at fair value through profit or loss	117,285	184,597	(67,311)	(36)
thereof:				
Securities purchased under resale agreements	60,473	116,764	(56,291)	(48)
Securities borrowed	20,404	32,485	(12,082)	(37)
Loans	405,612	376,582	29,030	8
Brokerage and securities related receivables	115,054	83,185	31,869	38
Remaining assets	117,910	109,004	8,905	8
Total assets	**1,708,703**	**1,611,400**	**97,303**	**6**
Deposits	532,931	527,750	5,181	1
Central bank funds purchased, securities sold under repurchase agreements and securities loaned	13,226	15,685	(2,459)	(16)
Trading liabilities	41,843	55,804	(13,961)	(25)
Negative market values from derivative financial instruments	610,202	483,428	126,774	26
Financial liabilities designated at fair value through profit or loss	37,131	90,104	(52,973)	(59)
thereof:				
Securities sold under repurchase agreements	21,053	73,642	(52,590)	(71)
Securities loaned	1,189	1,249	(60)	(5)
Other short-term borrowings	42,931	59,767	(16,836)	(28)

Long-term debt	144,837	133,082	11,755	9
Brokerage and securities related payables	143,210	118,992	24,219	20
Remaining liabilities	69,170	71,822	(2,653)	(4)
Total liabilities	**1,635,481**	**1,556,434**	**79,047**	**5**
Total equity	**73,223**	**54,966**	**18,257**	**33**

Movements in Assets

The overall increase of 97 billion (or 6 %) as of December 31, 2014, compared to December 31, 2013 was primarily driven by a 125 billion increase in positive market values from derivative financial instruments during the period, primarily related to interest rate and foreign exchange products in the fourth quarter, despite significant activity in trade restructuring and novation to reduce exposure.

The overall balance sheet movements include an increase of 91 billion due to foreign exchange rate movements, in particular related to the significant strengthening of the US dollar versus the euro, which accounted for 79 billion of the increase, primarily during the second half of the year.

Brokerage and securities related receivables contributed 32 billion to the overall growth, mainly resulting from higher collateral requirements corresponding to the increase in negative market values from derivative financial instruments.

Loans increased by 29 billion, with exposure increases in CB&S, Deutsche AWM and GTB partly being offset by managed reductions in our NCOU.

Financial assets available for sale (reported as part of remaining assets) increased by 16 billion driven mainly by a 12 billion increase in highly liquid securities held in the Group s Strategic Liquidity reserve. These increases are the result of the ongoing optimization of our liquidity reserves.

These increases were partially offset by a 73 billion decrease in central bank funds sold, securities purchased under resale agreements and securities borrowed, under both accrual and fair value accounting, mainly driven by reductions in our secured financing provided to clients, a decrease in securities borrowing for shorts coverage corresponding to the reduction of short positions as well as a result of the adoption of IAS 32 R in 2014, allowing for the offsetting of financial assets and financial liabilities for bilateral reverse repos and repos under certain conditions.

Trading assets decreased by 14 billion, primarily driven by debt securities, slightly being offset by an increase in equity securities.

Interest-earning deposits with banks decreased in the same period by 14 billion, partially being offset by an increase of 3 billion in cash and due from banks, primarily as a consequence of managed reductions in wholesale deposits.

Movements in Liabilities

As of December 31, 2014, total liabilities increased by 79 billion (or 5 %) compared to year-end 2013.

Negative market values from derivative financial instruments increased by 127 billion and brokerage and securities related payables were up by 24 billion compared to December 31, 2013, primarily due to the same reasons that drove the movements in positive market values from derivative financial instruments and brokerage and securities related receivables outlined above.

Long-term debt increased by 12 billion, primarily from higher funding activities which exceeded the amount of debt that matured during the year.

Deposits were up by 5 billion, with increases in our funding through transaction banking and retail partly being offset by lower volumes from unsecured wholesale funding.

Central bank funds purchased, securities sold under repurchase agreements and securities loaned, under both accrual and fair value accounting, have decreased by 55 billion in total, mainly driven by reductions in our secured financing provided to clients and as a result of the adoption of IAS 32 R in 2014, allowing for the offsetting of financial assets and financial liabilities for bilateral reverse repos and repos under certain conditions.

Other short-term borrowings were down by 17 billion, primarily due to lower issuances in CB&S and, to a lesser extent, in GTB.

Trading liabilities decreased by 14 billion, primarily driven by debt securities, slightly offset by an increase in equity securities.

Similar to total assets, the overall increase in liabilities also reflects the impact of foreign exchange rate movements during the year.

Liquidity

Liquidity reserves amounted to 184 billion as of December 31, 2014 (compared to 196 billion as of December 31, 2013). We maintained a positive liquidity stress result as of December 31, 2014 (under the combined scenario).

Equity

Total equity as of December 31, 2014 increased by 18.3 billion compared to December 31, 2013. The main factors contributing to this development were a capital increase of 8.5 billion from the issuance of 359,8 million new common shares in June 2014 and the issuance of new additional equity components (Additional Tier 1 securities, treated as equity according to IFRS) of 4.7 billion on May 20 and on November 19, 2014. Further contributing to the increase were net income attributable to Deutsche Bank shareholders of 1.7 billion, positive effects from exchange rate changes of 2.9 billion (especially in the U.S. dollar), unrealized net gains on financial assets available for sale of 1.4 billion, which mainly resulted from improved market prices of debt securities from European issuers. Partly offsetting were cash dividends paid to Deutsche Bank shareholders of 765 million.

Regulatory Capital

The calculations of the regulatory capital numbers and ratios presented in this report include year-end profits after the deduction of a dividend payment of 0.75 per share proposed by the Management Board to the Supervisory Board and the Annual General Meeting. For further details we refer to our paragraph Treatment of year-end profits for the solvency report in the section Risk Report Regulatory Capital .

The calculation of our regulatory capital as of December 31, 2013 is based on the Basel 2.5 framework. Starting January 1, 2014, the calculation of our regulatory capital, risk-weighted assets and capital ratios incorporates the capital requirements following the Capital Requirements Regulation (CRR) and Capital Requirements Directive 4 (CRD 4), published on June 27, 2013 including certain transitional rules. Therefore when referring to the results according to the transitional rules that are currently applicable to us, we use the term CRR/CRD 4 . When referring to the results according to the full application of the final framework we use the term fully loaded CRR/CRD 4 .

Our Tier 1 capital according to CRR/CRD 4 as of December 31, 2014 was 63.9 billion resulting in a CRR/CRD 4 Tier 1 capital ratio of 16.1 %. As of December 31, 2013, our Tier 1 capital according to Basel 2.5 was 50.7 billion, resulting in a Basel 2.5 Tier 1 capital ratio of 16.9 %. Our Common Equity Tier 1 (CET 1, referred to as Core Tier 1 under Basel 2.5) capital according to CRR/CRD 4 was 60.1 billion, resulting in a CRR/CRD 4 CET 1 capital ratio of 15.2 % as of December 31, 2014. At the end of 2013 our CET 1 capital was 38.5 billion according to Basel 2.5, resulting in a Basel 2.5 CET 1 capital ratio of 12.8 %.

The implementation of the new capital requirements under CRR/CRD 4 has led to a negative first-day application effect of 1.5 billion in our Tier 1 capital. The decrease was driven by the derecognition of our legacy Hybrid Tier 1 capital instruments that will no longer qualify as Tier 1 capital under the full application of CRR/CRD 4 and that exceeded the maximum recognizable amount (cap) of AT1 instruments subject to phase-out arrangements by 2.2 billion. The decline in our Tier 1 capital also resulted from deductions of 1.5 billion that were phased in with 20 % in 2014, mainly relating to deductions of deferred tax assets and defined benefit pension assets. The decrease was partially offset by positive first-day application effects from securitization positions of 0.9 billion where we have opted for a risk weight of 1,250 % instead of deduction treatment. A further positive effect resulted from significant investments in financial and insurance entities of 1.2 billion which benefited from the deduction exemption for amounts below 15 % of the relevant CET 1 capital and were instead risk-weighted at 250 %.

We further had an increase in our Tier 1 capital resulting mainly from a capital increase from authorized capital against cash contributions with gross proceeds of 8.5 billion and the issuance of CRR/CRD 4 compliant Additional Tier 1 Notes (the AT1 Notes), executed in two transactions, with an eligible amount of 4.6 billion. Our net income attributable to Deutsche Bank shareholders of 1.7 billion, after deduction of our accrual for dividend and AT1 coupons of 1.2 billion, also contributed to the increase. We further saw positive impacts from foreign exchange movements on our Tier 1 capital of 1.5 billion.

Our fully loaded CRR/CRD 4 Tier 1 capital as of December 31, 2014 was 50.7 billion resulting in a fully loaded CRR/CRD 4 Tier 1 capital ratio of 12.9 %. Our fully loaded CRR/CRD 4 Common Equity Tier 1 capital was 46.1 billion, resulting in a fully loaded CRR/CRD 4 Common Equity Tier 1 capital ratio of 11.7 % as of December 31, 2014.

As of December 31, 2014 our fully loaded CRR/CRD 4 Tier 1 capital was 13.2 billion lower compared to our CRR/CRD 4 Tier 1 capital due to the derecognition of our legacy Hybrid Tier 1 capital instruments of 10.0 billion as well as the full consideration of certain CET 1 deductions of in total 3.6 billion, mainly relating to deferred tax assets and defined benefit pension fund assets, that were deducted from AT1 capital according to the transitional rules.

Risk-weighted assets (RWA) according to CRR/CRD 4 were 397 billion as of December 31, 2014, compared with 300 billion at the end of 2013 according to Basel 2.5 rules. RWA for credit risk increased by 42 billion largely reflecting the impact from the CRR/CRD 4 framework, the impact from foreign exchange movements mainly during the second half of the year as well as from model updates. This was partly offset by further de-risking efforts and asset sales. The new calculation of RWA for the CVA according to the CRR/CRD 4 framework contributed 21 billion to the overall increase. The RWA increase of 17 billion for market risk was primarily driven by the inclusion of former capital deduction items for higher risk securitization positions into the RWA calculation according to the CRR/CRD 4 framework, partly offset by movement in risk levels. Operational Risk RWA were 16 billion higher mainly caused by our early recognition of enhancements to our Advanced Measurement Approach (AMA) model in the second quarter of 2014 as well as by effects from the model change related to reasonably possible litigation losses.

Risk-weighted assets according to CRR/CRD 4 fully-loaded were 394 billion as of December 31, 2014. In addition to the above mentioned movements we had a RWA decrease of 3 billion mainly driven by pension fund relief.

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

As of December 31, 2014 and December 31, 2013 the carrying value of reclassified assets was 7.4 billion and 8.6 billion, respectively, compared with a fair value of 7.4 billion and 8.2 billion as of December 31, 2014 and December 31, 2013, respectively. These assets are held in the NCOU.

Please refer to Note 13 Amendments to IAS 39 and IFRS 7, Reclassification of Financial Assets for additional information on these assets and on the impact of their reclassification.

Exposure to Monoline Insurers

The deterioration of the U.S. subprime mortgage and related markets has generated large exposures to financial guarantors, such as monoline insurers, that have insured or guaranteed the value of pools of collateral referenced by CDOs and other market-traded securities. Actual claims against monoline insurers will only become due if actual defaults occur in the underlying assets (or collateral). There is ongoing uncertainty as to whether some monoline insurers will be able to meet all their liabilities to banks and other buyers of protection. Under certain conditions (i.e., liquidation) we can accelerate claims regardless of actual losses on the underlying assets.

The following tables summarize the fair value of our counterparty exposures to monoline insurers with respect to U.S. residential mortgage-related activity and other activities, respectively, in each case on the basis of the fair value of the assets compared with the notional value guaranteed or underwritten by monoline insurers. The other exposures described in the second table arise from a range of client and trading activity, including collateralized loan obligations, commercial mortgage-backed securities, trust preferred securities, student loans and public sector or municipal debt. The tables show the associated Credit Valuation Adjustments (CVA) that we have recorded against the exposures. For monolines with actively traded CDS, the CVA is calculated using a full CDS-based valuation model. For monolines without actively traded CDS, a model-based approach is used with various input factors, including relevant market driven default probabilities, the likelihood of an event (either a restructuring or an insolvency), an assessment of any potential settlement in the event of a restructuring, and recovery rates in the event of either restructuring or insolvency. The monoline CVA methodology is reviewed on a quarterly basis by management; since the second quarter of 2011 market based spreads have been used more extensively in the CVA assessment.

The ratings in the tables below are the lowest of Standard & Poor s, Moody s or our own internal credit ratings.

Monoline exposure related to U.S. residential mortgages	Dec 31, 2014				Dec 31, 2013			
in m.	Notional amount	Value prior to CVA	CVA	Fair value after CVA	Notional amount	Value prior to CVA	CVA	Fair value after CVA
AA Monolines:								
Other subprime	95	30	(7)	23	94	29	(5)	23
Alt-A	1,405	423	(61)	361	2,256	768	(105)	663
Total AA Monolines	**1,500**	**452**	**(68)**	**384**	**2,350**	**797**	**(110)**	**686**

Other Monoline exposure	Dec 31, 2014				Dec 31, 2013			
in m.	Notional amount	Value prior to CVA	CVA	Fair value after CVA	Notional amount	Value prior to CVA	CVA	Fair value after CVA
AA Monolines:								
TPS-CLO	1,269	254	(43)	210	1,512	298	(41)	257
CMBS	712	(2)	0	(2)	1,030	(3)	0	(3)
Corporate single name/Corporate CDO	0	0	0	0	0	0	0	0
Student loans	322	44	(9)	35	285	0	0	0
Other	506	72	(14)	59	511	69	(7)	62
Total AA Monolines	**2,810**	**368**	**(66)**	**302**	**3,338**	**364**	**(48)**	**316**
Non investment-grade Monolines:								
TPS-CLO	329	77	(16)	61	353	67	(8)	58
CMBS	1,476	(2)	0	(2)	1,444	7	0	6
Corporate single name/Corporate CDO	28	5	0	5	0	0	0	0
Student loans	679	66	(9)	57	604	116	(11)	105
Other	774	136	(50)	86	827	90	(31)	60
Total Non investment-grade Monolines	**3,285**	**282**	**(75)**	**207**	**3,228**	**280**	**(50)**	**229**
Total	**6,095**	**650**	**(141)**	**509**	**6,566**	**644**	**(98)**	**545**

The tables exclude counterparty exposure to monoline insurers that relates to wrapped bonds. A wrapped bond is one that is insured or guaranteed by a third party. As of December 31, 2014 and December 31, 2013, the exposure on wrapped bonds related to U.S. residential mortgages was nil and nil, respectively, and the exposure on wrapped bonds other than those related to U.S. residential mortgages was 22 million and 15 million, respectively. In each case, the exposure represents an estimate of the potential mark-downs of wrapped assets in the event of monoline defaults.

A proportion of the mark-to-market monoline exposure has been mitigated with CDS protection arranged with other market counterparties and other economic hedge activity.

The total Credit Valuation Adjustment held against monoline insurers as of December 31, 2014 was 209 million. There has been no change in the overall monoline CVA reserve versus December 31, 2013, as the impact of reduced exposure has been offset by the movement in monoline credit spreads during the period.

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Tabular Disclosure of Contractual Obligations

Cash payment requirements outstanding as of December 31, 2014.

Contractual obligations					Payment due by period
		Less than			More than
in m.	Total	1 year	1 3 years	3 5 years	5 years
Long-term debt obligations [1]	164,450	28,776	50,678	32,755	52,241
Trust preferred securities [1]	12,270	5,579	2,202	4,238	251
Long-term financial liabilities designated at fair value through profit or loss [2]	10,535	1,965	3,737	1,147	3,686
Finance lease obligations	114	6	13	11	84
Operating lease obligations	5,103	778	1,322	1,047	1,955
Purchase obligations	1,920	528	810	285	298
Long-term deposits [1]	26,336	0	8,980	4,863	12,492
Other long-term liabilities	5,063	918	986	557	2,602
Total	**225,790**	**38,550**	**68,726**	**44,904**	**73,610**

1 Includes interest payments.
2 Long-term debt and long-term deposits designated at fair value through profit or loss.

Figures above do not include the revenues of noncancelable sublease rentals of 171 million on operating leases. Purchase obligations for goods and services include future payments for, among other things, information technology services and facility management. Some figures above for purchase obligations represent minimum contractual payments and actual future payments may be higher. Long-term deposits exclude contracts with a remaining maturity of less than one year. Under certain conditions future payments for some long-term financial liabilities designated at fair value through profit or loss may occur earlier. See the following notes to the consolidated financial statements for further information: Note 5 Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss , Note 24 Leases , Note 28 Deposits and Note 32 Long-Term Debt and Trust Preferred Securities .

Events after the Reporting Period

All significant adjusting events that occurred after the reporting date were recognized in our results of operations, financial position and net assets.

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Introduction

Disclosures in line with IFRS 7 and IAS 1, as well as IFRS 4

The following Risk Report provides qualitative and quantitative disclosures about credit, market and other risks in line with the requirements of International Financial Reporting Standard 7 (IFRS 7) Financial Instruments: Disclosures, and capital disclosures required by International Accounting Standard 1 (IAS 1) Presentation of Financial Statements, as well as qualitative and quantitative disclosures about insurance risks in line with the requirements of International Financial Reporting Standard 4 (IFRS 4) Insurance contracts. Information which forms part of and is incorporated by reference into the financial statements of this report is marked by a bracket in the margins throughout this Risk Report.

Disclosures according to Pillar 3 of the Basel 3 Capital Framework

The following Risk Report incorporates the Pillar 3 disclosures required by the global regulatory framework for capital and liquidity as established by the Basel Committee on Banking Supervision, also known as Basel 3 (formerly Basel 2 and Basel 2.5). This is implemented in the disclosure requirements as laid down in Part Eight of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation, or CRR) and the Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive 4, or CRD 4). Germany implemented these CRD 4 requirements into national law in Section 26a of the German Banking Act (Kreditwesengesetz or KWG). Per regulation it is not required to have Pillar 3 disclosures audited. As such certain Pillar 3 disclosures are labeled unaudited.

Throughout this risk report, the term Basel 2.5 refers to the Capital Requirements Directives 2 and 3 as implemented into German law and in effect until December 31, 2013. Therefore, when referring to year-end 2013 we use the term Basel 2.5 . Starting January 1, 2014, the calculation of our regulatory capital, risk-weighted assets and capital ratios incorporates the capital requirements following CRR and CRD 4, including certain transitional rules. Therefore, when referring to the 2014 results, according to the transitional rules, we use the term CRR/CRD 4 , unless otherwise stated. When referring to results according to full application of the framework (without consideration of applicable transitional methodology) we use the term CRR/CRD 4 fully loaded .

We have applied the Basel 3 capital framework for the majority of our risk exposures on the basis of internal models for measuring credit risk, market risk and operational risk, as approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht or BaFin). All Pillar 3 relevant disclosures are compiled based upon a set of internally defined principles and related processes as stipulated in our applicable risk disclosure policy.

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Introduction

The following table provides the location of the main Pillar 3 disclosure topics in this Risk Report.

Main Pillar 3 disclosures in our Financial Report

Pillar 3 disclosure topic	Where to find in our Financial Report
Introduction and Scope of Disclosure Requirements	Introduction , Scope of Regulatory Consolidation , Additional Disclosure Requirements for Significant Subsidiaries
Risk Management Objectives and Policies	Risk Management Executive Summary , Risk Management Principles , Risk Assessment and Reporting , Risk Inventory , Balance Sheet Management , Capital Management and Overall Risk Position
Own Funds, Capital Requirements and Capital Buffers	Regulatory Capital , Capital Management , Overall Risk Position and additional information disclosed on our webpage
Exposure to Counterparty Credit Risk, Credit Risk Adjustments, Use of the IRB Approach to Credit Risk and Use of Credit Risk Mitigation Techniques	Credit Risk , Asset Quality , Risk Assessment and Reporting , Counterparty Credit Risk: Regulatory Assessment , Overall Risk Position and Note 1 Significant Accounting Policies and Critical Accounting Estimates
Unencumbered Assets	Liquidity Risk
Use of External Credit Assessment Institutions (ECAIs)	Counterparty Credit Risk: Regulatory Assessment
Exposure to Securitization Positions	Securitization , Note 1 Significant Accounting Policies and Critical Accounting Estimates and Note 14 Financial Instruments carried at Fair Value
Exposures in Equities not included in the Trading Book	Nontrading Market Risk , Equity Investments Held , Regulatory Capital , Note 17 Equity Methods Investments and Note 46 Shareholdings
Exposure to Market Risk, Exposure to Interest Rate Risk on Positions not included in the Trading Book and Use of Internal Market Risk Models	Trading Market Risk , Nontrading Market Risk , Accounting and Valuation of Equity Investments , Regulatory Capital and Note 1 Significant Accounting Policies and Critical Accounting Estimates Determination of Fair Value
Operational Risk and Use of the Advanced Measurement Approaches to Operational Risk	Operational Risk and Regulatory Capital
Liquidity Risk	Liquidity Risk
Leverage	Risk Management Executive Summary , Risk Management Principles and Balance Sheet Management
Indicators of Global Systemic Importance	Disclosed on our webpage

Disclosures according to principles and recommendations of the Enhanced Disclosure Task Force (EDTF)

In 2012 the Enhanced Disclosure Task Force (EDTF) was established as a private sector initiative under the auspice of the Financial Stability Board, with the primary objective to develop fundamental principles for enhanced risk disclosures and to recommend improvements to existing risk disclosures. As a member of the EDTF we adhered to the disclosure recommendations in this Risk Report.

