PROSPECTUS
DATED MARCH 20, 2017

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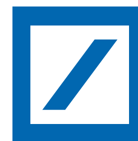
IN THE UNITED STATES

Deutsche Bank Aktiengesellschaft 

Prospectus

for the public offering

and

for admission to the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and for admission to the regulated markets of the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart

of

687,500,000 new, no par value ordinary registered shares

from the capital increase against cash contributions from authorized capital with indirect subscription rights (with exception of a fractional amount) resolved by the Management Board on March 19, 2017 with approval of the Supervisory Board on the same day

– each with a notional value of € 2.56 per share in the share capital and with the same dividend rights as all other outstanding ordinary shares of Deutsche Bank Aktiengesellschaft, including full dividend rights for the fiscal year 2016 –

of

Deutsche Bank Aktiengesellschaft

Frankfurt am Main

International Securities Identification Number (ISIN): DE0005140008
German Securities Identification Number (WKN): 514000

Sole Global Coordinator and Bookrunner

Deutsche Bank Aktiengesellschaft

Joint Bookrunners

Credit Suisse **Barclays** **Goldman Sachs International**

BNP PARIBAS **COMMERZBANK** **HSBC** **Morgan Stanley** **UniCredit Bank AG**

Banca IMI **BBVA** **Banco Santander** **Crédit Agricole CIB** **ING**

Mediobanca **Natixis** **Raiffeisen Centrobank** **RBC Capital Markets** **Société Générale Corporate & Investment Banking**

Co-Lead Managers

ABN AMRO **Bankhaus Lampe** **BIL** **CaixaBank**
Erste Group **ICBC** **KBC Securities** **Macquarie Capital**
Mizuho International plc **Nordea** **SEB** **SMBC Nikko**

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SUMMARY

The summary below reflects the requirements of the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended (the "Prospectus Regulation"), including the contents requirement set out in Annex XXII of the Prospectus Regulation ("Annex XXII"). Pursuant to Annex XXII, summaries of prospectuses are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

A – Introduction and Warnings

A.1	**Warnings**	This summary is intended to be read as an introduction to this securities prospectus (the "Prospectus"). Because of the more detailed information contained elsewhere in the Prospectus, investors are strongly recommended to carefully read the entire Prospectus, and base any investment decision regarding the shares or subscription rights of Deutsche Bank Aktiengesellschaft on a review of the entire Prospectus. Deutsche Bank Aktiengesellschaft, Frankfurt am Main ("Deutsche Bank AG", the "Bank" or the "Company", and, together with its consolidated subsidiaries, the "Deutsche Bank Group", "Deutsche Bank" or the "Group") and Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Goldman Sachs International, BNP PARIBAS, COMMERZBANK Aktiengesellschaft, HSBC Trinkaus & Burkhardt AG, Morgan Stanley & Co. International plc, UniCredit Bank AG, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, ING Bank N.V., Mediobanca Banca di Credito Finanziario S.p.A., NATIXIS, Raiffeisen Centrobank AG, RBC Europe Limited and Société Générale (together the "Joint Bookrunners"), as well as ABN AMRO Bank N.V., Bankhaus Lampe KG, Banque Internationale à Luxembourg, société anonyme, CaixaBank, S.A., Erste Group Bank AG, ICBC Standard Bank PLC, KBC Securities NV, Macquarie Capital (Europe) Limited, Mizuho International plc, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and SMBC Nikko Capital Markets Limited (together the "Co-Lead Managers", and together with the Joint Bookrunners, the "Underwriters") assume responsibility for the information contained in this summary and its translation pursuant to Section 5(2b) no. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). The persons who have assumed responsibility for this summary and its translation, or from whom its issuance originates, can be held liable for the information contained in this summary and its translation, but only insofar as the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, all necessary key information. In the event that a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, be required to bear the costs of translating the Prospectus prior to the commencement of any legal proceedings.

A.2	**Subsequent use of the prospectus by financial intermediaries**	Not applicable. Consent regarding the use of the Prospectus for a subsequent resale or final placement of securities by financial intermediaries has not been granted.

B – Issuer

B.1	**Legal and commercial name**	Deutsche Bank Aktiengesellschaft.
B.2	**Domicile, legal form, legislation under which the issuer operates, country of incorporation**	The Company's head office is at Taunusanlage 12, 60325 Frankfurt am Main, Federal Republic of Germany ("Germany"). The Company is registered with the Commercial Register of the District Court of Frankfurt am Main under registration number HRB 30000. Deutsche Bank AG is a credit institution and stock corporation incorporated under the laws of Germany.
B.3	**Current operations and principal business activities and principal markets in which the issuer competes**	Deutsche Bank believes itself to be the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of € 1,591 billion as of December 31, 2016. Deutsche Bank is currently organized into the following five corporate divisions: • Global Markets (GM) • Corporate & Investment Banking (CIB) • Private, Wealth and Commercial Clients (PW&CC) • Deutsche Asset Management (Deutsche AM) • Postbank (PB) For the fiscal years 2014, 2015 and 2016, Deutsche Bank also reported results of its former corporate division, the Non-Core Operations Unit ("NCOU"), which ceased to exist as a standalone corporate division from 2017 onwards. The five corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank has a regional management function that covers regional responsibilities worldwide. Deutsche Bank has 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. *Global Markets* The Global Markets ("GM") business offers financial products worldwide, including trading and hedging services to institutions and corporate clients, and combines sales, trading and structuring of a wide range of financial markets' products, including bonds, equities and equity-linked products, exchange-traded and over-the-counter derivatives, foreign exchange, money market instruments, and structured products. *Corporate & Investment Banking* Corporate & Investment Banking ("CIB") brings together Deutsche Bank's commercial banking, corporate finance, and

transaction banking expertise under one common corporate division. It consists of Deutsche Bank's Corporate Finance and Global Transaction Banking businesses. CIB advises and executes on the multiple financial requirements of sophisticated corporate and institutional clients.

Private, Wealth and Commercial Clients

Private, Wealth & Commercial Clients ("PW&CC") combines Deutsche Bank's expertise in private and commercial banking as well as in wealth management solutions. PW&CC offers high-quality advice and a wide range of financial services in both the Bank's home market in Germany and internationally. Its objective is to be an advisory bank with a global network, strong expertise in capital markets and financing solutions and cutting-edge digital services.

Deutsche Asset Management

With over € 700 billion of invested assets as of December 31, 2016, Deutsche Asset Management Corporate Division ("Deutsche AM") believes itself to be one of the world's leading investment management organizations, bringing access to the world's financial markets and delivering solutions to clients around the globe. Deutsche AM aims to provide sustainable financial futures for all its clients: individual investors and the institutions that serve them.

Postbank

Postbank ("PB") is a German financial service provider for retail, business and corporate clients as well as for other financial service providers. As a multi-channel bank, Postbank provides its products in its German-wide network of branches, through mobile sales agents, direct banking (online and mobile) and call centers as well as in third party sales through agents. The company also offers postal and parcel services in its branches in cooperation with Deutsche Post DHL AG. Postbank's focus of business activities are on retail banking and corporate banking (transaction banking and financing) in Germany.

Non-Core Operations Unit

In the second half of 2012, the Non-Core Operations Unit (NCOU) was established as the then fifth pillar of Deutsche Bank's business structure. Its aim was to help the Bank reduce risks associated with capital-intensive assets that are not core to the strategy, thereby reducing capital demand. Deutsche Bank's objectives in setting up the NCOU were to improve external transparency of its 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. Pursuant to Deutsche Bank's strategic derisking target, NCOU successfully executed its de-risking strategy and reduced the portfolio in size to achieve the 2016 year-end target of less than € 10 billion risk weighted assets ("RWA"). As a result, the NCOU ceased to exist as a standalone corporate division from 2017 onwards.

Strategy

Deutsche Bank is a leading European bank with a global reach supported by a strong home base in Germany,

Europe's largest economy. Deutsche Bank serves the real economy needs of its corporate, institutional, asset management and private clients, providing services in transaction banking, corporate finance and capital markets, asset management, wealth management and retail banking.

Deutsche Bank outlined a multi-year strategy in October 2015 to build on the core strengths of its business model and client franchise. The four key goals were to be: simpler and more efficient, less risky, better capitalized and better run with more disciplined execution.