Basel 3 and CRR/CRD 4

In the European Union, the Basel 3 capital framework was implemented by the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation, or CRR) published on June 27, 2013, and the Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive 4, or CRD 4) published on June 27, 2013. The CRR/CRD 4 framework replaced the laws implementing the international capital adequacy standards as recommended by the Basel Committee on Banking Supervision, commonly referred to as Basel 2 and Basel 2.5. As a single rulebook , the CRR is directly applicable to credit institutions and investment firms in the European Union. Thus, the need for implementation of national regulatory legislation was eliminated in many instances. As a result, the German Banking Act (KWG) and the German Solvency Regulation (SolvV) were amended to remove all regulations that were supplanted by the CRR. Regulatory capital requirements, the assessment of counterparty risk and securitizations and many other regulations relevant for us are now regulated through the CRR. In addition, the CRD 4 was implemented into German law by means of further amendments to the German Banking Act (KWG) and the German Solvency Regulation (SolvV) and accompanying regulations. Jointly, these laws and regulations represent the

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new regulatory framework applicable in Germany to, among other things, capital, leverage and liquidity as well as Pillar 3 disclosures.

The new regulatory framework became effective on January 1, 2014, subject to transitional rules. When referring to Deutsche Bank results according to transitional rules we use the term CRR/CRD 4 . When referring to results according to full application of the final framework (without consideration of applicable transitional methodology) we use the term CRR/CRD 4 fully loaded . In some cases, CRR/CRD 4 maintains transitional rules that had been adopted in earlier capital adequacy frameworks through Basel 2 or Basel 2.5. These relate to the risk weighting of certain categories of assets and include rules permitting the grandfathering of equity investments at a risk-weight of 100 % and allowing the selection of the greater position of long and short positions as the basis for measurement in the Market Risk Standardized Approach rather than the sum of both long and short positions. In these cases, our CRR/CRD 4 methodology assumes that the impact of the expiration of these transitional rules will be mitigated through sales of the underlying assets or other measures prior to the expiration of the grandfathering provisions.

The new minimum capital ratios are being phased in through 2015. Most regulatory adjustments (i.e., capital deductions and regulatory filters) are being phased in through 2018. Capital instruments that no longer qualify under the new rules are being phased out through 2022. New capital buffer requirements are being phased in through 2019. Although they are subject to supervisory reporting starting from 2014, binding minimum requirements for short-term liquidity will be introduced in 2015 and a standard for longer term liquidity is expected to become effective in 2018. The introduction of a binding leverage ratio is expected from 2018 following disclosure of the ratio starting in 2015.

There are still some interpretation uncertainties with regard to CRR/CRD 4 rules and some of the related binding Technical Standards are not yet available in their final version. Thus, we will continue to refine our assumptions and models in line with evolution of our as well as the industry s understanding and interpretation of the rules. Against this background, current CRR/CRD 4 measures may not be comparable to previous expectations. Also, our CRR/CRD 4 measures may not be comparable with similarly labeled measures used by our competitors as our competitors assumptions and estimates regarding such implementation may differ from ours.

Scope of Consolidation

The following sections providing quantitative information refer to our financial statements in accordance with International Financial Reporting Standards (IFRS). Consequently, the reporting is generally based on IFRS principles of valuation and consolidation. However, in particular for Pillar 3 purposes, regulatory principles of consolidation are relevant which differ from those applied for our financial statements and are described in more detail below. Where the regulatory relevant scope is used this is explicitly stated.

Scope of the Regulatory Consolidation

Deutsche Bank Aktiengesellschaft (Deutsche Bank AG), headquartered in Frankfurt am Main, Germany, is the parent institution of the Deutsche Bank Group of institutions (the regulatory group), which is subject to the supervisory provisions of the KWG and the SolvV, including the references to the CRR and CRD 4. Under Section 10a KWG in conjunction with Articles 11 and 18 CRR, a regulatory group of institutions consists of an institution (meaning a credit institution or an investment firm) as the parent company, and all other institutions and financial institutions (comprising inter alia financial holding companies, payment institutions, asset management companies) that are its subsidiaries within the meaning of Article 4 (16) CRR or are included voluntarily. Subsidiaries are fully consolidated, while companies which are not subsidiaries are included on a pro-rata basis.

Insurance companies and companies outside the banking and financial sector are not consolidated in the regulatory group of institutions. In case a regulatory group of institutions and its subsidiaries and participations in the insurance sector are classified as a financial conglomerate , the German Act on the Supervision of Financial Conglomerates (Finanzkonglomerate-Aufsichtsgesetz) is applicable according to which insurance companies have to be included in an additional capital adequacy calculation (also referred to as solvency margin). We were designated by the BaFin as a financial conglomerate in October 2007.

As of December 31, 2014, Deutsche Bank AG and its subsidiaries Deutsche Bank Privat- und Geschäftskunden AG, norisbank GmbH, Deutsche Bank Europe GmbH, Sal. Oppenheim jr. & Cie. AG & Co. KGaA, Deutsche Oppenheim Family Office AG, Deutsche Immobilien Leasing GmbH and Leasing Verwaltungsgesellschaft Waltersdorf mbH, which all were consolidated within the Deutsche Bank regulatory group, did not calculate or report regulatory capital ratios on a stand-alone basis as these companies had applied the exemptions codified in the waiver rule pursuant to Section 2a KWG in conjunction with Article 7 CRR. As a result, they are exempted from the obligation to comply with certain requirements of the KWG and the CRR regarding their regulatory capital on a standalone basis, including solvency and leverage calculations and reporting of regulatory capital and leverage ratios. These exemptions are available only for group companies in Germany and can only be applied if, among other things, the risk strategies and risk management processes of Deutsche Bank AG also include the companies that apply the waiver rules, there is no material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities from Deutsche Bank AG to the respective subsidiaries or from all subsidiaries in the Group to Deutsche Bank AG and Deutsche Bank AG has assumed the responsibility for the liabilities of the respective subsidiaries unless the risks presented by them are insignificant.

The principles of consolidation for our regulatory group are not identical to those applied for our financial statements. Nonetheless, the majority of our subsidiaries in the regulatory group are also fully consolidated in accordance with IFRS in our consolidated financial statements.

The main differences between regulatory and accounting consolidation are:

- Subsidiaries outside the banking and financial sector are not consolidated within the regulatory group of institutions, but are included in the consolidated financial statements according to IFRS.
- Most of our Special Purpose Entities (SPEs) consolidated under IFRS do not meet the regulatory subsidiary definition pursuant to Article 4 (1) (16) CRR and were consequently not consolidated within our regulatory group. However, the risks resulting from our exposures to such entities are reflected in the regulatory capital requirements.
- Only a few entities included in the regulatory group are not consolidated as subsidiaries for accounting purposes but are treated differently: thirteen, mostly immaterial subsidiaries which were not consolidated for accounting purposes were consolidated within the regulatory group; a further two entities are jointly controlled by their owners and were consolidated on a pro-rata basis within the regulatory group while they were accounted according to the equity method for financial accounting purposes; another four entities were voluntarily consolidated on a pro-rata basis for regulatory purposes, of which one entity was accounted according to the equity method, one entity was treated as an available-for-sale-asset, one entity was consolidated according to the SPE-rules and one entity was considered as other asset in our financial statements according to IFRS.

As of year-end 2014, our regulatory group comprised 769 entities (excluding the parent Deutsche Bank AG), of which six were consolidated on a pro-rata basis. The regulatory group comprised 115 credit institutions, two payment institutions, 60 financial services institutions, 396 financial enterprises, eight investment fund management companies and 188 ancillary services enterprises.

As of year-end 2013, our regulatory group comprised 844 entities (excluding the parent Deutsche Bank AG), of which seven were consolidated on a pro-rata basis. Our regulatory group comprised 127 credit institutions, one payment institution, 67 financial services institutions, 449 financial enterprises, 12 investment fund management companies and 188 ancillary services enterprises.

The decrease in the number of credit institutions within our regulatory group by 12 in 2014 was mainly driven by the winding down of four entities that were part of the issuance structure of four series of Trust preferred securities that we called and the sale of three credit institutions belonging to the sold BHF-BANK group.

106 entities were exempted from regulatory consolidation pursuant to Section 31 (3) KWG in conjunction with Article 19 CRR as per year end 2014 (year end 2013: 120 entities). These regulations allow the exclusion of small entities in the regulatory scope of application from consolidated regulatory reporting if either their total assets (including off-balance sheet items) are below 10 million or below 1 % of our Group s total assets. None of these entities needed to be consolidated in our financial statements in accordance with IFRS.

These regulatory unconsolidated entities have to be included in the deduction treatment for significant investments in financial sector entities pursuant to Article 36 (1) (i) CRR in conjunction with Article 43 (c) CRR. The book values of our participations in their equity included in the deduction treatment amounted to in total 40 million as per year end 2014 (year end 2013: 20 million). We further have applied the deduction treatment to 248 regulatory unconsolidated entities in the financial sector (including three insurance entities) where we have an investment of more than 10 % of the capital of these entities as per year end 2014 (year end 2013: 260 entities). Pursuant to Article 36 (1) (i) CRR and in conjunction with Article 48 CRR, investments in the capital of financial sector entities have to be deducted from CET 1 capital if they exceed in sum 10 % of the institution s own CET 1 capital or if they exceed in aggregate with deferred tax assets that rely on future profitability and arise from temporary differences 15 % of the relevant CET 1 capital. Since we are classified as a financial conglomerate, investments in insurance entities included in our solvency calculation at the financial conglomerate level were not deducted from our regulatory capital.

Financial Conglomerate

Deutsche Bank Group was designated as a financial conglomerate by the BaFin in October 2007. Therefore, the German Act on the Supervision of Financial Conglomerates (Finanzkonglomerate-Aufsichtsgesetz or FKAG) in conjunction with the Financial Conglomerates Solvency Regulation (FkSolV) is applicable to us.

The financial conglomerate of Deutsche Bank consists predominantly of entities that belong to the regulatory group and a small number of individual insurance sector entities. Three of these insurance entities are deducted from our regulatory capital due to immateriality. The material insurance sector entities are:

- Abbey Life Assurance Company Limited
- DB Re S.A.
- DB Vita S.A.
- Legacy Reinsurance, LLC
- Primelux Insurances S.A.

These insurance entities are included in the additional capital adequacy calculation (also referred to as solvency margin) for the financial conglomerate. The insurance sector subsidiaries of Deutsche Bank in aggregate make up only about 1 % of the entire Deutsche Bank Group IFRS balances.

Legally all these insurance companies are not directly associated; i.e. none of these insurance companies holds a participation in another insurance company, so that technically these insurance companies do not form a group on their own.

From the overall governance perspective these insurance companies are integrated, in principle, into Deutsche Bank Group no differently from any other legal entity of Deutsche Bank Group. This is, among others, evidenced by the fact that Deutsche Bank issues its group policies to any subsidiary, regardless of whether such subsidiary forms part of the prudentially consolidated group (according to Article 18 CRR) or not. The applicability of relevant group policies, in turn, ensures that insurance sector subsidiaries maintain effectively the same governance and management structures as the rest of the regulatory group. For further details with regard to the organizational requirements in accordance with Section 25 (4) FKAG please refer to our Corporate Governance Report and the sections Risk Management Framework and Risk Governance within our Risk Report.

Additional Disclosure Requirements for Significant Subsidiaries

In line with Article 13 (1) CRR our significant subsidiaries and those subsidiaries which are of material significance for their local market are required to disclose information to the extent applicable in respect of own funds, capital requirements, capital buffers, credit risk adjustments, remuneration policy, leverage and use of credit risk mitigation techniques on an individual or sub-consolidated basis.

For some of our subsidiaries located in Germany it is not mandatory to calculate or report regulatory capital or leverage ratios on a stand-alone basis if they qualify for the exemptions codified in the waiver rule pursuant to Section 2a KWG in conjunction with Article 7 CRR. In these cases, the above-mentioned disclosure requirements are also not applicable for those subsidiaries.

In order to identify significant subsidiaries a catalogue of criteria has been developed, applied to all subsidiaries classified as credit institution or investment firm under the CRR and not qualifying for a waiver status pursuant to Section 2a KWG in conjunction with Article 7 CRR. A subsidiary is required to comply with the requirements in Article 13 CRR (as described above) if at least one criterion mentioned in the list below has been met. The criteria have been defined in relation to our business activities as well as the complexity and risk profile of the respective subsidiary. All figures referenced below are calculated on an IFRS basis as of December 31, 2014:

- Total Assets of 30 billion or more (on individual or sub-consolidated basis)
- Five percent or more of our risk-weighted assets on group level
- 20 percent or more of the gross domestic product in its respective country, in which the subsidiary is located, but at least total assets of 5 billion (on individual or sub-consolidated basis)
- Institutions directly supported by the European Stability Mechanism (ESM), European Financial Stability Facility (EFSF) or similar mechanisms
- Institutions belonging to the three largest institutions in their respective countries, in which the subsidiary is located (referring to the amount of total assets)
- Classification as local systemically important institution by the local competent authority

None of our subsidiaries have received support from any kind of stability mechanism.

As a result of the selection process described above, we identified four subsidiaries as significant for the Group and hence required to provide additional disclosure requirements as laid down in Article 13 CRR:

- Deutsche Postbank AG, Germany
- Deutsche Bank Luxembourg S.A., Luxembourg
- Deutsche Bank Securities Inc., United States of America
- Deutsche Bank Trust Company Americas, United States of America

The additional disclosures for our significant subsidiaries in relation to Article 13 CRR can be found either within the Pillar 3 Reports of the respective subsidiary as published on its website or on the Group s website for our U.S. entities.

Overall Risk Assessment

Key risk categories for us include credit risk, market risk, operational risk (including legal risk), business risk (including tax and strategic risk), reputational risk, liquidity risk, model risk and compliance risk (MaRisk, i.e., minimum requirements for risk management). We manage the identification, assessment and mitigation of top and emerging risks through an internal governance process and the use of risk management tools and processes. Our approach to identification and impact assessment aims to ensure that we mitigate the impact of these risks on our financial results, long term strategic goals and reputation.

As part of our regular risk and cross-risk analysis, sensitivities of the key portfolio risks are reviewed using a bottom-up risk assessment and through a top-down macro-economic and political scenario analysis. This two-pronged approach allows us to capture not only risks that have an impact across our risk inventories and business divisions but also those that are relevant only to specific portfolios.

Current portfolio-wide risks on which we continue to focus include: the potential re-escalation of the European sovereign debt crisis, a potential slowdown in Asian growth, disruptive US monetary tightening and its impact in particular on Emerging Markets and the potential risk of a geopolitical shock including the ongoing tensions between Russia and Ukraine. These risks have been a consistent focus throughout recent quarters. In recent months we have also focused on the impact of lower oil prices on key producing countries and related industries. The assessment of the potential impacts of these risks is made through integration into our group-wide stress tests which assess our ability to absorb these events should they occur. The results of these tests showed that we currently have adequate capital and liquidity reserves to absorb the impact of these risks if they were to materialize in line with the tests parameters. Further information about the impact of these and other risks faced by our portfolios can be found in Credit Exposures section.

Consistent with prior years, the year 2014 continued to demonstrate the trend of increasing global regulation of the financial services industry, which we view as likely to persist through the coming years. We are focused on identifying potential political and regulatory changes and assessing the possible impact on our business model and processes.

The overall focus of Risk and Capital Management throughout 2014 was on maintaining our risk profile in line with our risk strategy, increasing our capital base and supporting our strategic management initiatives with a focus on balance sheet optimization. This approach is reflected across the different risk metrics summarized below.

For purposes of Article 431 CRR, we have adopted a formal risk disclosure policy aiming to support a conclusion that our risk disclosures are in compliance with applicable legal, regulatory and accounting risk disclosure standards. A Risk Disclosure Committee comprising senior representatives and subject matter experts from Finance and Risk governs our respective risk disclosure processes. Based upon our assessment and verification we believe that our risk disclosures presented throughout this risk report appropriately and comprehensively convey our overall risk profile.

Risk Profile

Our mix of various business activities results in diverse risk taking by our business divisions. We measure the key risks inherent to their respective business models through the undiversified Total Economic Capital metric, which mirrors each business division s risk profile before taking into account cross-risk effects at the Group level.

In comparison to year-end 2013, the increase in our economic capital was mainly driven by CB&S reflecting increased credit and market risk levels partly due to foreign exchange effects and a higher economic capital usage for operational and strategic risk. Further increases are caused by Consolidation & Adjustments due to higher nontraded market risk for structural foreign exchange risk and methodology enhancements for pension risk. The observed RWA increase is to a large extent driven by transferring the RWA calculation from the Basel 2.5 framework to the new CRR/CRD 4 rules and further methodology updates. Further movements reflect changes in foreign exchange rates as well as increased risk taking off-set by NCOU de-risking.

Risk profile of our business divisions as measured by economic capital, risk weighted assets in comparison to performance metrics

							Dec 31, 2014	
in m. (unless stated otherwise)	Corporate Banking & Securities	Private & Business Clients	Global Transaction Banking	Deutsche Asset & Wealth Management	Non-Core Operations Unit	Consoli-dation & Adjustments	Total in m.	Total in %
Credit Risk	5,799	3,547	2,302	323	868	46	12,885	40
Market Risk	5,153	3,200	185	1,987	1,308	3,020	14,852	47
Operational Risk	3,569	1,088	150	722	2,070	0	7,598	24
Business Risk	2,581	0	4	1	499	0	3,084	10
Diversification Benefit[1]	(3,441)	(1,095)	(262)	(611)	(1,087)	(59)	(6,554)	(21)
Total EC in m.	**13,661**	**6,740**	**2,379**	**2,420**	**3,658**	**3,008**	**31,866**	**100**
in %	43	21	7	8	11	9	100	0
Income (loss) before income taxes	3,266	1,335	1,198	1,027	(2,851)	(859)	3,116	N/M
Pre-tax return on average active equity[2]	13 %	9 %	20 %	16 %	(37 %)	N/M	5 %	N/M
Risk weighted assets[3]	175,561	79,571	43,265	16,597	58,538	20,437	393,969	N/M

N/M Not meaningful

1 Diversification benefit across credit, market, operational and strategic risk (largest part of business risk)
2 Book equity allocation framework driven by risk-weighted assets and certain regulatory capital deduction items pursuant to CRR/CRD 4 (fully-loaded). See Note 4 Business Segments and Related Information to the consolidated financial statements for a description of how average active equity is allocated to the divisions.
3 Risk weighted assets and capital ratios are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since January 1, 2014.