The macroeconomic, geopolitical, and regulatory outlook has changed substantially since Deutsche Bank launched its strategy in 2015. As a result of these changes in the operating environment and the substantial challenges specific to Deutsche Bank in 2016, Deutsche Bank has updated its strategy in March 2017 in order to further strengthen Deutsche Bank and place it in a better position to pursue growth opportunities. Accordingly, Deutsche Bank plans to undertake the follow strategic actions:

- Substantially strengthened capitalization through a capital increase, expected to result in net proceeds of approximately € 8 billion, which is expected to result in Deutsche Bank having a (CRR/CRD 4 fully loaded) CET 1 ratio of approximately 14 % and a (CRR/CRD 4 fully loaded) leverage ratio of approximately 4 %, both as of December 31, 2016 assuming completion of the capital increase (the "(CRR/CRD 4 fully loaded) CET 1 ratio" is a measurement of a bank's capital for regulatory purposes compared with its total risk-weighted assets; the "(CRR/CRD 4 fully loaded) leverage ratio" is also a measurement of a bank's capital for regulatory purposes, but compared with its total assets without risk-weighting).
- Up to € 2 billion of incremental capital creation targeted through the planned initial public offering (IPO) of a minority stake in Deutsche AM, and from additional business disposals with an identified RWA of approximately € 10 billion and leverage exposure of approximately € 30 billion, the majority of which Deutsche Bank plans to complete over the next 18 months.
- Reorganization of Deutsche Bank's business divisions into three distinct units, with the goals of strengthening the businesses of each, enhancing client coverage, improving market share and driving efficiencies and growth:
  - The new Corporate & Investment Bank (CIB) that combines Deutsche Bank's markets, advisory, financing and transaction banking businesses.
  - Private & Commercial Bank (PCB) that combines Postbank and Deutsche Bank's existing private, commercial and wealth management businesses.
  - An operationally segregated Deutsche AM.
- The integration of Postbank and PCB's German business with the goal of creating a market leading retail presence in Germany, driving greater efficiency through scale and better earnings and funding stability for Deutsche Bank
- The establishment of a cost reduction program targeting to achieve adjusted costs of approximately € 22 billion in 2018 and approximately € 21 billion by 2021, which would include the impact of retaining Postbank's adjusted costs (€ 2.7 billion in 2016).

- Separately managing identified legacy asset portfolios with approximately € 20 billion of RWA and approximately € 60 billion leverage exposure targeted to be reduced to approximately € 12 billion of RWA and € 30 billion leverage exposure, respectively, by 2020.
- The incurrence of restructuring and severance costs of approximately € 2 billion over the period 2017 to 2021, approximately 70 % of which is expected to be incurred within the next two years.
- Targeting a competitive dividend payout ratio for the financial year 2018 and thereafter with an intention that Deutsche Bank's Management Board will recommend at the annual General Meeting in May 2017 to pay a dividend of € 0.19 per share out of the distributable profit for 2016. The dividend to be paid out of Deutsche Bank AG's distributable profit for 2016 contains a component reflecting the distributable profit carried forward from 2015 of approximately € 165 million and a dividend of € 0.11 per share out of the remaining distributable profit for 2016. Overall, Deutsche Bank expects to pay out a total dividend of approximately € 400 million in 2017.
- Targeting a Post-tax Return on Average Tangible Equity (RoTE) of approximately 10% in a normalized operating environment.

B.4a **Most significant recent trends affecting the issuer and the industries in which it operates**

A Challenging Market Environment

The European banking industry continues to be challenged by weak economic growth and a low rates environment, which keep interest margins under pressure. Also, several European banks have had to focus on resolving legacy litigation and run complex restructurings, while delivering on sizeable regulatory requirements. While good progress has been made on all fronts, this has also led to management distraction and the loss of market share to U.S. competitors. The uncertainty around the outcome and timing of key regulations also continues to complicate this picture. Looking forward, Deutsche Bank believes that the European banking sector will continue to be challenged by the ongoing macroeconomic and regulatory uncertainty in 2017.

Margin Compression

Regulators have generally encouraged the banking sector to focus more on the facilitation of client flow and less on risk taking. This has been effected in part by increasing capital requirements for higher-risk activities. In addition, some of Deutsche Bank's regulators have encouraged or welcomed changes to its business perimeter, consistent with their emphasis on lower-risk activities for banks. Further pressure on Deutsche Bank's revenues and profitability has resulted from long-term structural trends driven by regulation (especially increased regulatory capital and leverage requirements and increased compliance costs) and competition that have further compressed Deutsche Bank's margins in many of its businesses.

Regulatory Reform

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 been enacted and regulations have been issued in response to many of these proposals, while others continue to be developed. The regulatory framework for financial institutions is likely to undergo further significant change. This creates significant uncertainty for Deutsche Bank and the financial industry in general.

Litigation and Enforcement Matters

Regulators, law enforcement authorities, 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. 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.

B.5 **Corporate group of the issuer and the position of the issuer within the corporate group**

Deutsche Bank AG is the parent company of an international group consisting of banks, capital market companies, fund management companies, a property finance company, installment financing companies, research and consultancy companies and other companies in Germany and elsewhere.

B.6 **Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital or voting rights**

On the basis of the shareholding notifications received by the Company by March 10, 2017, the following shareholders hold at least 3 % of the shares or voting rights of Deutsche Bank AG:

	Voting rights[1]	
Shareholder	**Total number**	**Percentage**
Hainan Jiaoguan Holding Co., Ltd., People's Republic of China[2]	41,938,864	3.04 %
H.H. Sheikh Hamad bin Khalifa Al Thani, Qatar[3]	42,069,382	3.05 %
H.E. Sheikh Hamad Bin Jassim Bin Jabor Al-Thani, Qatar[4]	42,069,382	3.05 %
BlackRock, Inc., U.S.[5]	83,383,726[6]	6.05 %

1 The percentage of voting rights has been calculated on the basis of the Company's registered share capital on the date of the respective shareholding notification.

2 Based on a shareholding notification dated February 16, 2017.

3 Attributed through Supreme Universal Holdings Limited, Cayman Islands; based on a shareholding notification dated August 24, 2015.

4 Attributed through Paramount Services Holdings Ltd., British Virgin Islands, and Treetop Family Foundation Inc., Panama; based on a shareholding notification dated August 24, 2015.

5 Based on a shareholding notification dated March 6, 2017.

6 Includes 82,070,291 voting rights attached to shares and 1,313,435 voting rights to be attributed with respect to instruments pursuant to Section 25 of the German Securities Trading Act.

Special voting rights for major shareholders

Not applicable. Each share of the Company confers one vote at the Company's general shareholders' meeting (the "General Meeting"). Voting rights are the same for all of the Company's shareholders.

Direct or indirect ownership or control

Not applicable. The Company is not directly or indirectly owned or controlled by any other company or person.

B.7 Selected historical key financial information

The following tables summarize selected business and financial data of Deutsche Bank Group as of and for the fiscal years ended December 31, 2016, 2015 and 2014.

The consolidated income statement data and cash flow statement data for the fiscal years ended December 31, 2016, 2015 and 2014, as well as the consolidated balance sheet data as of December 31, 2016 and 2015 were derived from Deutsche Bank's consolidated financial statements as of and for the fiscal year ended December 31, 2016 (with corresponding figures as of and for the preceding years) prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as adopted by the EU (hereinafter referred to as "IFRS"). The consolidated balance sheet data as of December 31, 2014 has been derived from Deutsche Bank's consolidated financial statements as of and for the fiscal year 2015 (with corresponding figures for 2014) prepared in accordance with IFRS. The consolidated financial statements as of and for the fiscal years 2016, 2015 and 2014 have been audited by KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMG"), and KPMG issued an unqualified auditor's report in each case. The information provided herein with respect to capital resources and capital ratios as of and for the fiscal years ended December 31, 2016, 2015 and 2014 was derived from the notes to the aforementioned audited consolidated financial statements unless stated otherwise.

Financial data labeled "audited" in the tables below were taken from the audited financial statements described above. Any financial data referred to as "unaudited" in the tables below means that the financial data was not "audited".

The consolidated financial statements as of and for the fiscal year ended December 31, 2016 are included in this Prospectus. The consolidated financial statements as of and for the fiscal years ended December 31, 2015 and 2014 are incorporated by reference into this Prospectus.

Consolidated Statement of Income Data

in € m. (except per share data)	Year ended December 31, 2016	2015	2014
		(audited)	
Interest and similar income	25,636	25,967	25,001
Interest expense	10,929	10,086	10,729
Net interest income	**14,707**	**15,881**	**14,272**
Provision for credit losses	1,383	956	1,134
Net interest income after provision for credit losses	**13,324**	**14,925**	**13,138**
Commissions and fee income	11,744	12,765	12,409
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	1,401	3,842	4,299
Net gains (losses) on financial assets available for sale	653	203	242
Net income (loss) from equity method investments	455	164	619
Net income (loss) from securities held to maturity	0	0	0
Other income (loss)	1,053	669	108
Total noninterest income	**15,307**	**17,644**	**17,677**
Compensation and benefits	11,874	13,293	12,512
General and administrative expenses	15,454	18,632	14,654
Policyholder benefits and claims	374	256	289
Impairment of goodwill and other intangible assets	1,256	5,776	111
Restructuring activities	484	710	133
Total noninterest expenses	**29,442**	**38,667**	**27,699**
Income (loss) before income taxes	**(810)**	**(6,097)**	**3,116**
Income tax expense	546	675	1,425
Net income (loss)	**(1,356)**	**(6,772)**	**1,691**
Net income attributable to noncontrolling interests	45	21	28
Net income (loss) attributable to Deutsche Bank shareholders and additional equity components	(1,402)	(6,794)	1,663
Basic earnings per share (in €)[1][2]	(1.21)	(5.06)	1.34
Diluted earnings per share (in €)[1][3]	(1.21)	(5.06)	1.31

1 The number of average basic and diluted shares outstanding has been adjusted for all periods before June 2014 in order to reflect the effect of the bonus component of subscription rights issued in June 2014 in connection with the capital increase.

2 The Company calculated basic earnings per share for each period by dividing the Group's net income (loss) attributable to Deutsche Bank shareholders by the average number of common shares outstanding. Earnings were adjusted by € 276 million and € 228 million net of tax for coupons paid on Additional Tier 1 Notes in April 2016 and April 2015, respectively. The average number of common shares outstanding is defined as the average number of common shares issued, reduced by the average number of shares in treasury and by the average number of shares that will be acquired under physically-settled forward purchase contracts, and increased by undistributed vested shares awarded under deferred share plans. For the purpose of calculating basic earnings per share, the average number of common shares outstanding was 1,388.1 million as of December 31, 2016, 1,387.9 million as of December 31, 2015 and 1,241.9 million as of December 31, 2014.

3 The Company calculated diluted earnings per share for each period by dividing the Group's net income (loss) attributable to Deutsche Bank shareholders by the average number of common shares outstanding (as defined in footnote 2 above), both after assumed conversion into common shares of outstanding securities or other contracts to issue common stock, such as share options, convertible debt, unvested deferred share awards and forward contracts (the aforementioned instruments are only included in the calculation of diluted earnings per share if they are dilutive in the respective reporting period). Earnings were adjusted by € 276 million and € 228 million net of tax for coupons paid on Additional Tier 1 Notes in April 2016 and April 2015, respectively. For 2016 and 2015, there was no dilutive effect as the Group reported a net loss for both years. For the purpose of calculating diluted earnings per share, the average number of common shares outstanding after assumed conversion was 1,388.1 million as of December 31, 2016, 1,387.9 million as of December 31, 2015 and 1,269.5 million as of December 31, 2014.

Consolidated Balance Sheet Data

in € m.	December 31, 2016	2015	2014
		(audited)	
Assets:			
Cash and central bank balances	181,364	96,940	74,482[1]
Interbank balances (w/o central banks)	11,606	12,842	9,090[1]
Central bank funds sold and securities purchased under resale agreements	16,287	22,456	17,796
Securities borrowed	20,081	33,557	25,834
Total financial assets at fair value through profit or loss	743,781	820,883	942,924
Financial assets available for sale	56,228	73,583	64,297
Equity method investments	1,027	1,013	4,143
Loans	408,909	427,749	405,612
Securities held to maturity	3,206	0	0
Property and equipment	2,804	2,846	2,909
Goodwill and other intangible assets	8,982	10,078	14,951
Other assets	126,045	118,137	137,980
Assets for current tax	1,559	1,285	1,819
Deferred tax assets	8,666	7,762	6,865
Total assets	**1,590,546**	**1,629,130**	**1,708,703**
Liabilities and equity:			
Deposits	550,204	566,974	532,931
Central bank funds purchased and securities sold under repurchase agreements	21,042	9,803	10,887
Securities loaned	8,296	3,270	2,339
Total financial liabilities at fair value through profit or loss	581,971	599,754	697,699
Other short-term borrowings	17,295	28,010	42,931
Other liabilities	155,440	175,005	183,823
Provisions	10,973	9,207	6,677
Liabilities for current tax	1,329	1,699	1,608
Deferred tax liabilities	486	746	1,175
Long-term debt	172,316	160,016	144,837
Trust preferred securities	6,373	7,020	10,573
Obligation to purchase common shares	0	0	0
Total liabilities	**1,525,727**	**1,561,506**	**1,635,481**
Common shares, no par value, nominal value of € 2.56	3,531	3,531	3,531
Additional paid-in capital	33,765	33,572	33,626
Retained earnings	18,987	21,182	29,279
Common shares in treasury, at cost	0	(10)	(8)
Equity classified as obligation to purchase common shares	0	0	0
Accumulated other comprehensive income (loss), net of tax[2]	3,550	4,404	1,923
Total shareholders' equity	59,833	62,678	68,351
Additional equity components[3]	4,669	4,675	4,619
Noncontrolling interests	316	270	253
Total equity	**64,819**	**67,624**	**73,223**
Total liabilities and equity	**1,590,546**	**1,629,130**	**1,708,703**

1 Restated in 2015.
2 Excluding remeasurement effects related to defined benefit plans, net of tax.
3 Includes Additional Tier 1 Notes, which constitute unsecured and subordinated notes of Deutsche Bank and are classified as equity in accordance with IFRS.

Consolidated Cashflow Statement Data

in € m.	Year ended December 31, 2016	2015	2014
		(audited)	
Net income (loss)	(1,356)	(6,772)	1,691
Income (loss) adjusted for non-cash charges, credits and other items	2,862	1,677	7,238
Net cash provided by (used in) operating activities	70,610	67,252	2,052
Net cash provided by (used in) investing activities	11,239	(8,242)	(12,824)
Net cash provided by (used in) financing activities	(1,649)	(5,583)	5,795
Net effect of exchange rate changes on cash and cash equivalents	(28)	94	897
Cash and cash equivalents (total)	**185,649**	**105,478**	**51,960**

Certain Key Ratios and Figures of the Group

	Year ended December 31, 2016	2015	2014
	(audited, unless stated otherwise)		
Book value per basic share outstanding[1][2]	€ 42.74	€ 45.16	€ 49.32
Tangible book value per basic share outstanding[1][3]	€ 36.33	€ 37.90	€ 38.53
Post-tax return on average shareholders' equity[1][4]	(2.3) %	(9.8) %	2.7 %
Post-tax return on average tangible shareholders' equity[1][5]	(2.7) %	(12.3) %	3.5 %
Cost/income ratio[6]	98.1 %	115.3 %	86.7 %
Compensation ratio[7]	39.6 %	39.7 %	39.2 %
Noncompensation ratio[8]	58.5 %	75.7 %	47.5 %
Common Equity Tier 1 capital ratio (CRR/CRD 4)[9]	13.4 %	13.2 %	15.2 %
Common Equity Tier 1 capital ratio (CRR/CRD 4 fully loaded)[1][9]	11.8 %	11.1 %	11.7 %
Tier 1 capital ratio (CRR/CRD 4)[9]	15.6 %	14.7 %	16.1 %
Tier 1 capital ratio (CRR/CRD 4 fully loaded)[1][9]	13.1 %	12.3 %	12.9 %

1 Unaudited.
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 Net income attributable to the Company's shareholders as a percentage of average shareholders' equity.
5 Net income attributable to the Company's shareholders as a percentage of average tangible shareholders' equity.
6 Total noninterest expenses as a percentage of net interest income before provision for credit losses, plus noninterest income.
7 Compensation and benefits as a percentage of total net interest income before provision for credit losses, plus noninterest income.
8 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.
9 Figures presented for 2016, 2015 and 2014 are based on the transitional rules ("CRR/CRD 4") and the full application ("CRR/CRD 4 fully loaded") of the CRR/CRD 4 framework. The capital ratios relate the respective capital to risk-weighted assets.

Deutsche Bank AG Share Information

in € per share	Year ended December 31, 2016	2015	2014[1]
Share price (XETRA):			
Share price at the end of the reporting period	17.25	22.53	24.99
Share price high during the reporting period	22.10	33.42	38.15
Share price low during the reporting period	9.90	20.69	22.66

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.

Significant changes in the issuer's financial condition and operating results	***Recent developments***

Between December 31, 2016 and the date of the Prospectus, the following significant developments with respect to Deutsche Bank's results of operations and financial position occurred.

Deutsche Bank had a strong start to the first quarter of 2017, with revenue performance in January and February ahead of the first two months of 2016 in many of its segments and businesses. As March 2016 was an exceptionally strong month, Deutsche Bank's segmental revenues for the first quarter of 2017 through mid-March are slightly lower than at the comparable point in the first quarter of 2016. Deutsche Bank bases its comparisons of its segmental revenues in 2017 to date with the comparable period in 2016 by excluding from revenues the contributions of the significant businesses disposed of in 2016 (Abbey Life, PCS and Hua Xia) and Funding Valuation Adjustment (FVA), Debt Valuation Adjustment (DVA) and Credit Valuation Adjustment (CVA).

Global Markets has shown a solid performance in 2017 to date, with Debt Sales & Trading revenues over 30% higher through February 28, 2017 as compared to the first two months of 2016, and, through mid-March 2017, ahead of the comparable period in 2016 although by a smaller margin, while Equities Sales & Trading is flat year-on-year. Corporate & Investment Banking first quarter 2017 revenues through mid-March are broadly flat versus the prior year comparable period. Revenues in Corporate Finance were over 15% higher through February 28, 2017 as compared to the first two months of 2016, with positive momentum in primary markets driving significant increases in debt and equity issuance, although, considering the strength of March 2016, this margin is decreasing in March 2017. While Global Transaction Banking saw resilience in its client franchise, revenue performance in 2017 has so far been lower than in 2016 (a single-digit percentage decline through February 28, 2017 as compared to the first two months of 2016), driven by continuing low interest rates and the intentional reductions in client perimeter during 2016. In Private Wealth & Commercial Clients (PW&CC), revenues through February 28, 2017 have been essentially flat versus the comparable period in 2016, as the impact of low interest rates was mainly offset by positive developments in investment products, supported by asset and deposit inflows. Deutsche Asset Management saw a modest improvement in revenues in the first two months of 2017 as compared to the first two months of 2016 as well as the reversal of the asset outflows it experienced in 2016, although its revenues are lower for the quarter through mid-March as compared to the comparable period in the first quarter of 2016 given the nonrecurrence in 2017 of a gain on sale recorded in March 2016. In Postbank, operating performance has been essentially flat compared to the prior year period, but revenues were down through February 28, 2017 as compared with the first two months of 2016, considering the nonrecurrence of one-off gains that occurred in 2016 and weaker hedging results.