							Dec 31, 2013[1]	
in m. (unless stated otherwise)	Corporate Banking & Securities	Private & Business Clients	Global Transaction Banking	Deutsche Asset &	Non-Core Operations Unit	Consoli-dation & Adjustments	Total in m.	Total in %

				Wealth Management				
Credit Risk	4,597	3,742	1,900	373	1,392	9	12,013	44
Market Risk	4,658	2,967	193	1,535	1,565	1,820	12,738	47
Operational Risk	2,453	803	96	580	1,320	0	5,253	19
Business Risk	1,413	0	6	1	263	0	1,682	6
Diversification Benefit [2]	(1,945)	(842)	(156)	(478)	(974)	(120)	(4,515)	(17)
Total EC in m.	**11,175**	**6,671**	**2,039**	**2,010**	**3,566**	**1,710**	**27,171**	**100**
in %	41	25	8	7	13	6	100	0
Income (loss) before income taxes	3,158	1,555	1,107	782	(3,402)	(1,744)	1,456	N/M
Pre-tax return on average active equity[3]	16 %	11 %	22 %	13 %	(33 %)	N/M	3 %	N/M
Risk weighted assets[4]	114,729	73,001	36,811	12,553	52,443	10,832	300,369	N/M

N/M Not meaningful

1 Amounts allocated to the business segments have been restated to reflect comparatives according to the structure as of December 31, 2014.
2 Excluding strategic risk which was not included in the calculation of the diversification benefit for 2013.
3 Book equity allocation framework driven by risk-weighted assets and certain regulatory capital deduction items pursuant to CRR/CRD 4 (fully-loaded). See Note 4 Business Segments and Related Information to the consolidated financial statements for a description of how average active equity is allocated to the divisions.
4 Risk weighted assets and capital ratios are based upon Basel 2.5 rules through December 31, 2013 and upon CRR/CRD 4 fully-loaded since January 1, 2014.

Corporate Banking & Securities (CB&S) risk profile is dominated by its trading in support of origination, structuring and market making activities, which gives rise to market risk and credit risk. Further credit risks originate from exposures to corporates and financial institutions. Under CB&S current business model, the remainder is derived from operational risks and business risk, primarily from potential legal and earnings volatility risks, respectively. CB&S income before income taxes increased by 108 million or 3 % in 2014 compared to 2013, however CB&S pre-tax return on average active equity decreased from 2013 by 3 percentage points to 13 % in 2014. This development is mainly driven by a higher average active equity allocation associated with our capital raise in May 2014 as well as RWA increases mainly from methodology changes which relate to a large extent to switching from Basel 2.5 framework to the CRR/CRD 4 rules.

Private & Business Clients (PBC) risk profile comprises of credit risk from retail and small and medium-sized enterprises (SMEs) lending as well as nontrading market risk from investment risk, modeling of client deposits and credit spread risk. While PBC s risk profile stayed materially unchanged over the year, the reported income before income taxes declined significantly compared to 2013 driven by charges triggered by changes in German legal practice regarding loan processing fees in May and in October 2014, leading to a slightly lower pre-tax return on average active equity.

Global Transaction Banking s (GTB) revenues are generated from various products with different risk profiles. The vast majority of its risk relates to credit risk in the Trade Finance business, while other businesses attract low to no credit risk. The relatively low market risk mainly results from derivative hedge positions. The pre-tax return on average active equity of 20 % in 2014 decreased slightly compared to 2013. While the profitability of GTB increased, the lower return on average active equity primarily relates to higher volumes in a highly competitive and low interest rate environment.

The main risk driver of Deutsche Asset & Wealth Management s (Deutsche AWM) business are guarantees on investment funds, which we report as nontrading market risk. Otherwise Deutsche AWM s advisory and commission focused business attracts primarily operational risk. Deutsche AWM s return on average active equity has increased year over year, driven by improved P&L performance given lower cost to achieve, a reversal of intangible impairment, and lower litigation expense. The increased economic capital usage was mainly driven by a higher nontraded market risk for guaranteed funds.

The Non-Core Operations Unit (NCOU) portfolio includes activities that are non-core to the Bank s future strategy; assets materially affected by business, environment, legal or regulatory changes; assets earmarked for de-risking; assets suitable for separation; assets with significant capital absorption but low returns; and assets exposed to legal risks. NCOU s risk profile covers risks across the entire range of our operations comprising credit risks and also market and operational risks (including legal risks) targeted where possible for accelerated de-risking. The development of the pre-tax return on average active equity shows that the capital allocation induced by de-risking decreased more than the negative performance. Whilst the de-risking strategy was capital accretive, net income continues to be impacted by outflows related to legal and regulatory matters.

Consolidation & Adjustments mainly comprises non traded market risk for structural foreign exchange risk and pension risk.

Risk Management Executive Summary

Credit Risk Summary

- Maximum Exposure to Credit Risk increased by 105 billion or 6 % to 1.8 trillion compared to December 31, 2013, largely due to increases in positive market values from derivative instruments, primarily related to interest rate and foreign exchange products in the fourth quarter, despite significant activity in trade restructuring and novation to reduce exposure. Credit quality of Maximum Exposure to Credit Risk was 79 % investment-grade rated as of December 31, 2014, slightly increased from 77 % as of December 31, 2013.
- Main Credit exposure remained diversified by region, industry and counterparty. Regional exposure is evenly spread across our key markets (North America 31 %, Germany 29 %, Rest of Western Europe 26 %) and the regional distribution has been relatively stable year on year. Our largest industry exposure is to Banks and insurance, which constitutes 25 % of overall gross exposures (i.e., before consideration of collateral), compared to 33 % on December 31, 2013. On a counterparty level, we remained well diversified with our top ten exposures representing 7 % of our total gross main credit exposures compared with 10 % as of December 31, 2013, all with highly rated investment-grade counterparties.

Provision for credit losses in 2014 was 1.1 billion, down by 931 million, or 45 % versus 2013 reflecting material reductions in all businesses. The reduction in NCOU was driven by decreased provision for credit losses in IAS39 reclassified and commercial real estate assets. Our core bank benefited from increased releases and a non-recurrence of large single name bookings.

Our overall loan book increased by 29 billion or 7 %, from 382 billion as of December 31, 2013 to 411 billion as of December 31, 2014. Increases were driven by foreign exchange impact, collateral restructuring related to ETF business within CB&S and business growth across CB&S and Deutsche AWM, partly offset by reductions in NCOU. Our single largest loan book category is household mortgages, equating to 153 billion as of December 31, 2014, thereof 119 billion in the stable German market. Our corporate loan book, which accounts for 55 % of the total loan book, contained 65 % of loans with an investment-grade rating as of December 31, 2014, slightly increased from 64 % as of December 31, 2013.

The economic capital usage for credit risk increased to 12.9 billion as of December 31, 2014, compared with 12.0 billion at year-end 2013 reflecting higher exposures in CB&S and GTB, partly offset by lower exposures in NCOU.

RWA for credit risk has increased by 41.9 billion or 21 % to 244 billion since December 31, 2013, largely driven by introducing the new CRR/CRD 4 regulatory framework, the impact from foreign exchange movements and from model refinements, partly offset by reductions from de-risking activities and asset sales, primarily in NCOU.

Market Risk Summary

The average value-at-risk of our trading units was 51.6 million during 2014, compared with 53.6 million for 2013. The decrease was driven by lower exposure levels in credit spread risk and commodities risk.

RWA for Market risk has increased by 17.0 billion or 36 % to 64.2 billion since December 31, 2013, largely driven by the introduction of the new CRR/CRD 4 regulatory framework which has increased the RWA for trading book securitization exposures within CB&S and changes to our internal Incremental Risk Charge Model.

Nontrading market risk economic capital usage increased by 1.4 billion or 16 % to 9.9 billion as of December 31, 2014. The increase was primarily driven by higher structural foreign exchange risk exposure, methodology enhancements for pension risk and increased guaranteed funds risk, partly offset by de-risking activities in NCOU.

The economic capital usage for trading market risk totaled 5.0 billion as of December 31, 2014, compared with 4.2 billion at year-end 2013. The increase was primarily driven by increased exposures in fair value banking books.

Operational Risk Summary

The economic capital usage for operational risk increased to 7.6 billion as of December 31, 2014, compared with 5.3 billion at year-end 2013. The increase was mainly driven by an early recognition of the impact of model enhancements to our Advanced Measurement Approach (AMA) model that were implemented in the second quarter 2014, which initially led to additional economic capital of 1.1 billion. An additional driver was the increased operational risk loss profile of Deutsche Bank as well as of the industry as a whole. The related operational risk losses that have materialized and given rise to the increased economic capital usage are largely due to the outflows related to litigation, investigations and enforcement actions.

We continue to formally apply the economic capital safety margin to our AMA model, which we first implemented in 2011 to cover unforeseen legal risks. Recently submitted risk sensitive model enhancements aiming to replace the safety margin will lead to a higher amount required for economic capital compared to this safety margin. Management decided to recognize the increment for the first time in the second quarter 2014.

RWA for operational risk increased to 67.1 billion as of December 31, 2014, compared with 50.9 billion at year-end 2013. The increase of 16.2 billion is caused by our early recognition of enhancements to our Advanced Measurement Approach (AMA) model in the second quarter of 2014, which initially led to additional RWA of 7.7 billion. An additional driver was the increased operational risk loss profile of Deutsche Bank as well as of the industry as a whole.

Liquidity Risk Summary

Liquidity reserves amounted to 184 billion as of December 31, 2014 (compared to 196 billion as of December 31, 2013). We maintained a positive liquidity stress result as of December 31, 2014 (under the combined scenario).
We raised 44 billion for the full year 2014 in the capital markets at average spread of 45bps and average tenor of 4.8 years, fully completing our 2014 funding requirements.
76 % of our overall funding came from the funding sources we categorize as the most stable comprising capital markets and equity, retail and transaction banking.

Capital Management Summary

The Common Equity Tier 1 (CET 1, formerly: Core Tier 1) capital ratio, calculated on the basis of CRR/CRD 4 (phase-in rate of 20 %), was 15.2 % as of December 31, 2014, compared with 12.8 % at year-end 2013 based on Basel 2.5. Our pro forma CRR/CRD 4 (phase-in rate of 0 %) CET 1 capital ratio was 14.6 % at year-end 2013.
CET 1 capital according to CRR/CRD 4 increased by 21.6 billion to 60.1 billion compared with 38.5 billion CET 1 capital according to Basel 2.5. The framework change has led to a positive first-day application effect of 10.4 billion due to the applicable phase-in rate of 20 % for 2014, mainly driven by the treatment of intangible assets of 9.2 billion. During the transitional period, CRR/CRD 4 allows subtraction of certain CET 1 deductions from Additional Tier 1 capital instead of CET 1 capital, to ease the transition for banks to the fully-loaded rules. The remaining 11.1 billion increase was mainly driven by our capital increase from authorized capital against cash contributions with gross proceeds of 8.5 billion.
Additional Tier 1 (AT1) capital according to CRR/CRD 4 decreased by 8.4 billion to 3.8 billion compared with 12.2 billion AT1 capital according to Basel 2.5. We had a negative first-day effect from application of CRR/CRD 4 rules of 12.0 billion, largely reflecting deductions from intangible assets of 9.2 billion as well as the derecognition of AT1 instruments of 2.2 billion that no longer qualify as AT1 capital. The first-day effect was partly offset by the issuance of CRR/CRD 4 compliant AT1-Notes of 4.6 billion.
Tier 2 capital according to CRR/CRD 4 decreased by 0.4 billion to 4.4 billion compared with 4.7 billion Tier 2 capital according to Basel 2.5, mainly due to redemptions and amortization adjustments that were partly offset by deduction reliefs from securitizations and significant investments in financial and insurance entities.
RWA according to CRR/CRD 4 increased by 96 billion to 397 billion as of December 31, 2014, compared with 300 billion at year-end 2013 based on Basel 2.5. Our pro forma CRR/CRD 4 RWA were 355 billion at year-end 2013. The RWA increase is mainly reflecting the impact from the CRR/CRD 4 framework including RWA for CVA, higher operational risk RWA and credit risk RWA including the impact from foreign exchange movements. That was partly offset by de-risking and asset sales.
The internal capital adequacy ratio increased to 177 % as of December 31, 2014, compared with 165 % as of December 31, 2013.
The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio significantly improved in 2014 from pro forma 9.7 % as of December 31, 2013 to 11.7 % as of December 31, 2014. The 199 basis points ratio increase was driven by an approximate 250 basis points increase resulting from our issue of common shares in the second quarter of 2014 partially offset by higher risk-weighted assets.

Balance Sheet Management Summary

As of December 31, 2014, our fully loaded CRR/CRD 4 leverage ratio under revised rules, which is a non-GAAP financial measure, was 3.5 % compared to our pro forma CRR/CRD 4 leverage ratio (not taking into account recent revisions to the leverage ratio rules) of 2.4 % as of December 31, 2013, taking into account a fully loaded Tier 1 capital of 50.7 billion over an applicable exposure measure of 1,445 billion (34.0 billion and 1,445 billion as of December 31, 2013, respectively).
For a discussion of the revised CRR/CRD 4 rules please refer to section Balance Sheet Management of this report.

Risk Management Principles

Risk Management Framework

The diversity of our business model requires us to identify, assess, measure, aggregate and manage our risks, and to allocate our capital among our businesses. We operate as an integrated group through our divisions, business units and infrastructure functions. Risk and capital are managed via a framework of principles, organizational structures and measurement and monitoring processes that are closely aligned with the activities of the divisions and business units:

- Core risk management responsibilities are embedded in the Management Board and delegated to senior risk management committees responsible for execution and oversight. The Supervisory Board regularly monitors the risk and capital profile.
- We operate a three-line of defense risk management model whereby front office functions, risk management oversight and assurance roles are played by functions independent of one another.
- Risk strategy is approved by the Management Board on an annual basis and is defined based on the Group Risk Appetite and Strategic and Capital Plan in order to align risk, capital and performance targets.
- Cross-risk analysis reviews are conducted across the Group to validate that sound risk management practices and a holistic awareness of risk exist.
- All major risk classes are managed via risk management processes, including: credit risk, market risk, operational risk, liquidity risk, business risk, reputational risk, model risk and compliance risk (MaRisk, i.e., minimum requirements for risk management). Modeling and measurement approaches for quantifying risk and capital demand are implemented across the major risk classes. Non-standard risks (reputational risk, model risk, compliance risk) are implicitly covered in our economic capital framework, primarily within operational and strategic risk.
- Monitoring, stress testing tools and escalation processes are in place for key capital and liquidity thresholds and metrics.
- Systems, processes and policies are critical components of our risk management capability.
- Recovery planning provides the escalation path for crisis management governance and supplies senior management with a list of actions designed to improve the capital and liquidity positions in a stress event.
- Resolution planning is closely supervised by our home resolution authority. It provides a strategy to manage Deutsche Bank in case of default. It is designed to prevent the need for tax payer bailout and strengthen financial stability by the continuation of critical services delivered to the wider economy.

Risk Governance

From a supervisory perspective, our operations throughout the world are regulated and supervised by relevant authorities in each of the jurisdictions in which we conduct business. Such regulation focuses on licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting requirements. The European Central Bank in connection with the competent authorities of EU countries which joined the Single Supervisory Mechanism via the Joint Supervisory Team act in cooperation as our primary supervisors to monitor our compliance with the German Banking Act and other applicable laws and regulations as well as, from January 1, 2014, the CRR/CRD 4 framework, as implemented into German law, as applicable.

German banking regulators assess our capacity to assume risk in several ways, which are described in more detail in the section Regulatory Capital .

From an internal governance perspective, we have several layers of management to provide cohesive risk governance:

- The Supervisory Board is required to be informed regularly and as necessary on special developments in our risk situation, risk management and risk controlling, as well as on our reputation and material litigation cases. It has formed various committees to handle specific tasks.
- At the meetings of the Risk Committee, the Management Board reports on credit, market, liquidity, operational as well as litigation and reputational risks. It also reports on credit risk strategy, credit portfolios, loans requiring a Supervisory Board resolution pursuant to law or the Articles of Association, questions of capital resources and matters of special importance due to the risks they entail. The Risk Committee deliberates with the Management Board on issues of the aggregate risk disposition and the risk strategy.
- The Integrity Committee monitors the Management Board s measures that promote the company s compliance with legal requirements, authorities regulations and the company s own in-house policies. It also reviews the Bank s Code of Business Conduct and Ethics, monitors and analyzes the Bank s legal and reputational risks and advocates their avoidance.
- The Audit Committee monitors, among other matters, the effectiveness of the risk management system, particularly the internal control system and the internal audit system.
- The Management Board is responsible for managing Deutsche Bank Group in accordance with the law, the Articles of Association and its Terms of Reference with the objective of creating sustainable value in the interest of the company, thus taking into consideration the interests of the shareholders, employees and other stakeholders. The Management Board is responsible for establishing a proper business organization, encompassing an appropriate and effective risk management. In agreement with the Supervisory Board and with the aim to ensure an effective governance of resources and risk, the Management Board has established the Capital and Risk Committee (CaR) and the Risk Executive Committee (Risk ExCo) whose roles are described in more detail below.

For further information on how we aim to ensure that our overall performance is aligned to our risk strategy, please refer to the sections Risk Appetite and Capacity and Strategic and Capital Plan .

Risk Management Governance Structure of the Deutsche Bank Group

The following functional committees are central to the management of risk in Deutsche Bank:

The CaR oversees and controls integrated planning and monitoring of our risk profile and capital capacity, providing an alignment of risk appetite, capital requirements and funding/liquidity needs with Group, divisional and sub-divisional business strategies. It provides a platform to discuss and agree strategic issues impacting capital, funding and liquidity among Risk, Government & Regulatory Affairs, Finance and the business divisions. The CaR initiates actions and/or makes recommendations to the Management Board. It is also responsible for monitoring our risk profile against our risk appetite on a regular basis and ensuring escalation or other actions are taken. The CaR monitors the performance of our risk profile against early warning indicators and recovery triggers, and provides recommendations to the Management Board to invoke defined processes and/or actions under the recovery governance framework if required.

Our Risk ExCo, as the most senior functional committee of our risk management, identifies, controls and manages all risks including risk concentrations at Group level. It is responsible for risk policy, the organization and governance of risk management and oversees the execution of risk and capital management including identification, assessment and risk mitigation, within the scope of the risk and capital strategy (Risk and Capital Demand Plan) approved by the Management Board. The Risk ExCo is supported by sub-committees that are responsible for dedicated areas of risk management, including several policy committees, the Portfolio Risk Committee (PRC) and the Group Reputational Risk Committee (GRRC). In February 2015, it was agreed to move the GRRC from a sub-committee of the Risk ExCo to report directly into the Management Board.

The PRC supports the Risk ExCo and the CaR with particular emphasis on the management of Group-wide risk patterns. The PRC, under a delegation of authority from the CaR has responsibility for the day-to-day oversight and control of our Internal Capital Adequacy Assessment Process (ICAAP). The PRC also oversees our Group-wide stress tests, reviews the results and proposes management action, if required. It

- monitors the effectiveness of the stress test process and drives continuous improvement of our stress testing framework.
- The Living Wills Committee (LWC) is the dedicated sub-committee of the CaR with focus on recovery and resolution planning. It oversees the implementation of our recovery and resolution plans and enhancements to the Group s operational readiness to respond to severe stress or the threat of a severe stress.
- The Regulatory Capital Committee is a further sub-committee of our Capital and Risk Committee. It is tasked with oversight on our risk quantification models. To promote a comprehensive oversight, it is supported by several sub-committees that cover certain kinds of models and model-related matters.

Multiple members of the CaR are also members of the Risk ExCo which facilitates the information flow between the two committees.

Our Chief Risk Officer (CRO), who is a member of the Management Board, has Group-wide, supra-divisional responsibility for the management of all credit, market and operational risks as well as for the comprehensive control of risk, i.e. including liquidity risk, and continuing development of methods for risk measurement. In addition, the Chief Risk Officer is responsible for monitoring, analyzing and reporting risk on a comprehensive basis, including asset and liability gap, capital, liquidity, legal, compliance and regulatory risks.

The CRO has direct management responsibility for the following risk management functions: Credit Risk Management, Market Risk Management, Operational Risk Management and Liquidity Risk Control.

These are established with the mandate to:

- Support that the business within each division is consistent with the risk appetite that the CaR has set within a framework established by the Management Board;
- Determine and implement risk and capital management policies, procedures and methodologies that are appropriate to the businesses within each division;
- Approve credit, market and liquidity risk limits;
- Conduct periodic portfolio reviews to keep the portfolio of risks within acceptable parameters; and
- Develop and implement risk and capital management infrastructures and systems that are appropriate for each division.

In addition to the heads for these risk management functions, dedicated regional Chief Risk Officers for Germany, for the Americas and for Asia-Pacific, and divisional Chief Risk Officers for Deutsche AWM and NCOU have been appointed to establish a holistic risk management coverage.

The heads of the aforementioned risk management functions as well as the regional and divisional Chief Risk Officers have a direct reporting line into the CRO.

Furthermore, several teams within the risk management functions cover overarching aspects of risk management. Their mandate is to provide an increased focus on holistic risk management and cross-risk oversight to further enhance our risk portfolio steering. Key objectives are to:

- Drive key strategic cross-risk initiatives and establish greater cohesion between defining portfolio strategy and governing execution, including regulatory adherence;
- Provide a strategic and forward-looking perspective on the key risk issues for discussion at senior levels within the bank (risk appetite, stress testing framework);
- Strengthen risk culture in the bank; and
- Foster the implementation of consistent risk management standards.

Our Finance, Risk and Group Audit functions operate independently of our business divisions. It is the responsibility of the Finance and Risk departments to quantify and verify the risk that we assume and maintain the quality and integrity of our risk-related data. Group Audit examines, evaluates and reports on the adequacy of both the design and effectiveness of the systems of internal control including the risk management systems.

The integration of the risk management of our subsidiary Deutsche Postbank AG is promoted through harmonized processes for identifying, assessing, managing, monitoring, and communicating risk, the strategies and procedures for determining and safe guarding risk-bearing capacity, and corresponding internal control procedures. Key features of the joint governance are:

- Functional reporting lines from the Postbank Risk Management to Deutsche Bank Risk;
- Participation of voting members from Deutsche Bank from the respective risk functions in Postbank s key risk committees and vice versa for selected key committees; and
- Implementation of key Group risk policies at Postbank.

The key risk management committees of Postbank, in all of which Postbank s Chief Risk Officer or senior risk managers of Deutsche Bank are voting members, are:

- The Bank Risk Committee, which advises Postbank s Management Board with respect to the determination of overall risk appetite and risk and capital allocation;
- The Credit Risk Committee, which is responsible for limit allocation and the definition of an appropriate limit framework;
- The Market Risk Committee, which decides on limit allocations as well as strategic positioning of Postbank s banking and trading book and the management of liquidity risk;
- The Operational Risk Management Committee, which defines the appropriate risk framework as well as the limit allocation for the individual business areas; and
- The Model and Validation Risk Committee, which monitors validation of all rating systems and risk management models.

The main focus of this work is to comply with the agreed regulatory IRBA roadmap and to further develop our joint risk management infrastructure. In 2013, the group-wide AMA model for operational risk was approved by the regulator to be used in Postbank.

In 2014, the full integration of large clients has been completed. These are now centrally managed on our credit platform and the regulator extended acceptance for the use of the joint model parameters for large caps and financial institutions. The other client types (small and medium enterprises, retail, corporate real estate) are areas of focus for 2015 and beyond.

Risk Culture

We seek to promote a strong risk culture throughout our organization. A strong risk culture is designed to help reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile. We actively take risks in connection with our business and as such the following principles underpin risk culture within our group:

- Risk is taken within a defined risk appetite;
- Every risk taken needs to be approved within the risk management framework;
- Risk taken needs to be adequately compensated; and
- Risk should be continuously monitored and managed.

Employees at all levels are responsible for the management and escalation of risks. We expect employees to exhibit behaviors that support a strong risk culture. To promote this our policies require that behavior assessment is incorporated into our performance assessment and compensation processes. We have communicated the following risk culture behaviors through various communication vehicles:

- Being fully responsible for our risks;
- Being rigorous, forward looking and comprehensive in the assessment of risk;
- Inviting, providing and respecting challenges;
- Trouble shooting collectively; and
- Placing Deutsche Bank and its reputation at the heart of all decisions.

To reinforce these expected behaviors and strengthen our risk culture, we conduct a number of group-wide activities. Our Board members and senior management frequently communicate the importance of a strong risk culture to support a consistent tone from the top. To further strengthen this message, we have reinforced our targeted training. In 2014, our employees attended more than 88,000 mandatory training modules globally including, for example, Global Information Security Awareness, An Introduction to MaRisk and the newly introduced Tone from the Top module. As part of our ongoing efforts to strengthen our risk culture, we review our training suite regularly to develop further modules or enhance existing components.

In addition, along with other measures to strengthen our performance management processes, we have designed and implemented a process to tie formal measurement of risk culture-related behaviors to our employee performance assessment, promotion and compensation processes. This process has been in place in our CB&S and GTB divisions since 2010 and has subsequently been rolled out to all divisions and functions, with PBC Germany being the latest to have implemented the process in January 2015. This process is designed to further strengthen employee accountability.

We have also developed a dashboard to measure risk culture at a divisional and regional level. This was piloted in CB&S and AWM in 2014 and will be further developed over the coming months.

Further measures are already being reviewed and will be added to the program in 2015.

Risk Appetite and Capacity

Risk appetite expresses the level of risk that we are willing to assume within our risk capacity in order to achieve our business objectives, as defined by a set of minimum quantitative metrics and qualitative standards. Risk capacity is defined as the maximum level of risk we can assume in both normal and distressed situations before breaching regulatory constraints and our obligations to stakeholders.

Risk appetite is an integral element in our business planning processes via our Risk and Capital Demand Plan, to promote the appropriate alignment of risk, capital and performance targets, while at the same time considering risk capacity and appetite constraints. We leverage the stress testing process to test the compliance of the plan also under stressed market conditions. Top-down risk appetite serves as the limit for risk-taking for the bottom-up planning from the business functions.

The Management Board reviews and approves our risk appetite and capacity on an annual basis, or more frequently in the event of unexpected changes to the risk environment, with the aim of ensuring that they are consistent with our Group s strategy, business and regulatory environment and stakeholders requirements.

In order to determine our risk appetite and capacity, we set different group level triggers and thresholds on a forward looking basis and define the escalation requirements for further action. We assign risk metrics that are sensitive to the material risks to which we are exposed and which are able to function as key indicators of financial health. In addition to that, we link our risk and recovery management governance framework with the risk appetite framework. In detail, we assess a suite of metrics under stress (CRR/CRD 4 fully loaded Common Equity Tier 1 (CET 1) ratio, Internal Capital Adequacy (ICA) ratio, and Stressed Net Liquidity Position (SNLP)) within the regularly performed benchmark and more severe group-wide stress tests and compare them to the Red-Amber-Green (RAG) levels as defined in the table below.

Risk Appetite Thresholds for key metrics

RAG levels	CRR/CRD 4 fully loaded CET1 ratio	Internal capital adequacy	Stressed net liquidity position
Normal	> 8.0%	> 135%	> 5 billion
Critical	8.0% 5.5%	135% 120%	5 billion 0 billion
Crisis	< 5.5%	< 120%	< 0 billion

Reports relating to our risk profile as compared to our risk appetite and strategy and our monitoring thereof are presented regularly up to the Management Board. Throughout the year 2014, our actual risk profile has remained in the normal levels as defined in the table above. In the event that our desired risk appetite is breached under either normal or stressed scenarios, a predefined escalation governance matrix is applied so these breaches are highlighted to the respective committees, and ultimately to the Chief Risk Officer and the Management Board. Amendments to the risk appetite and capacity must be approved by the Chief Risk Officer or the full Management Board, depending on their significance. As part of our annual risk appetite thresholds calibration exercise, we have furthermore adjusted our normal level of CRR/CRD 4 fully loaded CET1 ratio to 8.5 % and our ICA ratio to 140 % effective 2015 onwards. Therefore, the upper bound of the critical level for CRR/CRD 4 fully loaded CET1 ratio and ICA ratio will be adjusted for these changes as well.

Strategic and Capital Plan

We conduct an annual strategic planning process which lays out the development of our future strategic direction as a group and for our business areas/units. The strategic plan aims to create a holistic perspective on capital, funding and risk under risk-return considerations. This process translates our long term strategic targets into measurable short to medium term financial targets and enables intra-year performance monitoring and management. Thereby we aim to identify optimal growth options by considering the risks involved and the allocation of available capital resources to drive sustainable performance. Risk specific portfolio strategies complement this framework and allow for an in-depth implementation of the risk strategy on portfolio level, addressing risk specifics including risk concentrations.

The strategic planning process consists of two phases: a top-down target setting and a bottom-up substantiation.

In a first phase the top down target setting our key targets for profit and loss (including revenues and costs), capital supply, and capital demand as well as leverage and funding and liquidity are discussed for the group and the key business areas by the Group Executive Committee. In this process, the targets for the next three years are based on our global macro-economic outlook and the expected regulatory framework. Subsequently, the targets are approved by the Management Board.

In a second phase, the top-down objectives are substantiated bottom-up by detailed business unit plans, which for the first year consist of a month by month operative plan; years two and three are annual plans. The proposed bottom-up plans are reviewed and challenged by Finance and Risk and are discussed individually with the business heads. Thereby, the specifics of the business are considered and concrete targets decided in line with our strategic direction. The bottom-up plans include targets for key legal entities to review local risk and capitalization levels. Stress tests complement the strategic plan to also consider stressed market conditions.

The resulting Strategic and Capital Plan is presented to the Group Executive Committee and the Management Board for discussion and approval. Following the approval of the Management Board, the final plan is presented to the Supervisory Board.

The Strategic and Capital Plan is designed to support our vision of being a leading client-centric global universal bank and aims to ensure:

- Balanced risk adjusted performance across business areas and units;
- High risk management standards with focus on risk concentrations;
- Compliance with regulatory requirements;
- Strong capital and liquidity position; and
- Stable funding and liquidity strategy allowing for the business planning within the liquidity risk appetite and regulatory requirements.

The Strategic and Capital Planning process allows us to:

- Set earnings and key risk and capital adequacy targets considering the bank s strategic focus and business plans;
- Assess our risk-bearing capacity with regard to internal and external requirements (i.e., economic capital and regulatory capital); and
- Apply an appropriate stress test to assess the impact on capital demand, capital supply and liquidity.

The specific limits e.g. regulatory capital demand and economic capital are derived from the Strategic and Capital Plan to align risk, capital and performance targets at all relevant levels of the organization.

The targets of a fully loaded CET 1 ratio of higher than 10 % and a leverage ratio of 3.5 % by year end 2015 are monitored on an ongoing basis in appropriate management committees. Any projected shortfall from targets is discussed together with potential mitigating strategies seeking to ensure that we remain on track to achieve our targets. Amendments to the strategic and capital plan must be approved by the Management Board. Achieving our externally communicated solvency targets ensures that we also comply with the Group Supervisory Review and Evaluation Process requirements as articulated by our home supervisor (CET 1 ratio of at least 10 % on a phase-in basis at all times).

Recovery and Resolution Planning

The 2007/2008 financial crisis exposed banks and the broader financial market to unprecedented pressures. These pressures led to significant support for certain banks by their governments and to large scale interventions by central banks. The crisis also forced many financial institutions to significantly restructure their businesses and strengthen their capital, liquidity and funding bases. This crisis revealed that many financial institutions were insufficiently prepared for a fast-evolving systemic crisis and thus were unable to act and respond in a way that would avoid potential failure and prevent material adverse impacts on the financial system and ultimately the economy and society.

In response to the crisis, the Financial Stability Board (FSB) has published a list of global systemically important banks (G-SIBs) and has advised its member institutions to mandate and to support the development of recovery and resolution plans within G-SIBs. Corresponding legislation has been enacted or proposed, as the case may be, in several jurisdictions, including the member states of the European Union (EU), Germany, UK and the U.S. As we have been identified as one of the G-SIBs, we have developed the Group s recovery plan (Recovery Plan) and submitted this to our relevant regulators. The Recovery Plan is updated at least annually to reflect changes in the business and the regulatory requirements.

The Recovery Plan prepares us to restore our financial strength and viability during an extreme stress situation. The Recovery Plan s more specific purpose is to outline how we can respond to a financial stress situation that would significantly impact our capital or liquidity position. Therefore it lays out a set of defined actions aimed to protect us, our customers and the markets and prevent a potentially more costly resolution event. In line with regulatory guidance, we have identified a wide range of recovery measures that will mitigate different types of stress scenarios. These scenarios originate from both idiosyncratic and market-wide events, which would have led to severe capital and liquidity impacts as well as impacts on our performance and balance sheet. The Re-

covery Plan, including its corresponding policy, is intended to enable us to effectively monitor, escalate, plan and execute recovery actions in the event of a crisis situation.

The Recovery Plan s key objective is to help us to recover from a crisis situation by selecting appropriate recovery actions to stay sufficiently capitalised and funded. This plan extends beyond our risk management framework and can be executed in extreme scenarios where crises may threaten our survival (i.e., substantial loss of capital or inability to access market liquidity when needed). The Management Board determines when the Recovery Plan has to be invoked and which recovery measures are deemed appropriate.

The Recovery Plan is designed to cover multiple regulations including those of the FSB, EU, Germany and other key jurisdictions. Furthermore, the plan incorporates feedback from extensive discussions with our Crisis Management Group (CMG), formed by key home and host authorities. We report to this CMG with the objective of enhancing preparedness for, and facilitating the management and resolution of a cross-border financial crisis affecting us. This CMG is also intended to cooperate closely with authorities in other jurisdictions where firms have a systemic presence.

We are also working closely with our home resolution authority to create a Group Resolution Plan for Deutsche Bank as set out in the Banking Recovery and Resolution Directive and the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz or SAG).

In addition, title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the implementing regulations issued by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (FDIC) require each bank holding company with assets of U.S. $ 50 billion or more, including Deutsche Bank AG (DBAG), to prepare and submit annually a plan for the orderly resolution of subsidiaries and operations in the event of future material financial distress or failure (the Title I US Resolution Plan). For foreign-based covered companies such as DBAG, the Title I US Resolution Plan only relates to subsidiaries, branches, agencies and businesses that are domiciled in or conducted in whole or in material part in the United States. In addition to the Title I US Resolution Plan, in 2014, Deutsche Bank Trust Company Americas (DBTCA), one of DBAG s insured depository institutions (IDIs) in the United States, was subject to the FDIC s final rule requiring IDIs with total assets of U.S. $ 50 billion or more to submit periodically to the FDIC a plan for resolution in the event of failure under the Federal Deposit Insurance Act (the IDI Rule). DBTCA exceeded the IDI Rule s threshold of U.S. $ 50 billion in average total consolidated assets during 2013 and DBAG expanded its 2014 Title I US Resolution Plan to also be responsive to the IDI Rule requirements (the Title I US Resolution Plan together with the IDI Plan, the US Resolution Plan).

The core elements of the US Resolution Plan are Material Entities (MEs), Core Business Lines (CBLs), Critical Operations (COs) and, for purposes of the IDI Plan, Critical Services. The US Resolution Plan lays out the resolution strategy for each ME, defined as those entities significant to the activities of a CO or CBL and demonstrates how each ME, CBL and CO, as applicable, can be resolved in a rapid and orderly manner and without systemic impact on U.S. financial stability. The US Resolution Plan also discusses the strategy for continuing Critical Services in resolution. Key factors addressed in the US Resolution Plan include how to ensure:

- Continued access to services from other U.S. and non-U.S. legal entities as well as from third parties such as payment servicers, exchanges and key vendors;
- Availability of funding from both external and internal sources;
- Retention of key employees during resolution; and
- Efficient and coordinated close-out of cross-border contracts.

The US Resolution Plan is drafted in coordination with the U.S. businesses and infrastructure groups so that it accurately reflects the business, critical infrastructure and key interconnections.

Risk Assessment and Reporting

Risk Metrics

We use a broad range of quantitative and qualitative methodologies for assessing and managing risks. As a matter of policy, we continually assess the appropriateness and the reliability of our quantitative tools and metrics in light of our changing risk environment. Some of these tools are common to a number of risk categories, while others are tailored to the particular features of specific risk categories. The advanced internal tools and metrics we currently use to measure, manage and report our risks are:

RWA equivalent. This is defined as total risk-weighted assets (RWA) plus a theoretical amount for specific allocated Common Equity Tier 1 capital deduction items if these were converted into RWA. RWA form the key factor in determining the bank s regulatory capital adequacy as reflected in the Common Equity Tier 1 capital ratio. RWA equivalents are used to set targets for the growth of our businesses and monitored within our management reporting systems. As a general rule, RWA are calculated in accordance with the currently valid CRR/CRD 4 framework, as implemented into German law (where necessary) and used within our forward looking risk and capital planning processes.
Expected loss. We use expected loss as a measure of our credit and operational risk. Expected loss is a measurement of the loss we can expect induced by defaults within a one-year period from these risks as of the respective reporting date, based on our historical loss experience. When calculating expected loss for credit risk, we take into account credit risk ratings, collateral, maturities and statistical averaging procedures to reflect the risk characteristics of our different types of exposures and facilities. All parameter assumptions are based on statistical considerations of up to nine years based on our internal default and loss history as well as external benchmarks. We use expected loss as a tool of our risk management process and as part of our management reporting systems. We also consider the applicable results of the expected loss calculations as a component of our collectively assessed allowance for credit losses included in our financial statements. For operational risk we determine the expected loss from statistical averages of our internal loss history, recent risk trends as well as forward looking estimates.
Return on risk-weighted assets (RoRWA). In times of regulatory capital constraints, RoRWA has become an important metric to assess our client relationships profitability, in particular for credit risk. RoRWA is currently the primary performance measure and continues to attract more attention than the previously used RARoC profitability measure based on economic capital.
Value-at-risk. We use the value-at-risk approach to derive quantitative measures for our trading book market risks under normal market conditions and by means of the stressed value-at-risk under stressed market conditions. Our respective value-at-risk figures play a role in both internal and external (regulatory) reporting. For a given portfolio, value-at-risk measures the potential future loss (in terms of market value) that, under normal/stressed market conditions, is not expected to be exceeded with a defined confidence level in a defined period. The value-at-risk for a total portfolio represents a measure of our diversified market risk (aggregated, using pre-determined correlations) under normal/stressed market conditions in that portfolio.
Economic capital. Economic capital measures the amount of capital we need to absorb very severe unexpected losses arising from our exposures. Very severe in this context means that economic capital is set at a level to cover with a probability of 99.98 % the aggregated unexpected losses within one year. We calculate economic capital for credit risk, for market risk including trading default risk, for operational risk and for business risk.

Stress testing

We have a strong commitment to stress testing performed on a regular basis in order to assess the impact of a severe economic downturn on our risk profile and financial position. These exercises complement traditional risk measures and represent an integral part of our strategic and capital planning process. Our stress testing framework comprises regular Group-wide stress tests based on internally defined benchmark and more severe macroeconomic global downturn scenarios. We include all material risk types into our stress testing exercises. The time-horizon of internal stress tests is one year. Our methodologies undergo regular scrutiny from internal

experts as well as regulators to review whether they correctly capture the impact of a given stress scenario. These analyses are complemented by portfolio- and country-specific stress tests as well as regulatory requirements, such as annual reverse stress tests and additional stress tests requested by our regulators on the group or legal entity level. Moreover, a capital planning stress test is performed annually to assess the viability of our capital plan in adverse circumstances and to demonstrate a clear link between risk appetite, business strategy, capital plan and stress testing. An integrated procedure allows us to assess the impact of ad-hoc scenarios that simulate potential imminent financial or geopolitical shocks.

The initial phase of our internal stress tests consists of defining a macroeconomic downturn scenario by dbResearch in cooperation with business specialists. dbResearch monitors the political and economic development around the world and maintains a macro-economic heat map that identifies potentially harmful scenarios. Based on quantitative models and expert judgments, economic parameters such as foreign exchange rates, interest rates, GDP growth or unemployment rates are set accordingly to reflect the impact on our business. The scenario parameters are translated into specific risk drivers by subject matter experts in the risk units. Using internal models metrics such as RWA, losses and economic capital under stress are computed by risk type. These results are aggregated at the Group level, and key metrics such as the SNLP, the CET 1 ratio and ICA ratio under stress are derived. Stress testing results and the underlying scenarios are reviewed across risk types on various levels by senior managers within Risk, Finance and the business units. After comparing these results against our defined risk appetite, senior management decides on specific mitigation actions to remediate the stress impact in alignment with the overall strategic and capital plan if certain limits are breached. The results also feed into the annual recovery planning which is crucial for the recoverability of the bank in times of crisis. The outcome is presented to senior management up to the Management Board to raise awareness on the highest level as it provides key insights into specific business vulnerabilities and contributes to the overall risk profile assessment of the bank. In 2014 we remained well capitalized within our internal stress testing program under various severe stress events. By choosing actions out of our pool of maintained recovery measures we would have been able to mitigate shortfalls under those stress scenarios directly. A reverse stress test is performed annually in order to challenge our business model to determine the severity of scenarios that would cause us to become unviable. Such a reverse stress test is based on a hypothetical macroeconomic scenario or idiosyncratic event and takes into account severe impacts of major risks on our results. Comparing the hypothetical macroeconomic scenario that would be necessary to result in our non-viability according to the reverse stress, to the current economic environment, we consider that the probability of occurrence of such a hypothetical macroeconomic scenario is extremely low. Given the extremely low probability of the reverse stress test scenario, we do not believe that our business continuity is at risk.