Deutsche Bank's consolidated net revenues also take into account FVA/DVA/CVA and fair value gains/losses on own debt, which contributed significant positive revenues in the

first quarter of 2016 but are resulting in negative revenues in the first quarter of 2017 through mid-March, primarily due to a tightening of Deutsche Bank's credit spreads in the first quarter of 2017 versus a widening in the prior year comparable period. This effect, together with the unusual strength of March 2016 in many of its operating businesses as well as other consolidating items and items not attributable to the segments, has resulted in lower consolidated net revenues for the first quarter of 2017 through mid-March as compared to the comparable period in 2016.

On March 5, 2017, Deutsche Bank announced its plan for a capital increase with proceeds expected to be around € 8 billion. The announced transaction includes the issuance of 687.5 million new shares with subscription rights to existing shareholders and carrying the same dividend rights as all currently outstanding shares.

Additionally, the Management Board has approved payment of the AT1 interest coupons coming due in 2017.

Fiscal years 2016 and 2015

2016 results were heavily impacted by decisive management action to improve and modernize Deutsche Bank, by litigation charges and by market turbulence for Deutsche Bank. Deutsche Bank made significant progress with the implementation of strategic decisions and took measures to further strengthen its control infrastructure. Deutsche Bank also made considerable progress in its continued de-risking strategy and toward resolution of additional outstanding litigation matters. Negative news flow around Deutsche Bank's negotiations with the U.S. Department of Justice in October 2016 impacted Deutsche Bank's revenues and client balances. Deutsche Bank believes that it proved its resilience in the challenging year 2016 however, as many of these clients returned, as Deutsche Bank continued to make progress in implementation of its targets originally announced in October 2015.

The Group's key performance indicators ("KPIs") as of December 31, 2016 and 2015 are detailed in the table below:

Group Key Performance Indicators	December 31, 2016	December 31, 2015
	(audited, unless otherwise stated)	
Net revenues	€ 30.0 bn	€ 33.5 bn
Income (loss) before income taxes	€ (0.8) bn	€ (6.1) bn
Net income (loss)	€ (1.4) bn	€ (6.8) bn
Post-tax return on average tangible shareholders' equity[1]	(2.7) %[2]	(12.3) %[3]
Post-tax return on average shareholders' equity[1]	(2.3) %	(9.8) %
Adjusted Costs[4]	€ 24.7 bn	€ 26.5 bn
Cost/income ratio[5]	98.1 %[2]	115.3 %[3]
Risk-weighted assets (RWA)[6]	€ 357.5 bn	€ 396.7 bn
CRR/CRD 4 fully loaded Common Equity Tier 1 ratio[7][9]	11.8 %[8]	11.1 %
Fully loaded CRR/CRD 4 leverage ratio[9]	3.5 %	3.5 %

N/A – Not available

1 Based on Net Income attributable to Deutsche Bank shareholders and additional equity components.

2 For the fiscal year 2016.

3 For the fiscal year 2015.

4 Total noninterest expenses excluding impairment of goodwill and other intangible assets, litigation, policyholder benefits and claims and restructuring and severances.

5 Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.

6 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully loaded.

7 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents Deutsche Bank's calculation of the Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4.

8 Reflects Deutsche Bank's Management Board's decision to propose a dividend per share of € 0.19 paid out of the distributable profit for 2016. The dividend contains the pay out of the distributable profit carried forward from 2015 of approximately € 165 million and a dividend of € 0.11 per share from the remaining distributable profit for 2016. Overall Deutsche Bank expects to pay out a total dividend of approximately € 400 million in 2017.

9 Unaudited.

Net revenues in 2016 were € 30.0 billion, a decline of € 3.5 billion from 2015. The decline was primarily driven by derisking losses in NCOU and lower revenues in GM and CIB due to challenging market conditions, a low interest rate environment in Europe, negative market perceptions concerning Deutsche Bank and strategic execution. The decline was partly offset by a gain on sale of stakes in Hua Xia Bank Co. Ltd. in PW&CC and in VISA Europe Ltd. in Postbank and PW&CC.

Noninterest expenses in 2016 were € 29.4 billion, a decrease of 24 % from 2015. The reduction in noninterest expenses was mainly driven by lower impairment of goodwill and other intangible assets, litigation charges and performance-related compensation. Impairment of goodwill and other intangible assets was € 1.3 billion in 2016, including € 1.0 billion related to the sale of Abbey Life, compared to € 5.8 billion in 2015. Litigation expenses in 2016 amounted to € 2.4 billion, a reduction of € 2.8 billion as compared to 2015. The decline in noninterest expenses was partly offset by higher IT costs and an increase in policyholder benefits and claims.

The loss before income taxes was € 810 million in 2016 compared to a loss before income taxes of € 6.1 billion in 2015. The improvement of € 5.3 billion in 2016 was mainly driven by a significantly lower impairment of goodwill and other intangibles as well as litigation charges. Net loss was € 1.4 billion in 2016, compared to a net loss of € 6.8 billion in 2015.

Deutsche Bank's CRR/CRD 4 fully loaded Common Equity Tier 1 ratio was 11.8 % at the end of 2016, up from 11.1 % at the end of 2015, resulting from de-risking activities and the benefit from asset disposals.

The European Central Bank ("ECB") notified Deutsche Bank of its Supervisory Review and Evaluation Process ("SREP") conclusions for 2017, setting Pillar 2 minimum requirements for the Common Equity Tier 1 ("CET 1") ratio at 9.51 % on a CRR/CRD 4 phase-in basis, compared to which Deutsche Bank recorded 12.76 % as of January 1, 2017. The SREP minimum requirements for 2017 is composed of a minimum Pillar 1 requirement of 4.5 %, an additional Pillar 2 requirement of 2.75 %, a capital conservation buffer of 1.25 %, a countercyclical buffer of currently 0.01 % and the buffer for global systemically important banks ("G-SIBs") of 1.0 %.

Fiscal years 2015 and 2014

2015 was a difficult year for Deutsche Bank, as it was burdened by specific items such as goodwill and other intangible asset impairments, litigation, restructuring and severance charges totaling € 12.4 billion post-tax. However, revenues were up versus 2014 and Deutsche Bank made considerable progress on the implementation of its strategy, which intended to make Deutsche Bank a less complex and more efficient, less risky, better capitalized and better run institution with more disciplined execution.

The Group's KPIs as of December 31, 2015 and 2014 were as follows:

Group Key Performance Indicators	**December 31, 2015**	**December 31, 2014**
	(audited, unless otherwise stated)	
Net revenues	€ 33.5 bn	€ 31.9 bn
Income (loss) before income taxes	€ (6.1) bn	€ 3.1 bn
Net income (loss)	€ (6.8) bn	€ 1.7 bn
Post-tax return on average tangible shareholders' equity[1]	(12.3) %[2]	3.5 %[3]
Post-tax return on average shareholders' equity[1]	(9.8) %	2.7 %
Adjusted Costs[4]	€ 26.5 bn	€ 25.0 bn
Cost/income ratio[5]	115.3 %[2]	86.7 %[3]
Risk-weighted assets (RWA)[6]	€ 396.7 bn	€ 394.0 bn
CRR/CRD 4 fully loaded Common Equity Tier 1 ratio[7][8]	11.1 %	11.7 %
Fully loaded CRR/CRD 4 leverage ratio[8]	3.5 %	3.5 %

N/A – Not available

1 Based on Net Income attributable to Deutsche Bank shareholders and additional equity components.

2 For the fiscal year 2015.

3 For the fiscal year 2014.

4 Total noninterest expenses excluding impairment of goodwill and other intangible assets, litigation, policyholder benefits and claims and restructuring and severances.

5 Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.

6 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully loaded.

7 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents Deutsche Bank's calculation of its Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4.

8 Unaudited.

Net revenues in 2015 were € 33.5 billion, up by € 1.6 billion from 2014. Despite challenging market conditions all business segments except PW&CC and Postbank reported increased net revenue in 2015 partly driven by positive foreign exchange movement. PW&CC reported a revenue decrease mainly due to valuation and transaction related effects relating to PW&CC's stake in Hua Xia Bank.

Non-interest expenses in 2015 were € 38.7 billion, an increase of 40 % from 2014, mainly driven by impairments of goodwill and other intangibles, a significant increase in litigation costs as well as restructuring and severance charges. Compensation and benefits were higher compared to 2014 primarily driven by foreign exchange rate effects.

		The loss before income taxes of € (6.1) billion in 2015, versus income before income taxes of € 3.1 billion in 2014, was mainly driven by impairments booked in the third quarter 2015 as well as the higher litigation and restructuring and severance charges. The particularly high specific effects of € 6.5 billion of impairments and € 5.2 billion of litigation charges, both largely non-tax deductible, and an additional restructuring and severance charge of € 1 billion, added to a net loss of € (6.8) billion. Deutsche Bank's CRR/CRD 4 fully loaded Common Equity Tier 1 ratio was 11.1 % at the end of 2015 down from 11.7 % at the end of 2014, resulted from the net loss driven by higher litigation and restructuring and severance costs.
B.8	**Selected key pro forma financial information**	Not applicable. No pro forma financial information needs to be presented.
B.9	**Profit forecasts or estimates**	Not applicable. No profit forecast or estimate has been made.
B.10	**Qualifications in the audit report on the historical financial information**	Not applicable. The consolidated financial statements for the fiscal years 2016, 2015 and 2014 and the non-consolidated financial statements for the fiscal year 2016 have been audited by KPMG, and KPMG issued an unqualified auditor's report in each case.
B.11	**Insufficiency of the issuer's working capital for its present requirements**	Not applicable. The Company believes that the Deutsche Bank Group has sufficient working capital to meet its payment obligations for at least the next twelve months.

C – Securities

C.1	**Type and class of the securities, securities identification**	According to the Company's articles of association (*Satzung*) (the "Articles of Association"), all shares of the Company are issued in the form of registered shares. All shares of the Company, including the new shares (the "New Shares") offered in this offering (the "Offering"), are shares of the same class. ***International Securities Identification Number (ISIN)*** New Shares: DE0005140008 Subscription rights: DE000A2E4184 ***German Securities Identification Number (WKN)*** New Shares: 514000 Subscription rights: A2E 418 ***Trading Symbol*** DBK (German stock exchanges) DB (New York Stock Exchange)
C.2	**Currency**	Euro.
C.3	**Number of shares issued and fully paid**	As of the date of this Prospectus, and prior to the capital increase pursuant to the Offering, the Company's registered share capital amounts to € 3,530,939,215.36 and is divided into 1,379,273,131 no par value ordinary registered shares, each representing a notional par value of € 2.56 in the Deutsche Bank AG's share capital. All shares are fully paid up.
	Par value per share or statement that the shares have no par value	As no par value ordinary registered shares, each of the shares of the Company represents a notional value of € 2.56 in the Company's share capital.

C.4	**Rights attached to the securities**	Each share of the Company, including each of the New Shares, confers one vote at the General Meeting. There are no restrictions on voting rights. Each New Share carries the same dividend rights as each other outstanding share of the Company, including full dividend rights for the fiscal year 2016. In the event the Company is dissolved, the net assets remaining after discharging the Company's liabilities will be distributed among the shareholders *pro rata* in accordance with their shareholdings pursuant to Section 271 German Stock Corporation Act (*Aktiengesetz*). Shareholders have the right to subscribe for new shares issued pursuant to any future capital increases (subscription right), except in the case of contingent capital increases or if subscription rights are excluded by resolution of the General Meeting or, if the General Meeting so authorizes, by resolution of the management board (*Vorstand*) of the Company ("Management Board") with the consent of the supervisory board (*Aufsichtsrat*) of the Company ("Supervisory Board").
C.5	**Restrictions on the free transferability of the securities**	Not applicable. The shares of the Company are freely transferable.
C.6	**Admission to trading**	Applications for admission of the New Shares to the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and to the regulated markets of the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart are expected to be filed on March 21, 2017. The admission decision is expected on or about April 5, 2017. The start of trading and inclusion of the New Shares in the existing listing on the German stock exchanges is expected on or about April 7, 2017. The inclusion of the New Shares in the existing listing on the New York Stock Exchange is expected at the same time.
C.7	**Dividend policy**	Consistent with its updated strategy, Deutsche Bank AG does not intend to pay more than the minimum dividend required by German law for the fiscal years until and including 2016. Accordingly, the Management Board intends to propose to the annual General Meeting in May 2017 to resolve the payment of a dividend per share of € 0.19 out of the distributable profit for 2016, reflecting the pay out of the distributable profit carried forward from 2015 of approximately € 165 million and a dividend per share of € 0.11 from the remaining distributable profit for 2016. For the fiscal year 2017, the Management Board intends to propose at least a minimum dividend per share of € 0.11 (paid after the annual General Meeting in 2018). Historically, however, Deutsche Bank AG has paid dividends at higher levels, including dividends per share of € 0.75 for 2014, and intends to pay competitive dividends above the minimum amount no later than for 2018 (paid after the annual General Meeting in 2019). However, the Company cannot assure investors that it will pay dividends as for 2014 or previous years, or at any other level, or at all, in any future period. If the Company is not profitable, it may not pay dividends at all. Furthermore, if Deutsche Bank AG fails to meet the regulatory capital adequacy requirements under CRR/CRD 4 (including individually imposed capital requirements (so-called "Pillar 2" requirements) and the combined buffer

requirement), it may be prohibited from making, and the European Central Bank or the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, or the "BaFin") may suspend or limit, the payment of dividends.

In addition, the ECB expects banks to meet "Pillar 2" guidance. If Deutsche Bank AG operates or expects to operate below "Pillar 2" guidance, the ECB will review the reasons why the Bank's capital level has fallen or is expected to fall and may take appropriate and proportionate measures in connection with such shortfall. Any such measures might impact on Deutsche Bank AG's willingness or ability to pay dividends.

D – Risks

D.1 Key risks specific to the issuer and its industry

- Recent tepid economic growth, and uncertainties about prospects for growth going forward, especially in Deutsche Bank's home market of Europe, have affected and continue to negatively affect Deutsche Bank's results of operations and financial condition in some of its businesses and Deutsche Bank's strategic plans, while a continuing low interest environment and competition in the financial services industry have compressed margins in many of the Group's businesses. If these conditions persist or worsen, Deutsche Bank's business, results of operations or strategic plans could continue to be adversely affected.
- Deutsche Bank's results of operation and financial condition, in particular those of its Global Markets corporate division, continue to be negatively impacted by the challenging market environment, unfavorable macroeconomic and geopolitical conditions, lower client activities, increased competition and regulation, and the immediate impacts resulting from Deutsche Bank's strategic decisions as Deutsche Bank makes progress on the implementation of its strategy. If Deutsche Bank is unable to improve its profitability as it continues to face these headwinds as well as persistently high litigation costs, Deutsche Bank may be unable to meet many of its strategy aspirations, and may have difficulty maintaining capital, liquidity and leverage ratios at levels expected by market participants and Deutsche Bank's regulators.
- Continued elevated levels of political uncertainty could have unpredictable consequences for the financial system and the greater economy, and could contribute to an unwinding of aspects of European integration, potentially leading to declines in business levels, write-downs of assets and losses across Deutsche Bank's businesses. Deutsche Bank's ability to protect itself against these risks is limited.
- Deutsche Bank may be required to take impairments on its exposures to the sovereign debt of European or other countries if the European sovereign debt crisis reignites. The credit default swaps into which Deutsche Bank has entered to manage sovereign credit risk may not be available to offset these losses.
- Deutsche Bank's liquidity, business activities and profitability may be adversely affected by an inability to

access the debt capital markets or to sell assets during periods of market-wide or firm-specific liquidity constraints. Credit rating downgrades have contributed to an increase in Deutsche Bank's funding costs, and any future downgrade could materially adversely affect its funding costs, the willingness of counterparties to continue to do business with it and significant aspects of its business model.

- 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 Deutsche Bank and may adversely affect its business and ability to execute its strategic plans, and competent regulators may prohibit Deutsche Bank from making dividend payments or payments on its regulatory capital instruments if Deutsche Bank fails to comply or take other actions with regulatory requirements.

- European and German legislation regarding the recovery and resolution of banks and investment firms could, if steps were taken to ensure Deutsche Bank's resolvability or resolution measures were imposed on Deutsche Bank, significantly affect Deutsche Bank's business operations, and lead to losses for its shareholders and creditors.

- Regulatory and legislative changes require Deutsche Bank to maintain increased capital, in some cases (including in the United States) applying liquidity, risk management and capital adequacy rules to its local operations on a standalone basis. These requirements may significantly affect Deutsche Bank's business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that Deutsche Bank may be unable to meet its capital or liquidity requirements with an adequate buffer, or that Deutsche Bank should maintain capital in excess of these requirements, could intensify the effect of these factors on Deutsche Bank's business and results.

- Deutsche Bank's regulatory capital and liquidity ratios and its funds available for distributions on its shares or regulatory capital instruments will be affected by Deutsche Bank's business decisions and, in making such decisions, Deutsche Bank's interests and those of the holders of such instruments may not be aligned, and Deutsche Bank may take decisions in accordance with applicable law and the terms of the relevant instruments that result in no or lower payments being made on Deutsche Bank's shares or regulatory capital instruments.

- Legislation in the United States and in Germany as well as proposals in the European Union regarding the prohibition of proprietary trading or its separation from the deposit-taking business may materially affect Deutsche Bank's business model.

- Other regulatory reforms adopted or proposed in the wake of the financial crisis – for example, extensive new regulations governing Deutsche Bank's derivatives activities, compensation, bank levies, deposit protection

or a possible financial transaction tax – may materially increase Deutsche Bank's operating costs and negatively impact its business model.