Stress Testing Framework of Deutsche Bank Group

Risk Reporting and Measurement Systems

We have centralized risk data and systems supporting regulatory reporting and external disclosures, as well as internal management reporting for credit, market, operational (including legal risk), business, reputational, liquidity risk, model risk and compliance risk (in accordance with MaRisk). The risk infrastructure incorporates the relevant legal entities and business divisions and provides the basis for tailor-made reporting on risk positions, capital adequacy and limit utilization to the relevant functions on a regular and ad-hoc basis. Established units within Finance and Risk assume responsibility for measurement, analysis and reporting of risk while promoting sufficient quality and integrity of risk-related data. Our risk management systems are reviewed by Group Audit following a risk-based audit approach. Our Management Board confirms, for the purpose of Article 435 CRR, that our risk management systems are adequate with regard to our risk profile and strategy.

The main reports on risk and capital management that are used to provide the central governance bodies with information relating to Group Risk Exposures are the following:

- Our Risk and Capital Profile is presented monthly to the CaR and the Management Board and is subsequently submitted to the Risk Committee of the Supervisory Board for information. It comprises an overview of the current risk, capital and liquidity status of the Group, also incorporating information on regulatory capital and economic capital adequacy.
- An overview of our capital, liquidity and funding is presented to the CaR by Group Capital Management and the Group Treasurer every month. It comprises information on key metrics including CRR/CRD 4 Common Equity Tier 1 capital and the CRR/CRD 4 leverage ratio, as well as an overview of our current funding and liquidity status, the liquidity stress test results and contingency measures.
- Results of the group-wide macroeconomic stress tests that are performed twice per quarter and/or more regularly are reported to and discussed at the PRC.

The above reports are complemented by a suite of other standard and ad-hoc management reports of Risk and Finance, which are presented to several different senior committees responsible for risk and capital management at Group level.

Risk Inventory

We face a variety of risks as a result of our business activities, as described below. Credit risk, market risk and operational risk attract regulatory capital. As part of our internal capital adequacy assessment process, we calculate the amount of economic capital from credit, market, operational and business risk to cover risks generated from our business activities taking into account diversification effects across those risk types. Furthermore, our economic capital framework implicitly covers additional risks, e.g. reputational risk and refinancing risk, for which no dedicated economic capital models exist. Liquidity risk is excluded from the economic capital calculation since it is covered separately. The risk inventory is updated, regularly at least once a year or at other times if needed, by running a risk identification and materiality assessment process in line with MaRisk. In 2014 reputational risk, compliance risk and model risk were newly assessed as material.

Credit Risk

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which we refer to collectively as counterparties) exist, including those claims that we plan to distribute (see below in the more detailed section Credit Risk). These transactions are typically part of our traditional nontrading lending activities (such as loans and contingent liabilities), traded bonds and debt securities available for sale or our direct trading activity with clients (such as OTC derivatives, foreign exchange forwards and Forward Rate Agreements). Carrying values of equity investments are also disclosed in our Credit Risk section. We manage the respective positions within our market risk and credit risk frameworks.

We distinguish between three kinds of credit risk:

Default (Counterparty) risk, the most significant element of credit risk, is the risk that counterparties fail to meet contractual obligations in relation to the claims described above;

Settlement risk is the risk that the settlement or clearance of a transaction may fail. Settlement risk arises whenever the exchange of cash, securities and/or other assets is not simultaneous leaving us exposed to a potential loss should the counterparty default; and

Country risk is the risk that we may experience unexpected default or settlement risk and subsequent losses, in a given country, due to a range of macro-economic or social events primarily affecting counterparties in that jurisdiction including: a material deterioration of economic conditions, political and social upheaval, nationalization and expropriation of assets, government repudiation of indebtedness, or disruptive currency depreciation or devaluation. Country risk also includes transfer risk which arises when debtors are unable to meet their obligations owing to an inability to transfer assets to non-residents due to direct sovereign intervention.

Market Risk

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility. We differentiate between three different types of market risk:

Trading market risk arises primarily through the market-making activities of the Corporate Banking & Securities division (CB&S). This involves taking positions in debt, equity, foreign exchange, other securities and commodities as well as in equivalent derivatives.

Trading default risk arises from defaults and rating migrations relating to trading instruments.

Nontrading market risk arises from market movements, primarily outside the activities of our trading units, in our banking book and from off-balance sheet items. This includes interest rate risk, credit spread risk, investment risk and foreign exchange risk as well as market risk arising from our pension schemes, guaranteed funds and equity compensation. Nontrading market risk also includes risk from the modeling of client deposits as well as savings and loan products.

Operational Risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. Operational risk excludes business and reputational risk.

Liquidity Risk

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs.

Business Risk

Business risk describes the risk we assume due to potential changes in general business conditions, such as our market environment, client behavior and technological progress. This can affect our results if we fail to adjust quickly to these changing conditions. Business risk consists of strategic risk, tax risk and refinancing risk, of which only strategic risk is assessed as material.

Reputational Risk

Within our risk management processes, we define reputational risk as the risk that publicity concerning a transaction, counterparty or business practice involving a client will negatively impact the public s trust in our organization.

Model Risk

Model risk is the risk of possible adverse consequences of decisions taken based on models that are inappropriate, incorrect, or misused. In this context, a model is defined as a quantitative method, system, or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates.

Compliance Risk

Compliance risk (MaRisk, i.e. minimum requirements for risk management) is defined as the current or prospective risk to earnings and capital arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices or ethical standards and can lead to fines, damages and/or the voiding of contracts and can negatively impact an institution s reputation.

Insurance Specific Risk

Our exposure to insurance risk relates to Abbey Life Assurance Company Limited and our defined benefit pension obligations. There is also some insurance-related risk within the Pensions and Insurance Risk Markets business. In our risk management framework, we consider insurance-related risks primarily as nontrading market risk that has been classified as material risk. We monitor the underlying assumptions in the calculation of these risks regularly and seek risk mitigating measures such as reinsurances, if we deem this appropriate. We are primarily exposed to the following insurance-related risks:

- Longevity risk: the risk of faster or slower than expected improvements in life expectancy on immediate and deferred annuity products;
- Mortality and morbidity risks: the risks of a higher or lower than expected number of death or disability claims on insurance products and of an occurrence of one or more large claims;
- Expenses risk: the risk that policies cost more or less to administer than expected; and
- Persistency risk: the risk of a higher or lower than expected percentage of lapsed policies.

To the extent that actual experience is less favorable than the underlying assumptions, or it is necessary to increase provisions due to more onerous assumptions, the amount of capital required in the insurance entities may increase.

Risk Concentrations

Risk concentrations refer to clusters of the same or similar risk drivers within specific risk types (intra-risk concentrations in credit, market, operational, liquidity and other risks) as well as across different risk types (inter-risk concentrations). They could occur within and across counterparties, businesses, regions/countries, industries and products. The management of concentrations is integrated as part of the management of individual risk types and monitored on an ongoing basis. The key objective is to avoid any undue concentrations in the portfolio, which is achieved through a quantitative and qualitative approach, as follows:

- Intra-risk concentrations are assessed, monitored and mitigated by the individual risk disciplines (credit, market, operational, liquidity risk management and others). This is supported by limit setting on different levels and/or management according to risk type.
- Inter-risk concentrations are managed through quantitative top-down stress-testing and qualitative bottom-up reviews, identifying and assessing risk themes independent of any risk type and providing a holistic view across the bank.

The most senior governance body for the oversight of risk concentrations throughout 2014 was the Portfolio Risk Committee (PRC), which is a subcommittee of the Capital and Risk Committee (CaR) and the Risk Executive Committee (Risk ExCo).

Risk Type Diversification Benefit

The risk type diversification benefit quantifies diversification effects between credit, market, operational and strategic risk in the economic capital calculation. To the extent correlations between these risk types fall below 1.0, a risk type diversification benefit results. The calculation of the risk type diversification benefit is intended to ensure that the standalone economic capital figures for the individual risk types are aggregated in an economically meaningful way.

Risk Management Framework Material Risks

Risk management frameworks of credit, market, operational and liquidity risks are narrated in the Sections Credit Risk , Trading Market Risk , Nontrading Market Risk , Operational Risk , and Liquidity Risk . We describe the risk management approaches for other material risks here, as below:

Strategic Risk

Strategic risk represents the risk of suffering unexpected operating losses (i.e. negative earnings) during the period covered by the model due to decreases in operating revenues which cannot be compensated by cost reductions. Strategic risk covers only revenue or cost volatility which is not attributable to position taking (market risk), credit losses (credit risk) and operational events (operational risk) since these elements are already covered in the respective risk types explicitly. We aim to mitigate strategic risk within our business units through portfolio diversification designed to reduce dependency on individual or a small set of markets or products, products innovations and close monitoring of the execution of our strategic and capital plan, and ensuring flexibility of the cost base, i.e. through outsourcing.

Reputational Risk

Our reputational risk is governed by the Reputational Risk Management Program (RRM Program). The RRM Program was established to provide consistent standards for the identification, escalation and resolution of reputational risk issues that arise from transactions with clients or through different business activities. Primary responsibility for the identification, escalation and resolution of reputational risk issues resides with the business divisions. Each employee is under an obligation, within the scope of his/her activities, to analyze and assess any imminent or intended transaction in terms of possible risk factors in order to minimize reputational risks. If a potential reputational risk is identified, it is required to be referred for further consideration at a sufficiently senior level within that respective business division. If issues remain, they should then be escalated for discussion among appropriate senior members of the relevant Business and Control Groups. Reputational risk issues not addressed to satisfactory conclusion through such informal discussions must then be escalated for further review and final determination via the established reputational risk escalation process.

The Group Reputational Risk Committee (GRRC) provides review and final determinations on all reputational risk issues and new client adoptions, where escalation of such issues is deemed necessary by senior Business and Regional Management, or required under the Group policies and procedures. Throughout 2014 the GRRC was a sub-committee of the Risk ExCo but it has since been elevated to be a sub-committee of the Management Board, with effectiveness in February 2015.

Model Risk

A new Model risk function was established in 2014, aggregating all core model risk management activities across the bank into one independent function:

- Model validation provides independent validation of the methodological aspects of models. The key objectives of model validation are to verify that models are performing as expected, in line with their design objectives and business uses, and to aim to ensure that models are logically and conceptually sound and assess the appropriateness and accuracy of the implementation methodology;
- Model risk governance supports establishment of a front-to-back model risk management framework which includes defining common standards for model development, usage and validation; identification and remediation of issues and inconsistencies in modeling; and maintenance of a bank-wide model inventory; and

Key senior management forums to address model risk are the Group Model Risk Management Committee (GMRMC) and the Pricing Model Risk Management Committee (PMRMC). Both are subcommittees of the CaR and the Risk ExCo, and act on behalf of the Management Board. The PMRMC is responsible for management and oversight of model risk from valuation models (front office models that are used for official pricing and risk management of trading positions). The GMRMC is responsible for management and oversight of model risk from risk and capital models.

Compliance Risk

Compliance manages this risk through the following:

- Identifying material rules and regulations where non-compliance could lead to endangerment of the Bank s assets (supported by the bank s business divisions, infrastructure functions or Regional Management);
- Advising and supporting the Management Board concerning the adherence to material rules and regulations as well as acting to implement effective procedures for compliance with applicable material rules and regulations, and the setup of the corresponding controls;
- Monitoring the coverage of new or changed material rules and regulations by our business divisions, infrastructure functions or Regional Management including potential implementation plans for appropriate controls. Compliance is not explicitly requested to run its own monitoring programs but has the right to carry out monitoring activities;
- Assessing the coverage of all existing material rules and regulations by the bank s business divisions, infrastructure functions or Regional Management and existence of a corresponding control environment; and
- Reporting to the Management and Supervisory Boards on at least an annual basis and on an ad hoc basis.

Credit Risk

We measure and manage our credit risk using the following philosophy and principles:

- Our credit risk management function is independent from our business divisions and in each of our divisions credit decision standards, processes and principles are consistently applied.
- A key principle of credit risk management is client credit due diligence. Our client selection is achieved in collaboration with our business division counterparts who stand as a first line of defence.
- We aim to prevent undue concentration and tail-risks (large unexpected losses) by maintaining a diversified credit portfolio. Client-, industry-, country- and product-specific concentrations are assessed and managed against our risk appetite.
- We maintain underwriting standards aiming to avoid large directional credit risk on a counterparty and portfolio level. In this regard we assume unsecured cash positions and actively use hedging for risk mitigation purposes. Additionally, we strive to secure our derivative portfolio through collateral agreements and may additionally hedge concentration risks to further mitigate credit risks from underlying market movements.
- Every new credit facility and every extension or material change of an existing credit facility (such as its tenor, collateral structure or major covenants) to any counterparty requires credit approval at the appropriate authority level. We assign credit approval authorities to individuals according to their qualifications, experience and training, and we review these periodically.
- We measure and consolidate all our credit exposures to each obligor across our consolidated Group on a global basis that applies, in line with regulatory requirements.
- We manage credit exposures on the basis of the one obligor principle , under which all facilities to a group of borrowers which are linked to each other (i.e., by one entity holding a majority of the voting rights or capital of another) are consolidated under one group.

We have established within Credit Risk Management where appropriate specialized teams for deriving internal client ratings, analyzing and approving transactions, monitoring the portfolio or covering workout clients. The credit coverage for assets transferred to the NCOU utilizes the expertise of our core credit organization.

Our credit related activities are governed by our Principles for Managing Credit Risk. These principles define our general risk philosophy for credit risk and our methods to manage this risk. The principles define key organizational requirements, roles and responsibilities as well as process principles for credit risk management and are applicable to all credit related activities undertaken by us.

Credit Risk Ratings

The credit rating is an essential part of the Bank s underwriting and credit process and builds the basis for risk appetite determination as well as credit decision and transaction pricing. Each borrower must be rated and each rating has to be reviewed at least annually. Ongoing monitoring of counterparties foster that ratings are kept up-to-date. There must be no credit limit without a credit rating. For each credit rating the appropriate rating approach has to be applied and the derived credit rating has to be established in the relevant systems. Different rating approaches have been established to best reflect the specific characteristics of exposure classes, including central governments and central banks, institutions, corporates and retail.

Counterparties in our non-homogenous portfolios are rated by our independent Credit Risk Management function. Country risk related ratings are provided by dbResearch.

Our rating analysis is based on a combination of qualitative and quantitative factors. When rating a counterparty we apply in-house assessment methodologies, scorecards and our 21-grade rating scale for evaluating the credit-worthiness of our counterparties. The previous 26-grid rating scale has been replaced by a 21-grade rating scale, merging seven default classes into two. These two include either provisioned exposure or non provisioned exposure (e.g. due to collateral). This change in methodology has not resulted in any impact in RWA, EL and EC.

The majority of our rating methodologies are authorized for use within the advanced internal rating based approach under applicable Basel rules. Our rating scale enables us to compare our internal ratings with common market practice and promotes comparability between different sub-portfolios of our institution. We generally rate our counterparties individually, though certain portfolios of purchased or securitized receivables are rated on a pool basis. Ratings are required to be kept well documented. The algorithms of the rating procedures for all counterparties are recalibrated regularly on the basis of the default history as well as other external and internal factors and expert judgments.

Ratings for central governments and central banks take into account economic, political and socio-demographic indicators, e.g. the political dynamics in a country. The model incorporates relevant aspects covered in the fields of empirical country risk analysis and early warning crisis models to arrive at an overall risk evaluation.

Ratings for corporates, institutions and SMEs combine quantitative analysis of financial information with qualitative assessments of i.a. industry trends, market position and management experience. Financial analysis has a specific focus on cash flow generation and the counterparty s capability to service its debts, also in comparison to peers. We supplement the analysis of financials by an internal forecast of the counterparty s financial profile where deemed to be necessary. For purchased corporate receivables the corporate rating approach is applied.

Ratings for SME clients are based on automated sub-ratings for e.g. financial aspects and conduct of bank account. Specialized lending is managed by specific credit risk management teams, e.g. for real estate, ship finance or leveraged transactions. Following the individual characteristic of the underlying credit transactions we have developed bespoke scorecards where appropriate to derive credit ratings.

In our retail business, creditworthiness checks and counterparty ratings are generally derived by utilizing an automated decision engine. The decision engine incorporates quantitative aspects (i.e., financial figures), behavioural aspects, credit bureau information (such as SCHUFA in Germany) and general customer data. These input factors are used by the decision engine to determine the creditworthiness of the borrower and, after consideration of collateral, the expected loss. The established rating procedures we have implemented in our retail business are based on multivariate statistical methods.

They are used to support our individual credit decisions for the retail portfolio as well as to continuously monitor it in an automated fashion. In case elevated risks are identified as part to this monitoring process or new regulatory requirements apply, credit ratings are reviewed on an individual basis for these affected counterparties.

Credit risk arising from equity position is managed by a separate team within Credit Risk Management. We usually use either external rating where available or standard rating approaches as default to measure the expected loss of equity positions.

Postbank also makes use of internal rating systems authorized for use within the foundation or advanced internal rating based approach according to CRR. All internal ratings and scorings are based on a uniform master scale, which assigns each rating or scoring result to the default probability determined for that class. Risk governance is provided within a Legal Entity committee structure as well as on group level by full integration and representation of Postbank in DB Group s global risk committees.

Rating Governance

All of our rating methodologies, excluding Postbank, have to be approved by the Capital Methodology Committee (CMC), a sub-committee of the Regulatory Capital Committee, before the methodologies are used for credit decisions and capital calculation for the first time or before they are significantly changed. Regulatory approval may be required in addition. The results of the regular validation processes as stipulated by internal policies have to be brought to the attention of the CMC, even if the validation results do not lead to a change. The validation plan for rating methodologies is presented to CMC at the beginning of the calendar year and a status update is given on a quarterly basis.

For Postbank, responsibility for implementation and monitoring of internal rating systems effectiveness rests with Postbank s Risk Analytics unit and Postbank s validation committee, chaired by Postbank s Head of Credit Risk Controlling. All rating systems are subject to approval by Postbank s Bank Risk Committee chaired by the Chief Risk Officer. Effectiveness of rating systems and rating results are reported to the Postbank Management Board on a regular basis. Joint governance is ensured via a cross committee membership of Deutsche Bank senior managers joining Postbank committees and vice versa.

Credit Risk Measures

The key credit risk measures we apply for managing our credit portfolio, including transaction approval and the setting of risk appetite, are internal limits and credit exposures under these limits. Credit limits set forth maximum credit exposures we are willing to assume over specified periods. In determining the credit limit for a counterparty, we consider the counterparty s credit quality by reference to our internal credit rating. Credit limits and credit exposures are both measured on a gross and net basis where net is derived by deducting hedges and certain collateral from respective gross figures. For derivatives, we look at current market values and the potential future exposure over the lifetime of a transaction. We generally also take into consideration the risk-return characteristics of individual transactions and portfolios.

Credit Approval and Authority

Credit limits are established by the Credit Risk Management function via the execution of assigned credit authorities. Credit approvals are documented by the signing of the credit report by the respective credit authority holders and retained for future reference.

Credit authority is generally assigned to individuals as personal credit authority according to the individual s professional qualification and experience. All assigned credit authorities are reviewed on a periodic basis to help ensure that they are adequate to the individual performance of the authority holder.

Where an individual s personal authority is insufficient to establish required credit limits, the transaction is referred to a higher credit authority holder or where necessary to an appropriate credit committee such as the Underwriting Committee. Where personal and committee authorities are insufficient to establish appropriate limits, the case is referred to the Management Board for approval.

Credit Risk Mitigation

In addition to determining counterparty credit quality and our risk appetite, we also use various credit risk mitigation techniques to optimize credit exposure and reduce potential credit losses. Credit risk mitigants are applied in the following forms:

- Comprehensive and enforceable credit documentation with adequate terms and conditions.
- Collateral held as security to reduce losses by increasing the recovery of obligations.
- Risk transfers, which shift the probability of default risk of an obligor to a third party including hedging executed by our Credit Portfolio Strategies Group.
- Netting and collateral arrangements which reduce the credit exposure from derivatives and repo- and repo-style transactions.

Collateral Held as Security

We regularly agree on collateral to be received from or to be provided to customers in contracts that are subject to credit risk. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it generally does not replace the necessity of high quality underwriting standards.