- Adverse market conditions, asset price deteriorations, volatility and cautious investor sentiment have affected and may in the future materially and adversely affect Deutsche Bank's revenues and profits, particularly in its investment banking, brokerage and other commission- and fee-based businesses. As a result, Deutsche Bank has in the past incurred and may in the future incur significant losses from its trading and investment activities.
- Deutsche Bank announced the next phase of its strategy in April 2015, gave further details on it in October 2015 and announced an update in March 2017. If Deutsche Bank is unable to implement its strategic plans successfully, Deutsche Bank may be unable to achieve its financial objectives, or Deutsche Bank may incur losses or low profitability or erosions of its capital base, and Deutsche Bank's financial condition, results of operations and share price may be materially and adversely affected.
- As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to reconfigure its Global Markets, Corporate Finance and Transaction Banking businesses into a single, corporate client-led Corporate & Investment Banking division to position itself for growth through increased cross-selling opportunities for its higher return corporate clients. Clients may choose not to expand their businesses or portfolios with Deutsche Bank, thereby negatively influencing its ability to capitalize on these opportunities.
- As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to retain and combine Deutsche Postbank AG (together with its subsidiaries, "Postbank") with its existing retail and commercial operations, after earlier having announced its intention to dispose of Postbank. Deutsche Bank may face difficulties integrating Postbank into the Group following the completion of operational separability from the Group. Consequently, the cost savings and other benefits Deutsche Bank expects to realize may only come at a higher cost than anticipated, or may not be realized at all.
- As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to create an operationally segregated Deutsche Asset Management division through a partial initial public offer (IPO). If economic or market conditions, or the financial position, results of operations and business prospects of Deutsche AM, are unfavorable, or if any required regulatory approvals are not obtained or would be available only on disadvantageous terms, Deutsche Bank may not be able to sell a stake in Deutsche AM at a favorable price or timing, or at all. Additionally, Deutsche Bank may not be able to capitalize on the expected benefits that it believes an operationally segregated Deutsche AM can offer.

- Deutsche Bank may have difficulties selling companies, businesses or assets at favorable prices or at all and may experience material losses from these assets and other investments irrespective of market developments.

- A robust and effective internal control environment is necessary to ensure that Deutsche Bank conducts its business in compliance with the laws and regulations applicable to it. Deutsche Bank has identified the need to strengthen its internal control environment and has embarked on initiatives to accomplish this. If these initiatives are not successful or are delayed, Deutsche Bank's reputation, regulatory position and financial condition may be materially adversely affected, and Deutsche Bank's ability to achieve its strategic ambitions may be impaired.

- Deutsche Bank operates in a highly and increasingly regulated and litigious environment, potentially exposing Deutsche Bank 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.

- Regulatory and law enforcement agencies globally are currently investigating Deutsche Bank in connection with alleged misconduct relating to manipulation of foreign exchange rates. The extent of Deutsche Bank's financial exposure to these matters could be material, and Deutsche Bank's reputation may suffer material harm as a result.

- Deutsche Bank is 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 Deutsche Bank's results of operations, financial condition and reputation.

- Deutsche Bank has received inquiries from regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for Deutsche Bank. Deutsche Bank is also named as a defendant in several putative class action complaints in respect of precious metals trading and related conduct.

- Deutsche Bank has investigated the circumstances around equity trades entered into by certain clients in Moscow and London and has advised regulators and law enforcement authorities in several jurisdictions about those trades. In the event that violations of law or regulation are found to have occurred, any resulting penalties against Deutsche Bank may materially and adversely affect Deutsche Bank's results of operations, financial condition and reputation.

- Regulatory and law enforcement agencies in the United States are investigating whether Deutsche Bank's 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. While Deutsche Bank has settled some matters, other investigations are still in progress and the eventual outcomes of these matters are unpredictable, and may continue materially and adversely to affect Deutsche Bank's results of operations, financial condition and reputation.

- Deutsche Bank has been subject to contractual claims, litigation and governmental investigations in respect of Deutsche Bank's U.S. residential mortgage loan business that may materially and adversely affect Deutsche Bank's results of operations, financial condition or reputation.
- Deutsche Bank is currently involved in civil proceedings in connection with its voluntary takeover offer for the acquisition of all shares of Postbank. The extent of Deutsche Bank's financial exposure to this matter could be material, and its reputation may be harmed.
- Deutsche Bank is currently involved in civil and criminal proceedings in connection with transactions with Monte dei Paschi di Siena. The extent of Deutsche Bank's financial exposure to these matters could be material, and Deutsche Bank's reputation may be harmed.
- Deutsche Bank is currently involved in a legal dispute with the German tax authorities in relation to the tax treatment of certain income received with respect to its pension plan assets. The proceeding is pending in front of the relevant lower fiscal court. Should the courts ultimately rule in favor of the German tax authorities, the outcome could have a material effect on Deutsche Bank's comprehensive income and financial condition.
- Guilty pleas by or convictions of Deutsche Bank or its affiliates in criminal proceedings may have consequences that have adverse effects on certain of Deutsche Bank's businesses.
- In addition to Deutsche Bank's traditional banking businesses of deposit-taking and lending, it also engages in nontraditional credit businesses in which credit is extended in transactions that include, for example, its holding of securities of third parties or its engaging in complex derivative transactions. These nontraditional credit businesses materially increase Deutsche Bank's exposure to credit risk.
- A substantial proportion of the assets and liabilities on Deutsche Bank's balance sheet comprise financial instruments that it carries at fair value, with changes in fair value recognized in the income statement. As a result of such changes, Deutsche Bank has incurred losses in the past, and may incur further losses in the future.
- Deutsche Bank's risk management policies, procedures and methods leave Deutsche Bank exposed to unidentified or unanticipated risks, which could lead to material losses.
- Operational risks, which may arise from errors in the performance of Deutsche Bank's processes, the conduct

of Deutsche Bank's employees, instability, malfunction or outage of Deutsche Bank's IT system and infrastructure, or loss of business continuity, or comparable issues with respect to Deutsche Bank's vendors, may disrupt Deutsche Bank's businesses and lead to material losses.

- Deutsche Bank's 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 Deutsche Bank's reputation and lead to regulatory penalties and financial losses.
- The size of Deutsche Bank's clearing operations exposes Deutsche Bank to a heightened risk of material losses should these operations fail to function properly.
- Deutsche Bank may have difficulty in identifying and executing acquisitions, and both making acquisitions and avoiding them could materially harm Deutsche Bank's results of operations and its share price.
- Intense competition, in Deutsche Bank's home market of Germany as well as in international markets, could materially adversely impact Deutsche Bank's revenues and profitability.
- 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 Deutsche Bank or investing in Deutsche Bank's securities, harm Deutsche Bank's reputation or result in regulatory action which could materially and adversely affect Deutsche Bank's business.

D.3 Key risks specific to the securities

- Deutsche Bank AG's share price has been and may remain volatile.
- The holdings of shareholders who do not participate in the Offering will be significantly diluted, i.e. the value of their shares and their control rights will be negatively impacted.
- The holdings of shareholders may be significantly diluted by future capital increases.
- If the Offering is not consummated or if Deutsche Bank AG's share price declines sharply, the subscription rights will expire or become worthless.
- It is not certain that subscription rights trading will develop, and the subscription rights may be subject to greater quoted market price fluctuations than the shares of Deutsche Bank AG.
- Deutsche Bank AG may not pay dividends in future fiscal years, be it because it does not generate any balance sheet profit available for distribution, or for other reasons.

E – Offer

E.1	**Total net proceeds and estimate of the total expenses of the offer, including estimated expenses charged to the investor by the issuer or the offeror**	Assuming that all of the New Shares are subscribed for at the subscription price of € 11.65 per New Share, the gross proceeds from the Offering before expenses, commissions and fees will amount to € 8,009 million. The Company expects to incur underwriting commissions and other Offering-related expenses of up to an aggregate maximum of approximately € 148 million (after tax: € 136 million), which includes the underwriting and management commission of the Underwriters in a maximum amount of approximately € 141 million. Such expenses to be borne by the Company will be deducted from the gross proceeds. Assuming that all New Shares are subscribed or placed at the subscription price, the Company would receive net proceeds before tax in the amount of approximately € 7,861 million (after tax: € 7,873 million) from the sale for the New Shares.
E.2a	**Reasons for the offer, use of proceeds, estimated net amount of the proceeds**	Deutsche Bank intends to use the net proceeds of the Offering to further strengthen its regulatory capital base and also to provide a buffer against future regulatory uncertainty and challenges ahead not currently foreseen by Deutsche Bank. Deutsche Bank also plans to use a portion of the proceeds to pursue focused investments in order to take advantage of opportunities which it perceives to be available or to become available across its business. No specific allocations of the proceeds have been determined by Deutsche Bank at the date of this Prospectus. The net proceeds before tax received by the Company are expected to total approximately € 7,861 million.
E.3	**Terms and conditions of the offer**	***Subject Matter of the Offering*** The subject matter of the Offering are 687,500,000 new, no par value ordinary registered shares of Deutsche Bank AG (the "New Shares"), each with a notional value of € 2.56 per share in the share capital and with the same dividend rights as each other outstanding share of the Company. The New Shares will result from the capital increase against cash contributions from authorized capital resolved by the Management Board on March 19, 2017 and approved by the Supervisory Board's Chairman's Committee, to which such competence was delegated, on the same date. Exercising the authorizations pursuant to Section 4 para. 5 and 6 of the Articles of Association of Deutsche Bank AG (authorized capital), the Management Board resolved on March 19, 2017, and the Supervisory Board's Chairman's Committee, to which such competence was delegated, approved on the same date, to increase the share capital from € 3,530,939,215.36 by € 1,760,000,000 to € 5,290,939,215.36 by issuing 687,500,000 New Shares against cash contributions at a subscription price of € 11.65 per New Share. The shareholders will be granted indirect subscription rights in this process. The New Shares will be offered to shareholders at a subscription ratio of 2 : 1, i.e. one New Share may be acquired at the subscription price for every two existing shares. The subscription rights of the shareholders are excluded in regard to a fractional amount of up to 500,000 New Shares, with the final number of New Shares for which subscription rights have been excluded to be determined on the basis of own shares held at close of trading on the evening of March 20, 2017 (equivalent to the number of own shares booked with Clearstream Bank AG on the evening of March 22, 2017).