We segregate collateral received into the following two types:

- Financial and other collateral, which enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations. Cash collateral, securities (equity, bonds), collateral assignments of other claims or inventory, equipment (i.e., plant, machinery and aircraft) and real estate typically fall into this category.
- Guarantee collateral, which complements the borrower s ability to fulfil its obligation under the legal contract and as such is provided by third parties. Letters of credit, insurance contracts, export credit insurance, guarantees, credit derivatives and risk participations typically

fall into this category.

Our processes seek to ensure that the collateral we accept for risk mitigation purposes is of high quality. This includes seeking to have in place legally effective and enforceable documentation for realizable and measureable collateral assets which are evaluated regularly by dedicated teams. The assessment of the suitability of collateral for a specific transaction is part of the credit decision and must be undertaken in a conservative way, including collateral haircuts that are applied. We have collateral type specific haircuts in place which are regularly reviewed and approved. In this regard, we strive to avoid wrong-way risk characteristics where the borrower s counterparty risk is positively correlated with the risk of deterioration in the collateral value. For guarantee collateral, the process for the analysis of the guarantor s creditworthiness is aligned to the credit assessment process for borrowers.

Risk Transfers

Risk transfers to third parties form a key part of our overall risk management process and are executed in various forms, including outright sales, single name and portfolio hedging, and securitizations. Risk transfers are conducted by the respective business units and by our Credit Portfolio Strategies Group (CPSG), in accordance with specifically approved mandates.

CPSG manages the residual credit risk of loans and lending-related commitments of the institutional and corporate credit portfolio; the leveraged portfolio and the medium-sized German companies portfolio within our Corporate Divisions of CB&S and GTB.

Acting as a central pricing reference, CPSG provides the respective CB&S and GTB Division businesses with an observed or derived capital market rate for loan applications; however, the decision of whether or not the business can enter into the credit risk remains exclusively with Credit Risk Management.

CPSG is concentrating on two primary objectives within the credit risk framework to enhance risk management discipline, improve returns and use capital more efficiently:

- to reduce single-name credit risk concentrations within the credit portfolio and
- to manage credit exposures by utilizing techniques including loan sales, securitization via collateralized loan obligations, default insurance coverage and single-name and portfolio credit default swaps.

Netting and Collateral Arrangements for Derivatives and Securities Financing Transactions

Netting is applicable to both exchange traded derivative transactions (futures and options) and those traded over-the-counter (OTC derivative transactions). Netting is also applied to securities financing transactions as far as documentation, structure and nature of the risk mitigation allow netting with the underlying credit risk.

All futures and options are cleared through central counterparties (CCPs), which interpose itself between the trading entities by becoming the counterparty to each of the entities. Where available and to the extent agreed with our counterparties, we also use CCP clearing for our OTC derivative transactions. The Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) introduced mandatory CCP clearing for certain standardized OTC derivative transactions in 2013. The European Regulation (EU) No 648/2012 on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) will introduce mandatory CCP clearing for certain standardized OTC derivatives transactions, currently expected to start with certain interest rate derivatives and credit derivatives in the fourth quarter of 2015. The rules and regulations of CCPs usually provide for the bilateral set off of all amounts payable on the same day and in the same currency (payment netting) and thereby reducing our settlement risk. Depending on the business model applied by the CCP, this payment netting applies either to all of our derivatives cleared by the CCP or at least to those that form part of the same class of derivatives. Many CCP rules and regulations also provide for the termination, close-out and netting of all cleared transactions upon the CCP s default (close-out netting), which reduced our credit risk. In our risk measurement and risk assessment processes we apply close-out netting only to the extent we have satisfied ourselves of the legal validity and enforceability of the relevant CCP s close-out netting provisions.

In order to reduce the credit risk resulting from OTC derivative transactions, where CCP clearing is not available, we regularly seek the execution of standard master agreements (such as master agreements for derivatives published by the International Swaps and Derivatives Association, Inc. (ISDA) or the German Master Agreement for Financial Derivative Transactions) with our counterparts. A master agreement allows for the close-out netting of rights and obligations arising under derivative transactions that have been entered into under such a master agreement upon the counterparty s default, resulting in a single net claim owed by or to the counterparty. For parts of the derivatives business (i.e., foreign exchange transactions) we also enter into master agreements under which payment netting applies in respect to transactions covered by such master agreements, reducing our settlement risk. In our risk measurement and risk assessment processes we apply close-out netting only to the extent we have satisfied ourselves of the legal validity and enforceability of the master agreement in all relevant jurisdictions.

Also, we enter into credit support annexes (CSA) to master agreements in order to further reduce our derivatives-related credit risk. These annexes generally provide risk mitigation through periodic, usually daily, margining of the covered exposure. The CSAs also provide for the right to terminate the related derivative transactions upon the counterparty s failure to honour a margin call. As with netting, when we believe the annex is enforceable, we reflect this in our exposure measurement.

Certain CSAs to master agreements provide for rating dependent triggers, where additional collateral must be pledged if a party s rating is downgraded. We also enter into master agreements that provide for an additional termination event upon a party s rating downgrade. These downgrading provisions in CSAs and master agreements usually apply to both parties but may also apply to us only. We analyze and monitor our potential contingent payment obligations resulting from a rating downgrade in our stress testing approach for liquidity risk on an ongoing basis. For an assessment of the quantitative impact of a downgrading of our credit rating please refer to table Stress Testing Results in the section Liquidity Risk .

Concentrations within Credit Risk Mitigation

Concentrations within credit risk mitigations taken may occur if a number of guarantors and credit derivative providers with similar economic characteristics are engaged in comparable activities with changes in economic or industry conditions affecting their ability to meet contractual obligations. We use a range of quantitative tools and metrics to monitor our credit risk mitigating activities. These also include monitoring of potential concentrations within collateral types supported by dedicated stress tests.

For more qualitative and quantitative details in relation to the application of credit risk mitigation and potential concentration effects please refer to the section Maximum Exposure to Credit Risk .

Monitoring and Managing Credit Risk

Ongoing active monitoring and management of Deutsche Bank s credit risk positions is an integral part of our credit risk management framework. The key monitoring focus is on quality trends and on concentrations along the dimensions of counterparty, industry, country and product-specific risks to avoid undue concentrations of credit risk. On a portfolio level, significant concentrations of credit risk could result from having material exposures to a number of counterparties with similar economic characteristics, or who are engaged in comparable activities, where these similarities may cause their ability to meet contractual obligations to be affected in the same manner by changes in economic or industry conditions.

Our portfolio management framework supports a comprehensive assessment of concentrations within our credit risk portfolio in order to keep concentrations within acceptable levels.

Counterparty Risk Management

Credit-related counterparties are principally allocated to credit officers within credit teams which are aligned to types of counterparty (such as financial institutions, corporate or private individuals) or economic area (i.e., emerging markets) and dedicated rating analyst teams. The individual credit officers have the relevant expertise and experience to manage the credit risks associated with these counterparties and their associated credit related transactions. For retail clients credit decision making and credit monitoring is highly automated for efficiency reasons. Credit Risk Management has full oversight of the respective processes and tools used in the retail credit process. It is the responsibility of each credit officer to undertake ongoing credit monitoring for their allocated portfolio of counterparties. We also have procedures in place intended to identify at an early stage credit exposures for which there may be an increased risk of loss.

In instances where we have identified counterparties where there is a concern that the credit quality has deteriorated or appears likely to deteriorate to the point where they present a heightened risk of loss in default, the respective exposure is generally placed on a watch list . We aim to identify counterparties that, on the basis of the application of our risk management tools, demonstrate the likelihood of problems well in advance in order to effectively manage the credit exposure and maximize the recovery. The objective of this early warning system is to address potential problems while adequate options for action are still available. This early risk detection is a tenet of our credit culture and is intended to ensure that greater attention is paid to such exposures.

Industry Risk Management

To manage industry risk, we have grouped our corporate and financial institutions counterparties into various industry sub-portfolios. For each of these sub-portfolios an Industry Batch report is prepared usually on an annual basis. This report highlights industry developments and risks to our credit portfolio, reviews concentration risks, analyzes the risk/reward profile of the portfolio and incorporates an economic downside stress test. Finally, this analysis is used to define the credit strategies for the portfolio in question.

The Industry Batch reports are presented to the CRM Portfolio Committee, a sub-committee of the Risk Executive Committee and are submitted afterwards to the Management Board. In accordance with an agreed schedule, a select number of Industry Batch reports are also submitted to the Risk Committee of the Supervisory Board. In addition to these Industry Batch reports, the development of the industry sub-portfolios is regularly monitored during the year and is compared with the approved sub-portfolio strategies. Regular overviews are prepared for the CRM Portfolio Committee to discuss recent developments and to agree on actions where necessary.

Country Risk Management

Avoiding undue concentrations from a regional perspective is also an integral part of our credit risk management framework. In order to achieve this, country risk limits are applied to Emerging Markets as well as selected Developed Markets countries (based on internal country risk ratings). Emerging Markets are grouped into regions and for each region, as well as for the Higher Risk Developed Markets, a Country Batch report is prepared, usually on an annual basis. These reports assess key macroeconomic developments and outlook, review portfolio composition and concentration risks and analyze the risk/reward profile of the portfolio. Based on this, limits and strategies are set for countries and, where relevant, for the region as a whole. Country risk limits are approved by either our Management Board or by our Portfolio Risk Committee, a sub-committee of our Risk Executive Committee and Capital and Risk Committee, pursuant to delegated authority.

The Country Limit framework covers all major risk categories which are managed by the respective divisions in Risk:

Credit Risk: Limits are established for counterparty credit risk exposures in a given country to manage the aggregate credit risk subject to country-specific economic and political events. These limits include exposures to entities incorporated locally as well as subsidiaries of foreign multinational corporations. Separate Transfer Risk Limits are established as sub-limits to these counterparty credit limits and apply to Deutsche Bank s cross-border exposures.
Market Risk: Limits are established to manage trading position risk in emerging markets and are set based on the P&L impact of potential stressed market events on those positions.
Treasury Risk: Exposures of one Deutsche Bank entity to another (Funding, Capital or Margin) are subject to limits given the transfer risk inherent in these cross-border positions.
Gap Risk: Limits established to manage the risk of loss due to intra-country wrong-way risk exposure.

Our country risk ratings represent a key tool in our management of country risk. They are established by the independent dbResearch function within Deutsche Bank and include:

- **Sovereign rating:** A measure of the probability of the sovereign defaulting on its foreign or local currency obligations.
- **Transfer risk rating:** A measure of the probability of a transfer risk event , i.e., the risk that an otherwise solvent debtor is unable to meet its obligations due to inability to obtain foreign currency or to transfer assets as a result of direct sovereign intervention.
- **Event risk rating:** A measure of the probability of major disruptions in the market risk factors relating to a country (interest rates, credit spreads, etc.). Event risks are measured as part of our event risk scenarios, as described in the section Market Risk Monitoring of this report.

All sovereign and transfer risk ratings are reviewed, at least annually, by the Cross Risk Review Committee, although more frequent reviews are undertaken when deemed necessary.

Country risk limits and sovereign risk limits for all relevant countries are approved by the Postbank Management Board annually.

Product specific Risk Management

Complementary to our counterparty, industry and country risk approach, we focus on product specific risk concentrations and selectively set limits where required for risk management purposes. Specific product limits are set in particular if a concentration of transactions of a specific type might lead to significant losses under certain cases. In this respect, correlated losses might result from disruptions of the functioning of financial markets, significant moves in market parameters to which the respective product is sensitive, macroeconomic default scenarios or other factors affecting certain credit products. Specific product limits can either be set with regards to exposure to certain industries or affecting the total credit portfolio. We have introduced a uniform framework for the establishment and annual review of product limits for our Corporate Banking & Securities and Global Transaction Banking businesses. Exposures are monitored regularly; remediatory action is required in case of an excess of utilization over the approved limit.

A key focus is put on underwriting caps. These caps limit the combined risk for transactions where we underwrite commitments with the intention to sell down or distribute part of the risk to third parties. These commitments include the undertaking to fund bank loans and to provide bridge loans for the issuance of public bonds. The risk is that we may not be successful in the distribution of the facilities, meaning that we would have to hold more of the underlying risk for longer periods of time than originally intended. These underwriting commitments are additionally exposed to market risk in the form of widening credit spreads. We dynamically hedge this credit spread risk to be within the approved market risk limit framework.

Furthermore, in our PBC businesses, we apply product-specific strategies setting our risk appetite for sufficiently homogeneous portfolios where tailored client analysis is secondary, such as the retail portfolios of mortgages, business and consumer finance products. In Wealth Management, target levels are set for global concentration based on the liquidity of the underlying collateral.

Settlement Risk Management

Our trading activities may give rise to risk at the time of settlement of those trades. Settlement risk arises when Deutsche Bank exchanges a value of cash or other assets with a counterparty. It is the risk of loss due to the failure of a counterparty to honour its obligations (to deliver cash or other assets) to us, after we release payment or delivery of its obligations (of cash or other assets) to the counterparty.

For many types of transactions, we mitigate settlement risk by closing the transaction through a clearing agent, which effectively acts as a stakeholder for both parties, only settling the trade once both parties have fulfilled their sides of the contractual obligation.

Where no such settlement system exists, the simultaneous commencement of the payment and the delivery parts of the transaction is common practice between trading partners (free settlement). In these cases, we may seek to mitigate our settlement risk through the execution of bilateral payment netting agreements. We also participate in industry initiatives to reduce settlement risks. Acceptance of settlement risk on free settlement trades requires approval from our credit risk personnel, either in the form of pre-approved settlement risk limits, or through transaction-specific approvals. We do not aggregate settlement risk limits with other credit exposures for credit approval purposes, but we take the aggregate exposure into account when we consider whether a given settlement risk would be acceptable.

Credit Risk Tools Economic Capital for Credit Risk

We calculate economic capital for the default risk, country risk and settlement risk as elements of credit risk. In line with our economic capital framework, economic capital for credit risk is set at a level to absorb with a probability of 99.98 % very severe aggregate unexpected losses within one year.

Our economic capital for credit risk is derived from the loss distribution of a portfolio via Monte Carlo Simulation of correlated rating migrations. The loss distribution is modeled in two steps. First, individual credit exposures are specified based on parameters for the probability of default, exposure at default and loss given default. In a second step, the probability of joint defaults is modeled through the introduction of economic factors, which correspond to geographic regions and industries. The simulation of portfolio losses is then performed by an internally developed model, which takes rating migration and maturity effects into account. Effects due to wrong-way derivatives risk (i.e., the credit exposure of a derivative in the default case is higher than in nondefault scenarios) are modeled by applying our own alpha factor when deriving the exposure at default for derivatives and securities financing transactions under the Basel 2.5 Internal Models Method (IMM). The alpha factor is identical with the one used for the risk-weighted assets calculation, yet subject to a lower floor of 1.0. For December 31, 2014 the alpha factor was calibrated to 1.11. We allocate expected losses and economic capital derived from loss distributions down to transaction level to enable management on transaction, customer and business level.

Credit Exposure

Counterparty credit exposure arises from our traditional nontrading lending activities which include elements such as loans and contingent liabilities, as well as from our direct trading activity with clients in certain instruments including OTC derivatives like foreign exchange forwards and Forward Rate Agreements. A default risk also arises from our positions in equity products and traded credit products such as bonds.

We define our credit exposure by taking into account all transactions where losses might occur due to the fact that counterparties may not fulfil their contractual payment obligations.

Maximum Exposure to Credit Risk

The maximum exposure to credit risk table shows the direct exposure before consideration of associated collateral held and other credit enhancements (netting and hedges) that do not qualify for offset in our financial statements for the periods specified. The netting credit enhancement component includes the effects of legally enforceable netting agreements as well as the offset of negative mark-to-markets from derivatives against pledged cash collateral. The collateral credit enhancement component mainly includes real estate, collateral in the form of cash as well as securities related collateral. In relation to collateral we apply internally determined haircuts and additionally cap all collateral values at the level of the respective collateralized exposure.

Maximum Exposure to Credit Risk

Dec 31, 2014		Credit Enhancements			
in m.[1]	Maximum exposure to credit risk[2]	Netting	Collateral	Guarantees and Credit derivatives[3]	Total credit enhancements
Cash and due from banks	20,055	0	7	0	7
Interest-earning deposits with banks	63,518	0	53	21	74
Central bank funds sold and securities purchased under resale agreements	17,796	0	16,988	0	16,988
Securities borrowed	25,834	0	24,700	0	24,700
Financial assets at fair value through profit or loss[4]	862,035	522,373	163,576	1,102	687,051
Trading assets	125,130	0	3,537	533	4,070
Positive market values from derivative financial instruments	629,958	519,590	76,512	336	596,439
Financial assets designated at fair value through profit or loss	106,947	2,782	83,527	233	86,542
thereof:					
Securities purchased under resale agreement	60,473	2,415	58,058	0	58,058
Securities borrowed	20,404	368	19,955	0	19,955
Financial assets available for sale[4]	62,038	0	938	0	938
Loans[5]	410,825	0	205,376	28,496	233,872
Other assets subject to credit risk	85,061	67,009	768	363	68,140

Financial guarantees and other credit related contingent liabilities[6]	62,087	0	6,741	8,723	15,464
Irrevocable lending commitments and other credit related commitments[6]	154,446	0	5,958	8,582	14,540
Maximum exposure to credit risk	**1,763,695**	**589,381**	**425,106**	**47,287**	**1,061,774**

1 All amounts at carrying value unless otherwise indicated.
2 Does not include credit derivative notional sold (680,699 million) and credit derivative notional bought protection. Interest-earning deposits with banks mainly relate to Liquidity Reserves.
3 Bought credit protection is reflected with the notional of the underlying.
4 Excludes equities, other equity interests and commodities.
5 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
6 Figures are reflected at notional amounts.

Dec 31, 2013

in m.[1]	Maximum exposure to credit risk[2]	Credit Enhancements Netting	Collateral	Guarantees and Credit derivatives[3]	Total credit enhancements
Cash and due from banks	17,155	0	0	13	13
Interest-earning deposits with banks	77,984	0	2	31	34
Central bank funds sold and securities purchased under resale agreements	27,363	0	25,100	0	25,100
Securities borrowed	20,870	0	20,055	0	20,055
Financial assets at fair value through profit or loss[4]	824,458	423,737	196,321	3,892	623,951
Trading assets	145,170	0	2,333	2,660	4,993
Positive market values from derivative financial instruments[5]	504,590	406,616	57,493	274	464,383
Financial assets designated at fair value through profit or loss	174,698	17,121	136,495	959	154,575
thereof:					
Securities purchased under resale agreement	116,764	16,198	100,091	0	116,289
Securities borrowed	32,485	923	31,017	0	31,941
Financial assets available for sale[4]	46,413	0	760	110	870
Loans[6]	382,171	0	198,668	29,971	228,640
Other assets subject to credit risk	59,030	43,574	1,150	385	45,109
Financial guarantees and other credit related contingent liabilities[7]	65,630	0	7,209	11,513	18,722
Irrevocable lending commitments and other credit related commitments[7,8]	137,202	0	4,538	9,182	13,720
Maximum exposure to credit risk	**1,658,275**	**467,311**	**453,803**	**55,097**	**976,212**

1 All amounts at carrying value unless otherwise indicated.
2 Does not include credit derivative notional sold (1,035,946 million) and credit derivative notional bought protection. Interest-earning deposits with banks mainly relate to liquidity reserves.
3 Bought credit protection is reflected with the notional of the underlying.
4 Excludes equities, other equity interests and commodities.
5 Comparatives have been restated by 10,591 million (netting) and 9,681 million (collateral) erroneously included in prior disclosure.
6 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
7 Figures are reflected at notional amounts.
8 In 2014, comparatives have been restated by 10,542 million to include Fronting Commitments erroneously not included in prior disclosure.

The overall increase in maximum exposure to credit risk for December 31, 2014 was predominantly driven by a 125 billion increase in positive market values from derivative financial instruments during the period as well as foreign exchange impact across various products, partly offset by a 73 billion decrease in securities purchased under resale agreements and securities borrowed both under fair value and accrual accounting as discussed in various other sections of this report. Our overall loan book increased by 29 billion or 7 %, from 382 billion as of December 31, 2013 to 411 billion as of December 31, 2014. Increases were driven by foreign exchange impact, collateral restructuring related to ETF business within CB&S, and business growth across CB&S and Deutsche AWM, partly offset by reductions in NCOU.