Subscription Offer

Based on an underwriting agreement entered into on March 5, 2017 (the "Underwriting Agreement"), the Underwriters have agreed, under certain conditions, to subscribe the New Shares and to offer such shares (excluding the fractional amount) in public offerings in the Federal Republic of Germany ("Germany"), the United Kingdom of Great Britain and Northern Ireland ("United Kingdom" or "UK") and the United States of America (the "United States" or the "U.S.") to the Company's shareholders in connection with an indirect subscription right at the subscription ratio and at the subscription price per New Share (the "Subscription Offer"). The New Shares will be offered to the Company's shareholders in Canada in a rights offering pursuant to a Canadian offering memorandum and only by persons permitted to sell New Shares in Canada and only to Canadian shareholders to whom they are permitted to sell New Shares. Any New Shares remaining unsubscribed in connection with the Subscription Offer, as well as the fractional amount excluded from the subscription rights of the shareholders, will be offered for sale in a public offering in the United States and in private placements to investors in Germany and in certain other jurisdictions (excluding Japan).

Under certain circumstances, the Offering may be terminated.

Subscription Price

The subscription price for each subscribed New Share amounts to € 11.65. The subscription price has to be paid at the latest on April 6, 2017.

Subscription Ratio

Pursuant to the subscription ratio of 2 : 1, one New Share may be acquired at the Subscription Price for every two existing shares of the Company.

Subscription Period

The subscription period is expected to run from and including March 21, 2017 to and including April 6, 2017 (the "Subscription Period").

Exercise of the Subscription Rights

The depositary banks will credit to the depositary accounts of the Company's shareholders the subscription rights (ISIN DE000A2E4184, WKN A2E 418) relating to the existing shares of the Company (ISIN DE0005140008, WKN 514 000) as of the evening of March 20, 2017.

The shareholders will be requested through publication of the Subscription Offer – in the German Federal Gazette (*Bundesanzeiger*) expected on March 20, 2017 and in the Frankfurter Allgemeine Zeitung and the Börsen-Zeitung expected on March 21, 2017 – to exercise their subscription rights for the New Shares, during the period from March 21, 2017 to and including April 6, 2017 through their depositary bank at one of the subscription agents specified below during ordinary business hours in order to avoid being excluded from the exercise of their subscription rights. Subscription rights that are not exercised during the subscription period will expire and become worthless. No compensation will be awarded for subscription rights that will not be exercised. Subscription agents are the German branches of Deutsche Bank AG.

Subscription Rights Trading

In connection with the offering of the New Shares, the subscription rights will be traded on the exchange. The subscription rights (ISIN DE000A2E4184) for the New Shares will be traded during the period from and including March 21, 2017 up to and including April 4, 2017 on the regulated market (XETRA and XETRA Frankfurt Specialist) of the Frankfurt Stock Exchange. The subscription rights will also be traded on the New York Stock Exchange. The Company does not intend to apply for subscription rights trading on any other stock exchange. The subscription agents are prepared to act as brokers in the buying and selling of subscription rights on the stock exchange, if possible. No compensation will be awarded for any subscription rights not exercised. Upon expiration of the subscription period, the unexercised subscription rights will expire and become worthless. As of March 21, 2017, the existing shares of Deutsche Bank AG will be quoted "ex-rights" on the regulated markets of the Frankfurt Stock Exchange and on the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart, and the New York Stock Exchange.

Share Certificates and Delivery of the New Shares

The New Shares will be represented by a global share certificate deposited with Clearstream Banking AG and with the sub-agent specified under the global share structure of Deutsche Bank AG for the United States. According to the Articles of Association, the shareholders are not entitled to share certificates, dividend or renewal coupons, provided these are not required to be granted pursuant to the rules of a stock exchange by which the shares have been admitted to trading. The New Shares are vested with the same rights as all other shares of the Company and are not vested with any additional rights or benefits.

The New Shares acquired pursuant to the Subscription Offer are expected to be delivered on or about April 7, 2017, and once the private placements referred to below are concluded, the New Shares acquired in private placements are expected to be delivered on or about April 11, 2017, in each case by credit to the collective custodial account, unless the Subscription Period has been extended.

Sale of Unsubscribed Shares/Private Placements

The New Shares remaining unsubscribed in the Subscription Offer and the share fractional amount excluded from the subscription right of the shareholders will be offered for sale in a public offering in the United States and in private placements to investors in Germany and certain other jurisdictions (excluding Japan).

E.4	**Interests material to the offer, including conflicting interests (if any)**	In connection with the Offering, the Underwriters have a contractual relationship with the Company. On successful completion of the Offering, the Underwriters will receive a commission from the Company. The Underwriters or certain of their respective affiliates have performed, and are likely to perform in the future, certain advisory or other services for Deutsche Bank, for which they have received, and are likely to receive in the future, customary fees and expenses. The Company has also performed, and is likely to perform in the future, certain advisory or other services for the Underwriters or their respective affiliates, for which it has received, and is likely to receive in the future, customary fees and expenses. The Company and the Underwriters

and, as the case may be, their affiliates have also acted as counterparties to other transactions amongst themselves as well as involving third parties in the area of banking and finance such as underwriting or lending business or trading or derivatives transactions. The Company expects that Deutsche Bank and the Underwriters or their affiliates may also in the future have business relationships as described above. The Company therefore assumes that each of the Underwriters has an interest in the successful completion of the transaction.

E.5 Name of the entities offering to sell the securities, lock-up agreements

Deutsche Bank AG and the Underwriters are offering to sell the New Shares.

Lock-up Agreement

During the period commencing on March 5, 2017 and ending six months after the first day of trading of the New Shares on the Frankfurt Stock Exchange, the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart and the New York Stock Exchange, without the prior written consent of Credit Suisse Securities (Europe) Limited, which consent may not be unreasonably withheld or delayed, the Company will not, to the extent permitted by German corporate law (*im Rahmen des aktienrechtlich Zulässigen*):

(i) exercise an authorization pursuant to its Articles of Association to increase its capital;

(ii) submit a proposal for a capital increase or the issuance of financial instruments convertible into shares of the Company or with option rights for shares of the Company to any meeting of the shareholders for resolution (except for authorizations pursuant to Section 202 or Section 221 (2) of the German Stock Corporation Act and the creation of a related conditional capital); or

(iii) offer, pledge, allot, issue (unless being required by applicable law), sell, contract to sell, sell any option to purchase or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to a third party, in whole or in part, the economic risk of ownership of shares in its capital, whether any such transaction described above is to be settled by delivery of shares in its capital or such other securities, in cash or otherwise.

The foregoing restrictions will not apply to (i) the New Shares to be sold under the Underwriting Agreement, (ii) contingent capital instruments (including the CRR/CRD 4 Additional Tier 1 ("AT1") securities) issued or to be issued by the Company (aa) mandatorily or voluntarily convertible into shares of the Company, or (bb) being combined with any option, right or warrant to purchase any existing share or new share, or (cc) granting any participation rights (*Genussrechte*), or (dd) other instruments related to or combining any such instruments described under (aa) – (cc), in each case irrespective of whether or not subscription rights will be granted to the shareholders of the Company, (iii) for the purpose of issuing or otherwise distributing or allocating shares of the Company or options for shares of the Company or other instruments related to shares of the