Included in the category of trading assets as of December 31, 2014, were traded bonds of 108 billion (126 billion as of December 31, 2013) that are over 80 % investment-grade (over 86 % as of December 31, 2013). The above mentioned financial assets available for sale category primarily reflected debt securities of which more than 94 % were investment-grade (more than 97 % as of December 31, 2013).

Credit Enhancements are split into three categories: netting, collateral, and guarantees and credit derivatives. A prudent approach is taken with respect to haircuts, parameter setting for regular margin calls as well as expert judgements for collateral valuation to prevent market developments from leading to a build-up of uncollateralized exposures. All categories are monitored and reviewed regularly. Overall credit enhancements received are diversified and of adequate quality being largely cash, highly rated government bonds and third-party guarantees mostly from well rated banks and insurance companies. These financial institutions are mainly domiciled in Western European countries and the United States. Furthermore we have collateral pools of highly liquid assets and mortgages (principally consisting of residential properties mainly in Germany) for the homogeneous retail portfolio.

Credit Quality of Financial Instruments neither Past Due nor Impaired

We derive our credit quality from internal ratings and group our exposures into classes as shown below. Please refer to the sections Credit Risk Ratings and Rating Governance for more details about our internal ratings.

Credit Quality of Financial Instruments neither Past Due nor Impaired

							Dec 31, 2014
in m[1]	iAAA iAA	iA	iBBB	iBB	iB	iCCC and below	Total
Due from banks	17,220	896	1,161	727	48	4	20,055
Interest-earning deposits with banks	57,175	4,514	1,081	578	28	141	63,518
Central bank funds sold and securities purchased under resale agreements	854	13,564	1,553	1,414	332	79	17,796
Securities borrowed	18,705	5,200	1,114	727	88	0	25,834
Financial assets at fair value through profit or loss[2]	312,470	385,335	81,930	58,678	16,094	7,529	862,036
Trading assets	58,014	15,973	18,230	21,767	7,061	4,085	125,130
Positive market values from derivative financial instruments	208,057	348,179	46,675	20,062	5,120	1,865	629,958
Financial assets designated at fair value through profit or loss	46,399	21,183	17,025	16,848	3,914	1,578	106,947
thereof:	0	0	0	0	0	0	0
Securities purchased under resale agreement	17,213	13,820	12,432	14,219	1,529	1,259	60,473
Securities borrowed	17,110	3,266	20	7	0	0	20,404
Financial assets available for sale[2,3]	50,810	3,375	1,782	3,958	194	1,719	61,838
Loans[4]	47,554	56,865	112,106	130,438	39,181	10,313	396,458
thereof:							
IAS 39 reclassified loans	2,109	1,353	1,408	1,051	685	274	6,880
Other assets subject to credit risk	13,538	48,714	7,049	13,927	1,105	728	85,061
Financial guarantees and other credit related contingent liabilities[5]	6,281	17,696	20,190	11,640	4,929	1,352	62,087

Irrevocable lending commitments and other credit related commitments[5]	22,938	39,336	40,145	31,492	18,924	1,612	154,446
Total	**547,546**	**575,494**	**268,110**	**253,577**	**80,924**	**23,477**	**1,749,129**

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities.
3 Includes past due instruments in order to be consistent with the Asset Quality section of this report.
4 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
5 Figures are reflected at notional amounts.

Credit Exposure

in m.[1]	iAAA iAA	iA	iBBB	iBB	iB	iCCC and below	Dec 31, 2013 Total
Due from banks	13,804	1,971	998	311	17	55	17,155
Interest-earning deposits with banks	71,053	5,078	1,145	391	282	35	77,984
Central bank funds sold and securities purchased under resale agreements	3,774	19,949	1,904	1,516	201	19	27,363
Securities borrowed	12,783	6,381	1,057	382	267	0	20,870
Financial assets at fair value through profit or loss[2]	282,000	368,969	69,497	84,517	14,009	5,466	824,458
Trading assets	70,398	17,245	13,902	35,957	4,640	3,028	145,170
Positive market values from derivative financial instruments	143,770	303,107	36,452	15,743	3,876	1,642	504,590
Financial assets designated at fair value through profit or loss	67,832	48,617	19,144	32,816	5,493	796	174,698
thereof:							
Securities purchased under resale agreement	29,217	40,922	14,960	28,119	3,095	452	116,764
Securities borrowed	29,104	3,260	75	37	10	0	32,485
Financial assets available for sale[2,3]	35,708	5,435	1,788	1,267	876	1,218	46,293
Loans[4]	34,708	53,624	99,941	127,613	40,869	9,581	366,336
thereof:							
IAS 39 reclassified loans	999	2,894	2,088	962	817	286	8,046
Other assets subject to credit risk	7,923	37,446	2,821	9,416	1,140	284	59,030
Financial guarantees and other credit related contingent liabilities[5]	8,318	19,285	20,234	11,604	4,382	1,807	65,630
Irrevocable lending commitments and other credit related commitments[5,6]	19,794	32,452	39,216	28,523	15,857	1,360	137,202
Total	**489,864**	**550,591**	**238,600**	**265,540**	**77,900**	**19,826**	**1,642,321**

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities.
3 Prior year figures have been restated by 1.5 billion to include past due instruments in order to be consistent with the Asset Quality section of this report.

[4] Gross loans less deferred expense/unearned income before deductions of allowance for loan losses. Amounts for December 31, 2013, were adjusted up for past due loans, neither renegotiated nor impaired by 303 million erroneously not considered in prior disclosure.
[5] Figures are reflected at notional amounts.
[6] In 2014, comparatives have been restated by 10.5 billion to include Fronting Commitments erroneously not included in prior disclosure.

The overall growth in total credit exposure of 107 billion for December 31, 2014 is mainly due to an increase in positive market value from derivative financial instruments in investment grade rating categories and here mainly in the top category iAAA-iAA as well as foreign exchange impact across various products.

Main Credit Exposure Categories

The tables in this section show details about several of our main credit exposure categories, namely loans, irrevocable lending commitments, contingent liabilities, over-the-counter (OTC) derivatives, traded loans, traded bonds, debt securities available for sale and repo and repo-style transactions:

- Loans are net loans as reported on our balance sheet at amortized cost but before deduction of our allowance for loan losses.
- Irrevocable lending commitments consist of the undrawn portion of irrevocable lending-related commitments.
- Contingent liabilities consist of financial and performance guarantees, standby letters of credit and other similar arrangements (mainly indemnity agreements).
- OTC derivatives are our credit exposures from over-the-counter derivative transactions that we have entered into, after netting and cash collateral received. On our balance sheet, these are included in financial assets at fair value through profit or loss or, for derivatives qualifying for hedge accounting, in other assets, in either case, before netting and cash collateral received.
- Traded loans are loans that are bought and held for the purpose of selling them in the near term, or the material risks of which have all been hedged or sold. From a regulatory perspective this category principally covers trading book positions.
- Traded bonds include bonds, deposits, notes or commercial paper that are bought and held for the purpose of selling them in the near term. From a regulatory perspective this category principally covers trading book positions.

Debt securities available for sale include debentures, bonds, deposits, notes or commercial paper, which are issued for a fixed term and redeemable by the issuer, which we have classified as available for sale.

Repo and repo-style transactions consist of reverse repurchase transactions, as well as securities or commodities borrowing transactions before application of netting and collateral received.

Although considered in the monitoring of maximum credit exposures, the following are not included in the details of our main credit exposure: brokerage and securities related receivables, interest-earning deposits with banks, cash and due from banks, assets held for sale and accrued interest receivables. Excluded as well are traditional securitization positions and equity investments, which are dealt with specifically in the sections Securitization and Nontrading Market Risk Investment Risk and Nontrading Market Risk Equity Investments Held , respectively.

Main Credit Exposure Categories by Business Divisions

									Dec 31, 2014
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions[4]	Total
Corporate Banking & Securities	61,820	119,995	4,865	43,407	14,865	92,272	34,411	112,605	484,239
Private & Business Clients	214,688	11,687	1,735	464	0	2	16,665	8,714	253,955
Global Transaction Banking	77,334	17,121	51,663	595	614	87	184	3,159	150,758
Deutsche Asset & Wealth Management	38,676	4,158	2,681	839	12	7,940	3,403	11	57,719
Non-Core Operations Unit	18,049	954	1,072	1,760	1,163	7,509	4,358	17	34,883
Consolidation & Adjustments	258	530	71	13	0	0	111	0	983
Total	**410,825**	**154,446**	**62,087**	**47,078**	**16,654**	**107,808**	**59,132**	**124,507**	**982,537**

1 Includes impaired loans amounting to 9.3 billion as of December 31, 2014.
2 Includes irrevocable lending commitments related to consumer credit exposure of 9.4 billion as of December 31, 2014.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

									Dec 31, 2013
in m.	Loans[1]	Irrevocable lending commitments[2,3]	Contingent liabilities	OTC derivatives[4]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions[5]	Total
Corporate Banking & Securities	40,335	102,776	6,716	40,709	14,921	109,864	19,947	176,720	511,988
Private & Business Clients	213,252	13,685	1,595	498	0	1	16,240	15,090	260,362

Global Transaction Banking	72,868	15,931	52,049	500	958	65	171	5,630	148,172
Deutsche Asset & Wealth Management	32,214	3,070	2,795	791	16	9,023	2,946	15	50,869
Non-Core Operations Unit	23,395	1,450	2,416	2,211	1,891	7,203	4,841	15	43,423
Consolidation & Adjustments	106	289	58	7	1	5	97	12	575
Total	**382,171**	**137,202**	**65,630**	**44,716**	**17,787**	**126,160**	**44,242**	**197,482**	**1,015,390**

[1] Includes impaired loans amounting to 10.1 billion as of December 31, 2013.
[2] Includes irrevocable lending commitments related to consumer credit exposure of 9.8 billion as of December 31, 2013.
[3] Comparatives have been restated by 10.5 billion to include Fronting Commitments erroneously not included in prior disclosure.
[4] Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
[5] Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

Our main credit exposure decreased by 32.9 billion.

- From a divisional perspective, a reduction of 27.7 billion has been achieved by CB&S, of 8.5 billion by NCOU and of 6.4 billion by PBC.
- From a product perspective, strong exposure reductions have been observed for Repo and repo-style transactions and for Traded Bonds. Slight exposure reductions were also observed for Contingent Liabilities and Traded Loans.
- The ETF related collateral restructuring in CB&S entailed replacing our physical securities exposure by entering into fully funded total returns swaps. As a consequence, CB&S loans with embedded securities exposure increased whereas the securities exposure within trading assets decreased.

Main Credit Exposure Categories by Industry Sectors

									Dec 31, 2014
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions[4]	Total
Banks and insurance	24,179	23,701	14,368	18,967	4,291	34,856	19,227	110,112	249,700
Fund management activities	12,145	6,670	612	3,065	149	3,051	349	49	26,089
Manufacturing	25,633	40,483	18,205	2,292	1,604	2,312	204	0	90,732
Wholesale and retail trade	15,781	11,975	5,926	1,156	865	839	94	0	36,636
Households	197,853	11,203	2,192	739	183	2	0	35	212,207
Commercial real estate activities[5]	35,743	3,864	646	2,054	3,129	606	74	576	46,691
Public sector	16,790	1,696	231	7,416	446	55,181	34,846	615	117,220
Other	82,700[6]	54,855	19,908	11,389	5,989	10,963	4,339	13,119	203,262
Total	**410,825**	**154,446**	**62,087**	**47,078**	**16,654**	**107,808**	**59,132**	**124,507**	**982,537**

1 Includes impaired loans amounting to 9.3 billion as of December 31, 2014.
2 Includes irrevocable lending commitments related to consumer credit exposure of 9.4 billion as of December 31, 2014.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.
5 Commercial real estate activities are based on counterparty industry classification, irrespective of business unit attribution. The business units mostly involved are Commercial Real Estate (17.2 billion) and PBC Mortgages (11.2 billion).
6 Loan exposures for Other include lease financing.

									Dec 31, 2013
in m.	Loans[1]	Irrevocable lending commitments[2,3]	Contingent liabilities	OTC derivatives[4]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions[5]	Total
Banks and insurance	25,100	21,234	15,289	22,243	5,389	34,427	14,212	195,273	333,166
Fund management activities	10,029	4,756	1,255	3,326	421	4,771	235	20	24,814
Manufacturing	21,406	33,120	18,767	1,077	1,301	2,999	314	0	78,983
Wholesale and retail trade	13,965	11,850	5,610	904	936	811	128	0	34,205
Households	193,515	10,839	2,645	665	611	1	0	59	208,336
Commercial real estate activities[6]	34,259	2,808	831	661	2,047	1,140	88	136	41,969
Public sector	16,228	1,931	135	4,299	592	64,286	26,101	681	114,253
Other	67,668[7]	50,664	21,099	11,541	6,488	17,726	3,166	1,313	179,663
Total	**382,171**	**137,202**	**65,630**	**44,716**	**17,787**	**126,160**	**44,242**	**197,482**	**1,015,390**

1 Includes impaired loans amounting to 10.1 billion as of December 31, 2013.
2 Includes irrevocable lending commitments related to consumer credit exposure of 9.8 billion as of December 31, 2013.
3 Comparatives have been restated by 10.5 billion to include Fronting Commitments erroneously not included in prior disclosure.
4 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.
6 Commercial real estate activities are based on counterparty industry classification, irrespective of business unit attribution. The business units mostly involved are PBC Mortgages and Commercial Real Estate .
7 Loan exposures for Other include lease financing.

The above table gives an overview of our credit exposure by industry; allocated based on the NACE code of the counterparty we are doing business with.

From an industry perspective, our credit exposure is lower compared with last year mainly due to a decrease in banks and insurance of 83.5 billion, driven by lower Repo and Repo-style transactions, partly offset by increases, especially in the category Other of 23.6 billion.

Loan exposure increase in category Other is mainly due to ETF related collateral restructuring within CB&S. This is due to replacing our physical securities exposure by entering into fully funded total returns swaps resulting in a corresponding decrease of securities exposure within trading assets.

Loan exposures to the industry sectors banks and insurance, manufacturing and public sector comprise predominantly investment-grade loans. The portfolio is subject to the same credit underwriting requirements stipulated in our Principles for Managing Credit Risk , including various controls according to single name, country, industry and product-specific concentration.

Material transactions, such as loans underwritten with the intention to syndicate, are subject to review by senior credit risk management professionals and (depending upon size) an underwriting credit committee and/or the Management Board. High emphasis is placed on structuring such transactions so that de-risking is achieved in a timely and cost effective manner. Exposures within these categories are mostly to good quality borrowers and also subject to further risk mitigation as outlined in the description of our Credit Portfolio Strategies Group s activities.

Our household loans exposure amounting to 198 billion as of December 31, 2014 (194 billion as of December 2013) is principally associated with our PBC portfolio. 153 billion (77 %) of the portfolio comprises mortgages, of which 119 billion are held in Germany. The remaining exposures (45 billion, 23 %) are predominantly consumer finance business related. Given the largely homogeneous nature of this portfolio, counterparty credit worthiness and ratings are predominately derived by utilizing an automated decision engine.

Mortgage business is principally the financing of owner occupied properties sold by various business channels in Europe, primarily in Germany but also in Spain, Italy and Poland, with exposure normally not exceeding real estate value. Consumer finance is divided into personal instalment loans, credit lines and credit cards. Various lending requirements are stipulated, including (but not limited to) maximum loan amounts and maximum tenors and are adapted to regional conditions and/or circumstances of the borrower (i.e., for consumer loans a maximum loan amount taking into account household net income). Interest rates are mostly fixed over a certain period of time, especially in Germany. Second lien loans are not actively pursued.

The level of credit risk of the mortgage loan portfolio is determined by assessing the quality of the client and the underlying collateral. The loan amounts are generally larger than consumer finance loans and they are extended for longer time horizons. Consumer finance loan risk depends on client quality. Given that they are uncollateralized, compared with mortgages they are also smaller in value and are extended for shorter time. Based on our underwriting criteria and processes, diversified portfolio (customers/properties) and low loan-to-value (LTV) ratios, the mortgage portfolio is categorized as lower risk and consumer finance medium risk.

Our commercial real estate loans are generally secured by first mortgages on the underlying real estate property, and follow the credit underwriting requirements stipulated in the Principles for Managing Credit Risk noted above (i.e., rating followed by credit approval based on assigned credit authority) and are subject to additional underwriting and policy guidelines such as LTV ratios of generally less than 75 %. Additionally, given the significance of the underlying collateral independent external appraisals are commissioned for all secured loans by our valuation team (part of the independent Credit Risk Management function). Our valuation team is responsible for reviewing and challenging the reported real estate values regularly.

Excluding the exposures transferred into the NCOU, the Commercial Real Estate Group only in exceptional cases retains mezzanine or other junior tranches of debt (although we do underwrite mezzanine loans), though the Postbank portfolio holds an insignificant sub-portfolio of junior tranches. Loans originated for securitization are carefully monitored under a pipeline limit. Securitized loan positions are entirely sold (except where regula-

tion requires retention of economic risk), while we frequently retain a portion of syndicated bank loans. This hold portfolio, which is held at amortized cost, is also subject to the aforementioned principles and policy guidelines. We also participate in conservatively underwritten unsecured lines of credit to well-capitalized real estate investment trusts and other public companies (generally investment-grade). We provide both fixed rate (generally securitized product) and floating rate loans, with interest rate exposure subject to hedging arrangements. In addition, sub-performing and non-performing loans and pools of loans are acquired from other financial institutions at generally substantial discounts to both the notional amounts and current collateral values. The underwriting process for these is stringent and the exposure is managed under separate portfolio limits. Commercial real estate property valuations and rental incomes can be significantly impacted by macro-economic conditions and underlying properties to idiosyncratic events. Accordingly, the portfolio is categorized as higher risk and hence subject to the aforementioned tight restrictions on concentration.

The category other loans, with exposure of 83 billion as of December 31, 2014 (68 billion as of December 31, 2013), relates to numerous smaller industry sectors with no individual sector greater than 5 % of total loans.

Our credit exposure to our ten largest counterparties accounted for 7 % of our aggregated total credit exposure in these categories as of December 31, 2014 compared with 10 % as of December 31, 2013. Our top ten counterparty exposures were with well-rated counterparties or otherwise related to structured trades which show high levels of risk mitigation.

Main credit exposure categories by geographical region

									Dec 31, 2014
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions[4]	Total
Germany	202,658	26,176	14,356	3,250	1,206	6,679	16,339	13,533	284,198
Western Europe									
(excluding Germany)	94,386	36,781	18,984	18,190	3,295	21,516	33,683	23,935	250,771
thereof:									
France	2,674	6,053	2,434	936	423	3,684	5,346	3,656	25,207
Luxembourg	14,156	3,835	754	1,766	552	2,028	6,240	190	29,522
Netherlands	10,630	5,548	2,548	5,257	436	2,726	7,751	348	35,244
United Kingdom	7,878	9,118	1,911	1,058	586	4,530	5,141	13,607	43,828
Eastern Europe	10,524	1,755	2,136	927	1,542	2,494	561	243	20,183
thereof:									
Poland	7,055	651	315	74	0	1,353	64	0	9,511
Russia	2,068	524	693	205	1,081	238	0	39	4,848
North America	55,540	83,400	14,291	14,338	7,531	52,898	5,736	71,306	305,040
thereof:									
Canada	880	2,237	932	1,087	240	1,309	278	1,325	8,287
Cayman Islands	2,571	1,982	61	542	322	2,256	124	12,660	20,519
U.S.	45,899	77,960	12,881	12,614	6,725	48,669	5,323	56,630	266,702
Central and South America	5,071	777	1,445	1,350	604	2,936	24	1,151	13,358

thereof:									
Brazil	1,787	210	781	241	175	1,558	0	656	5,409
Mexico	363	90	51	447	199	450	19	301	1,919
Asia/Pacific	40,081	4,774	10,062	8,643	2,226	20,677	2,467	13,818	102,747
thereof:									
China	9,372	331	950	523	180	1,698	0	1,320	14,373
Japan	866	489	397	3,398	173	2,371	90	4,250	12,032
South Korea	2,069	11	1,095	591	0	842	0	342	4,949
Africa	1,924	627	805	351	124	541	49	520	4,941
Other	640	156	7	29	126	67	273	0	1,297
Total	**410,825**	**154,446**	**62,087**	**47,078**	**16,654**	**107,808**	**59,132**	**124,507**	**982,537**

[1] Includes impaired loans amounting to 9.3 billion as of December 31, 2014.
[2] Includes irrevocable lending commitments related to consumer credit exposure of 9.4 billion as of December 31, 2014.
[3] Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
[4] Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

Credit Exposure

									Dec 31, 2013
in m.	Loans[1]	Irrevocable lending commitments[2,3]	Contingent liabilities	OTC derivatives[4]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions[5]	Total
Germany	200,106	24,099	14,572	2,413	1,451	12,608	10,961	16,444	282,655
Western Europe (excluding Germany)	86,846	37,457	19,991	17,056	5,179	31,296	26,309	58,843	282,978
thereof:									
France	2,675	7,815	2,014	1,273	672	6,585	3,691	11,811	36,536
Luxembourg	5,566	2,186	622	1,735	1,362	3,892	3,976	572	19,912
Netherlands	12,163	6,446	3,179	3,099	863	4,111	6,382	429	36,674
United Kingdom	8,719	8,414	1,817	3,834	942	6,421	5,018	31,403	66,567
Eastern Europe	9,773	1,573	2,173	844	2,177	2,532	390	529	19,991
thereof:									
Poland	6,862	761	215	59	38	867	259		9,061
Russia	1,752	463	753	74	1,822	600		357	5,822
North America	42,748	67,833	17,212	14,404	6,111	52,298	4,041	92,099	296,745
thereof:									
Canada	572	2,286	1,571	648	499	2,132	165	798	8,672
Cayman Islands	2,294	1,725	486	1,118	313	1,909	154	25,633	33,632
U.S.	35,019	63,067	14,680	12,308	5,113	47,710	3,716	64,532	246,146
Central and South America	4,539	745	1,338	701	364	3,016	129	1,310	12,143
thereof:									
Brazil	1,413	249	712	120	162	1,638	17	349	4,660
Mexico	271	122	34	218	163	279	74	321	1,483
Asia/Pacific	36,151	4,782	9,392	9,081	2,341	23,740	2,286	28,043	115,817
thereof:									
China	8,894	432	788	623	69	1,183		2,123	14,113
Japan	848	408	396	3,920	405	5,112	884	16,065	28,038
South Korea	2,150	7	930	515	22	977	65	337	5,004
Africa	1,879	668	932	191	111	552		214	4,546
Other	130	44	19	25	52	118	126		515
Total	**382,171**	**137,202**	**65,630**	**44,716**	**17,787**	**126,160**	**44,242**	**197,482**	**1,015,390**

[1] Includes impaired loans amounting to 10.1 billion as of December 31, 2013.

[2] Includes irrevocable lending commitments related to consumer credit exposure of 9.8 billion as of December 31, 2013.

[3] Comparatives have been restated by 10.5 billion to include Fronting Commitments erroneously not included in prior disclosure.

4 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.

5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

The above table gives an overview of our credit exposure by geographical region, allocated based on the counterparty s country of domicile, see also section Credit Exposure to Certain Eurozone Countries of this report for a detailed discussion of the country of domicile view .

Our largest concentration of credit risk within loans from a regional perspective is in our home market Germany, with a significant share in households, which includes the majority of our mortgage lending business.

Within the OTC derivatives business, tradable assets as well as repo and repo-style transactions, our largest concentrations from a regional perspective were in Western Europe (excluding Germany) and North America. From the industry perspective, exposures from OTC derivative, tradable assets as well as repo and repo-style transactions have a significant share in highly rated banks and insurance companies. For tradable assets, a large proportion of exposure also with public sector companies.

As of December 31, 2014 our loan book increased to 411 billion (versus 382 billion as of December 31, 2013) mainly in North America and Western Europe (excluding Germany) with other, households and manufacturing experiencing largest increases. The increase in loans for Luxembourg is due to ETF related collateral restructuring within CB&S which involved replacing our physical securities exposure by entering into fully funded total returns swaps. The decrease in repo and repo-style transactions (73 billion) was primarily in positions with banks and insurance companies within Western Europe (excluding Germany) and North America coupled with an increase in irrevocable lending commitments (17 billion) mainly in North America. Credit exposure to Russia has decreased by 1 billion to 5 billion as a result of successful de-risking and is focused on corporates in strategic important industry sectors. Credit exposure to Ukraine is relatively small at 370 million.

Credit Exposure to Certain Eurozone Countries

Certain eurozone countries are presented within the tables below due to concerns relating to sovereign risk. This heightened risk is driven by a number of factors impacting the associated sovereign including high public debt levels and/or large deficits, limited access to capital markets, proximity of debt repayment dates, poor economic fundamentals and outlook (including low gross domestic product growth, weak competitiveness, high unemployment and political uncertainty). Fundamentals have improved to some extent, with the growth outlook for these economies stabilising, competitiveness improving and external imbalances (i.e., current account deficits) narrowing. This adjustment process has been supported by the ECB s Outright Monetary Transactions (OMT) program and the European Stability Mechanism (ESM) which have provided a credible (if untested) backstop and helped to contain funding costs. Although a recent Advocate General Opinion stated that the OMT program should be valid under European law, the Court of Justice of the European Union is not expected to issue a final decision until the summer of 2015. The newly announced Quantitative Easing (QE) programme will also help to lower funding costs across the Eurozone. The effectiveness of these measures so far has limited the contagion to other Eurozone bond markets. This has occurred despite the rising uncertainty around the future of Greece s program following Syriza s election victory in January 2015.

For the presentation of our exposure to these certain eurozone countries we apply two general concepts as follows:

In our risk management view , we consider the domicile of the group parent, thereby reflecting the one obligor principle. All facilities to a group of borrowers which are linked to each other (i.e., by one entity holding a majority of the voting rights or capital of another) are consolidated under one obligor. This group of borrowers is usually allocated to the country of domicile of the respective parent company. As an example, a loan to a counterparty in Spain is Spanish risk as per a domicile view but considered a German risk from a risk management perspective if the respective counterparty is linked to a parent company domiciled in Germany following the above-mentioned one obligor principle. In this risk management view we also consider derivative netting and present exposures net of hedges and collateral. The collateral valuations follow the same stringent approach and principles as outlined separately. Also, in our risk management we classify exposure to special purpose entities based on the domicile of the underlying assets as opposed to the domicile of the special purpose entities. Additional considerations apply for structured products. If, for example, a structured note is issued by a special purpose entity domiciled in Ireland, it will be considered an Irish risk in a country of domicile view, but if the underlying assets collateralizing the structured note are German mortgage loans, then the exposure would be included as German risk in the risk management view.

In our country of domicile view we aggregate credit risk exposures to counterparties by allocating them to the domicile of the primary counterparty, irrespective of any link to other counterparties, or in relation to credit default swaps underlying reference assets from, these eurozone countries. Hence we also include counterparties whose group parent is located outside of these countries and exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.

Net credit risk exposure with certain eurozone countries Risk Management View

in m.	Dec 31, 2014	Dec 31, 2013
Greece	416	466
Ireland	750	455
Italy	14,808	15,419

Portugal	1,002	708
Spain	8,273	9,886
Total	**25,249**	26,935

Net credit risk exposure is down 1.7 billion since year-end 2013. This was mainly driven by decreases across Spain and Italy mostly from reductions in our Sovereign exposure, partly offset by increases in Ireland and Portugal mainly driven by higher traded credit positions.

Our above exposure is principally to highly diversified, low risk retail portfolios and small and medium enterprises in Italy and Spain, as well as stronger corporate and diversified mid-cap clients. Our financial institutions exposure is predominantly geared towards larger banks in Spain and Italy, typically collateralised. Sovereign exposure is at what we view as a manageable level absent more generalized contagion spreading after an adverse event such as a Greek exit from the euro.

The following tables, which are based on the country of domicile view, present our gross position, the included amount thereof of undrawn exposure and our net exposure to these Eurozone countries. The gross exposure reflects our net credit risk exposure grossed up for net credit derivative protection purchased with underlying reference assets domiciled in one of these countries, guarantees received and collateral. Such collateral is particularly held with respect to the retail portfolio, but also for financial institutions predominantly based on derivative margining arrangements, as well as for corporates. In addition the amounts also reflect the allowance for credit losses. In some cases, our counterparties ability to draw on undrawn commitments is limited by terms included in the specific contractual documentation. Net credit exposures are presented after effects of collateral held, guarantees received and further risk mitigation, including net notional amounts of credit derivatives for protection sold/(bought). The provided gross and net exposures to certain European countries do not include credit derivative tranches and credit derivatives in relation to our correlation business which, by design, is structured to be credit risk neutral. Additionally the tranche and correlated nature of these positions does not allow a meaningful disaggregated notional presentation by country, e.g., as identical notional exposures represent different levels of risk for different tranche levels.

Gross position, included undrawn exposure and net exposure to certain eurozone countries Country of Domicile View

	Sovereign		Financial Institutions		Corporates		Retail		Other		Total[1]	
in m.	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
Greece												
Gross	100	52	716	605	1,176	1,338	8	9	34	0	2,033	2,004
Undrawn	0	0	20	18	72	101	3	3	0	0	95	122
Net	89	52	107	23	134	214	3	3	34	0	367	291
Ireland												
Gross	553	765	1,100	721	8,282	6,177	40	48	2,350[2]	1,958[2]	12,325	9,669
Undrawn	0	0	48	6	2,257	1,680	1	1	476[2]	358[2]	2,783	2,045
Net	(21)	175	524	438	5,154	4,537	5	9	2,350[2]	1,951[2]	8,012	7,110
Italy												
Gross	4,673	1,900	5,736	5,232	8,512	8,400	19,330	19,650	1,310	648	39,560	35,830
Undrawn	0	0	952	955	3,064	3,407	199	190	28	2	4,242	4,554
Net	244	1,374	3,431	2,500	5,900	6,529	6,768	6,994	1,229	572	17,573	17,969
Portugal												
Gross	(5)	38	404	257	1,053	1,392	2,023	2,163	205	78	3,680	3,928
Undrawn	0	0	37	36	122	172	31	28	0	0	191	237
Net	(76)	25	357	221	504	849	221	282	205	78	1,210	1,456

Spain												
Gross	696	1,473	2,465	3,349	9,345	9,288	10,585	10,721	840	637	23,931	25,468
Undrawn	0	4	738	662	3,832	3,321	481	521	16	3	5,068	4,510
Net	275	1,452	2,084	2,389	6,834	6,436	1,894	2,060	792	502	11,879	12,839
Total gross	**6,018**	4,228	**10,421**	10,164	**28,368**	26,595	**31,986**	32,591	**4,738**	3,321	**81,530**	76,899
Total undrawn	**0**	4	**1,795**	1,677	**9,348**	8,680	**715**	743	**520**	364	**12,378**	11,468
Total net[3]	**511**	3,078	**6,504**	5,572	**18,526**	18,566	**8,892**	9,347	**4,609**	3,103	**39,041**	39,666

1 Approximately 56 % of the overall net exposure as of December 31, 2014 will mature within the next five years.

2 Other exposures to Ireland include exposures to counterparties where the domicile of the group parent is located outside of Ireland as well as exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.

3 Total net exposure excludes credit valuation reserves for derivatives amounting to 300 million as of December 31, 2014 and 136 million as of December 31, 2013.

Total net exposure to the above selected eurozone countries decreased by 625 million in 2014 driven largely by reductions in exposure to Spain and Italy, primarily related to sovereign, but also to retail clients, partially offset by higher exposure to financial institutions primarily in Italy.

Aggregate net credit risk to certain eurozone countries by type of financial instrument

	Financial assets carried at amortized cost			Financial assets measured at fair value	Financial instruments at fair value through profit or loss		Dec 31, 2014
in m.	Loans before loan loss allowance	Loans after loan loss allowance	Other[1]	Financial assets available for sale[2]	Derivatives	Other	Total[3]
Greece	201	182	92	0	85	28	387
Ireland	2,101	2,068	2,707	481	843	1,728	7,827
Italy	10,785	9,775	3,791	672	4,071	3,085	21,393
Portugal	639	588	306	20	36	558	1,507
Spain	5,622	4,983	3,642	231	510	2,015	11,381
Total	**19,348**	**17,595**	**10,537**	**1,404**	**5,545**	**7,414**	**42,496**

[1] Primarily includes contingent liabilities and undrawn lending commitments.
[2] Excludes equities and other equity interests.
[3] After loan loss allowances.

	Financial assets carried at amortized cost			Financial assets measured at fair value	Financial instruments at fair value through profit or loss		Dec 31, 2013
in m.	Loans before loan loss allowance	Loans after loan loss allowance	Other[1]	Financial assets available for sale[2]	Derivatives	Other	Total[3]
Greece	240	207	15	5	7	69	302
Ireland	1,342	1,332	2,840	502	800	1,518	6,993

Italy	10,678	9,735	4,143	875	3,559	(176)	18,136
Portugal	686	640	400	34	94	538	1,706
Spain	6,214	5,460	3,386	1,015	510	1,483	11,853
Total	**19,159**	**17,373**	**10,784**	**2,431**	**4,970**	**3,432**	**38,990**

1 Primarily includes contingent liabilities and undrawn lending commitments.
2 Excludes equities and other equity interests.
3 After loan loss allowances.

The above tables exclude credit derivative exposure, which is separately reported in the following table. For our credit derivative exposure with these eurozone countries we present the notional amounts for protection sold and protection bought on a gross level as well as the resulting net notional position and its fair value.

Credit derivative exposure with underlying assets domiciled in certain eurozone countries

			Notional amounts	Dec 31, 2014
in m.	Protection sold	Protection bought	Net protection sold/(bought)	Net fair value
Greece	901	(921)	(20)	2
Ireland	4,344	(4,158)	186	4
Italy	41,433	(45,253)	(3,821)	156
Portugal	5,876	(6,173)	(297)	6
Spain	18,061	(17,563)	498	10
Total	**70,614**	**(74,068)**	**(3,454)**	**177**

			Notional amounts	Dec 31, 2013
in m.	Protection sold	Protection bought	Net protection sold/(bought)	Net fair value
Greece	1,260	(1,271)	(11)	(1)
Ireland	7,438	(7,321)	117	0
Italy	60,203	(60,370)	(167)	100
Portugal	10,183	(10,432)	(250)	7
Spain	28,452	(27,466)	986	(4)
Total	**107,536**	**(106,860)**	**675**	**101**

In line with common industry practice, we use credit default swaps (CDS) as one important instrument to manage credit risk in order to avoid any undue concentrations in the credit portfolio. CDS contracts are governed by standard ISDA documentation which defines trigger events which result in settlement payouts. Examples of these triggers include bankruptcy of the reference entity, failure of reference entity to meeting contractual obligations (i.e., interest or principal repayment) and debt restructuring of the reference entity. These triggers also apply to credit default protection contracts sold. Our purchased credit default swap protection acting as a risk mitigant is predominantly issued by highly rated financial institutions governed under collateral agreements. While we clearly focus on net risk including hedging/collateral we also review our gross positions before any CDS hedging in reflection of the potential risk that a CDS trigger event does not occur as expected.

The exposures associated with these countries noted above are managed and monitored using the credit process explained within the Credit Risk section of this Risk Report including detailed counterparty ratings, ongoing counterparty monitoring as well as our framework for managing concentration risk as documented within our Country Risk and Industry Risk sections as outlined above. This framework is complemented by regular management reporting including targeted portfolio reviews of these countries and portfolio de-risking initiatives.

For credit protection purposes we strive to avoid any maturity mismatches. However, this depends on the availability of required hedging instruments in the market. Where maturity mismatches cannot be avoided, these positions are tightly monitored. We take into account the sensitivities of hedging instruments and underlying assets to neutralize the maturity mismatch.

Our governance framework is intended to enable adequate preparation for and an ability to manage euro crisis events in terms of risk mitigation and operational contingency measures, which we consider to have been effective when Cyprus stresses escalated, with close coordination between Risk, Legal, business and other infrastructure functions to promote consistent operational and strategic responses across the Bank.

Overall, we have managed our exposures to GIIPS countries since the early stages of the debt crisis and believe our credit portfolio to be well-positioned following selective early de-risking focused on sovereign risk and weaker counterparties.

Sovereign Credit Risk Exposure to Certain Eurozone Countries

The amounts below reflect a net country of domicile view of our sovereign exposure.

Sovereign credit risk exposure to certain eurozone countries

				Dec 31, 2014				Dec 31, 2013
in m.	Direct Sovereign exposure[1]	Net Notional of CDS referencing sovereign debt	Net sovereign exposure	Memo Item: Net fair value of CDS referencing sovereign debt[2]	Direct Sovereign exposure[1]	Net Notional of CDS referencing sovereign debt	Net sovereign exposure	Memo Item: Net fair value of CDS referencing sovereign debt[2]
Greece	100	(11)	89	1	52	0	52	2
Ireland	(26)	4	(21)	2	61	114	175	0
Italy	4,600	(4,356)	244	133	1,861	(487)	1,374	116

Portugal	(5)	(71)	(76)	2	38	(12)	25	4
Spain	688	(413)	275	1	1,193	259	1,452	(4)
Total	**5,358**	**(4,848)**	**511**	**139**	**3,205**	**(126)**	**3,078**	**118**

[1] Includes debt classified as financial assets/liabilities at fair value through profit or loss, available for sale and loans carried at amortized cost.

[2] The amounts reflect the net fair value (i.e., counterparty credit risk) in relation to credit default swaps referencing sovereign debt of the respective country.

The reduction in net sovereign credit exposure compared with year-end 2013 mainly reflects movements from trading debt securities and derivative positions. Net sovereign exposure for Italy declined since year-end 2013 as increases in direct sovereign exposure resulting from reduced short bond positions were more than offset by higher net hedge positions mostly due to lower CDS protection sold. The decrease of our direct sovereign exposure to Spain primarily reflects exposure changes in trading debt securities. The increase in Greece is mainly attributable to derivative positions.

The above mentioned direct sovereign exposure included exposure at amortized cost to sovereigns which, as of December 31, 2014, amounted to 1.3 billion out of which the carrying value of loans held at amortized cost to sovereigns amounted to 279 million for Italy and 580 million for Spain.

Fair value of sovereign credit risk exposure to certain eurozone countries classified as financial assets at fair value through profit or loss

			Dec 31, 2014			Dec 31, 2013
in € m.	Fair value of sovereign debt	Fair value of derivatives with sovereign counterparties (net position)[1]	Total fair value of sovereign exposures	Fair value of sovereign debt	Fair value of derivatives with sovereign counterparties (net position)[1]	Total fair value of sovereign exposures
Greece	20	80	100	52	0	52
Ireland	(22)	0	(22)	67	1	69
Italy	385[2]	3,459	3,844	(1,959)[2]	2,997	1,038
Portugal	(8)	0	(8)	(35)	70	34
Spain	66	20	86	543	22	565
Total	**441**	**3,559**	**4,000**	**(1,332)**	**3,090**	**1,757**

1 Includes the impact of master netting and collateral arrangements.
2 Long sovereign debt position for Italy predominantly related to structured trades with corresponding credit derivatives offset.

Sovereign credit risk exposure to certain eurozone countries classified as financial assets available for sale

			Dec 31, 2014			Dec 31, 2013
in € m.	Fair value of sovereign debt	Original carrying amount	Accumulated impairment losses recognized in net income (after tax)	Fair value of sovereign debt	Original carrying amount	Accumulated impairment losses recognized in net income (after tax)
Greece	0	0	0	0	0	0
Ireland	0	0	0	0	0	0

Italy	77	81	0	97	101	0
Portugal	4	4	0	3	3	0
Spain	0	0	0	0	0	0
Total	**81**	**85**	**0**	**101**	**105**	**0**

Credit Exposure from Lending

Our lending businesses are subject to credit risk management processes, both at origination and on an ongoing basis. An overview of these processes is described in the Credit Risk section of this Risk Report.

Loan book categories segregated into a lower, medium and higher risk bucket

	Dec 31, 2014		Dec 31, 2013[1]	
in m.	Total	thereof: Non-Core	Total	thereof: Non-Core
Lower risk bucket:				
PBC Mortgages	157,099	6,637	154,444	7,372
Investment-Grade/Postbank Non-Retail	30,604	465	30,751	1,077
GTB	77,334	0	72,868	0
Deutsche AWM	39,298	622	33,147	934
PBC small corporates	17,640	140	16,601	280
Government collateralized/structured transactions[2]	40	0	33	0
Corporate Investments	33	33	28	28
Sub-total lower risk bucket	**322,048**	**7,897**	307,871	9,690