		Company to directors (including members of the management board or supervisory board) or employees of the Company or any of its subsidiaries under a customary directors' (including members of the management board or supervisory board) and/or employees' stock option, share participation or other employee incentive plan or otherwise related to equity compensation of directors (including members of the management board or supervisory board) or employees of the Company, (iv) sales of treasury shares (or derivative transactions related thereto) carried out in a manner consistent with the Company's normal treasury activity, (v) hedging, market making and brokerage activities in the ordinary course of the Company's or any of its affiliates trading activities, and (vi) transactions by the Company or any of its affiliates in execution of customer orders.
E.6	**Amount and percentage of immediate dilution resulting from the offer**	The book value of the shareholders' equity of Deutsche Bank recorded in the consolidated balance sheet prepared in accordance with IFRS as of December 31, 2016 was € 59,833 million and therefore € 43.38 per share of the Company, calculated on the basis of the number of 1,379,273,131 issued shares of the Company as of December 31, 2016. Based on the foregoing, following the implementation of the capital increase from € 3,530,939,215.36 by € 1,760,000,000.00 to € 5,290,939,215.36 by issuing 687,500,000 New Shares against cash contributions in connection with this Offering, which is expected to be registered in the Commercial Register of the Company on or about April 5, 2017, and at a subscription or, as the case may be, placement price of € 11.65 per New Share, and following the deduction of the estimated expenses, commissions and fees of the Offering in the maximum amount of € 136 million after tax, the book value of the shareholders' equity of the Company recorded in the balance sheet under IFRS as of December 31, 2016 would have been € 67,706 million or € 32.76 per share (calculated on the basis of the number of 2,066,773,131 shares of the Company issued after the implementation of the capital increase in connection with the Offering). This corresponds to a dilution in net equity of the Company by € 10.62 or 24.5 % per share for the previous shareholders. For purchasers of New Shares, this results in an indirect accretion of € 21.11 or 181.2% per share, as the adjusted shareholders' equity of the Company per share exceeds the assumed subscription or, as the case may be, placement price of € 11.65 per New Share by this amount or this percentage.
	Amount and percentage of immediate dilution resulting in the event that equity holders do not exercise their subscription rights	If a shareholder does not exercise any of its subscription rights, such shareholder's percentage ownership in the Company's share capital and its voting rights will be diluted by 33.3 %. This would result in a capital dilution for a shareholder not exercising any of its subscription rights of € 10.62 per share, not taking into account the economic value of such subscription rights.
E.7	**Estimated expenses charged to the investor**	Not applicable. None of the expenses incurred by the Company or the Underwriters will be charged to the investors, however investors will themselves be required to bear the fees charged by their custodian bank for the purchase and holding of securities.

GERMAN TRANSLATION OF THE SUMMARY – ZUSAMMENFASSUNG

Die Zusammenfassung spiegelt die Vorgaben der Verordnung (EG) Nr. 809/2004 der Kommission vom 29. April 2004 in der aktuellen Fassung wider (die „Prospektverordnung"), einschließlich der Vorgaben in Annex XXII der Prospektverordnung („Annex XXII"). Gemäß Annex XXII müssen Zusammenfassungen von Prospekten aus Offenlegungserfordernissen bestehen, die als „Elemente" bezeichnet werden. Diese Elemente sind in den Abschnitten A – E (A.1 – E.7) aufgezählt. Diese Zusammenfassung enthält alle Elemente, die eine Zusammenfassung für Wertpapiere dieses Typs und für diesen Emittenten enthalten muss. Da manche Elemente vorliegend nicht einschlägig sind, können sich entsprechende Lücken in der durchnummerierten Abfolge der Elemente ergeben. Obwohl ein Element in einer Zusammenfassung für Wertpapiere dieses Typs und für diesen Emittenten enthalten sein müsste, ist es möglich, dass zu diesem Element keine relevanten Angaben gemacht werden können. In einem solchen Fall beinhaltet die Zusammenfassung eine kurze Beschreibung des Elements mit dem Hinweis „entfällt".

A – Einleitung und Warnhinweis

A.1	**Warnhinweise**	Diese Zusammenfassung ist als Einführung zu diesem Wertpapierprospekt (der „Prospekt") zu verstehen. Anleger sollten wegen der wesentlich detaillierteren Informationen in anderen Teilen des Prospekts in jedem Fall den gesamten Prospekt aufmerksam lesen und eine Anlageentscheidung betreffend Aktien oder Bezugsrechte der Deutsche Bank Aktiengesellschaft auf die Prüfung des gesamten Prospekts stützen. Die Deutsche Bank Aktiengesellschaft, Frankfurt am Main (die „Deutsche Bank AG", die „Bank" oder die „Gesellschaft" und zusammen mit ihren konsolidierten Tochtergesellschaften der „Deutsche Bank-Konzern", die „Deutsche Bank" oder der „Konzern"), Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Goldman Sachs International, BNP PARIBAS, COMMERZBANK Aktiengesellschaft, HSBC Trinkaus & Burkhardt AG, Morgan Stanley & Co. International plc, UniCredit Bank AG, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, ING Bank N.V., Mediobanca Banca di Credito Finanziario S.p.A., NATIXIS, Raiffeisen Centrobank AG, RBC Europe Limited und Société Générale, (zusammen die „Joint Bookrunners") sowie ABN AMRO Bank N.V., Bankhaus Lampe KG, Banque Internationale à Luxembourg, société anonyme, CaixaBank, S.A., Erste Group Bank AG, ICBC Standard Bank PLC, KBC Securities NV, Macquarie Capital (Europe) Limited, Mizuho International plc, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) und SMBC Nikko Capital Markets Limited, (zusammen die „Co-Lead Managers" und zusammen mit den Joint Bookrunners die „Konsortialbanken") übernehmen gemäß § 5 Abs. 2b Nr. 4 Wertpapierprospektgesetz (WpPG) die Verantwortung für die in dieser Zusammenfassung und ihrer Übersetzung enthaltenen Angaben. Diejenigen Personen, die die Verantwortung für die Zusammenfassung einschließlich ihrer Übersetzung übernommen haben, oder von denen deren Erlass ausgeht, können für die in dieser Zusammenfassung und ihrer Übersetzung enthaltenen Angaben haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt. Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in dem Prospekt

		enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung einzelstaatlicher Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben, bevor das Verfahren eingeleitet werden kann.
A.2	**Verwendung des Prospekts durch Finanzintermediäre**	Entfällt. Eine Zustimmung zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre ist nicht erteilt worden.

B – Emittent

B.1	**Juristische und kommerzielle Bezeichnung**	Deutsche Bank Aktiengesellschaft.
B.2	**Sitz, Rechtsform, geltendes Recht, Land der Gründung**	Der Hauptsitz der Gesellschaft ist in Frankfurt am Main, Taunusanlage 12, 60325 Frankfurt am Main, Bundesrepublik Deutschland („Deutschland"). Die Gesellschaft ist im Handelsregister beim Amtsgericht Frankfurt am Main unter der Registernummer HRB 30000 eingetragen. Die Deutsche Bank AG ist ein Kreditinstitut und eine Aktiengesellschaft nach deutschem Recht.
B.3	**Derzeitige Geschäfts- und Haupttätigkeit des Emittenten sowie die Hauptmärkte, auf denen der Emittent vertreten ist**	Die Deutsche Bank ist nach eigener Einschätzung mit einer Bilanzsumme von 1.591 Mrd € zum 31. Dezember 2016 die größte Bank Deutschlands und einer der größten Finanzdienstleister in Europa und weltweit. Die Deutsche Bank ist derzeit in die folgenden fünf Unternehmensbereiche gegliedert: • Global Markets (GM) • Corporate & Investment Banking (CIB) • Private, Wealth and Commercial Clients (PW&CC) • Deutsche Asset Management (Deutsche AM) • Postbank (PB) Für die Geschäftsjahre 2014, 2015 und 2016 hat die Deutsche Bank zudem Ergebnisse für ihren ehemaligen Unternehmensbereich Non-Core Operations Unit („NCOU") berichtet, der seit 2017 nicht mehr als eigenständiger Unternehmensbereich besteht. Die fünf Unternehmensbereiche werden von Infrastrukturfunktionen unterstützt. Darüber hinaus verfügt die Deutsche Bank über eine regionale Managementstruktur, die weltweit regionale Zuständigkeiten abdeckt. Die Deutsche Bank unterhält Geschäftsbeziehungen mit bestehenden und neuen Kunden in nahezu jedem Land der Welt. Diese Geschäftsaktivitäten werden abgewickelt über: • Tochtergesellschaften und Niederlassungen in zahlreichen Ländern, • Repräsentanzen in vielen anderen Ländern und • einen oder mehrere Repräsentanten zur Betreuung der Kunden in einer Reihe von weiteren Ländern. *Global Markets* Der Unternehmensbereich Global Markets („GM") bietet weltweit Finanzprodukte an, einschließlich Handels- und Hedging-Dienstleistungen für institutionelle und Firmenkun-

den, und umfasst den Verkauf, Handel und die Strukturierung einer großen Bandbreite an Finanzmarktprodukten einschließlich Anleihen, Aktien und aktienbezogene Produkte, börsengehandelte und außerbörslich gehandelte (*over-the-counter*) Derivate, Devisen, Geldmarktinstrumente und strukturierte Produkte.

Corporate & Investment Banking

In Corporate & Investment Banking („CIB") werden die Kompetenzen der Deutschen Bank in den Bereichen Commercial Banking, Corporate Finance und Transaction Banking in einem Unternehmensbereich vereint. In diesem werden die Corporate-Finance- und Global-Transaction-Banking-Aktivitäten der Deutschen Bank gebündelt. CIB umfasst dabei sowohl Beratungs- als auch Abwicklungsgeschäft im Hinblick auf den unterschiedlichsten Finanzbedarf anspruchsvoller Unternehmens- und institutioneller Kunden.

Private, Wealth and Commercial Clients

Im Unternehmensbereich Private, Wealth & Commercial Clients („PW&CC") bündelt die Deutsche Bank ihre Expertise im Privat- und Firmenkundengeschäft sowie in der Vermögensverwaltung. Sowohl im Heimatmarkt Deutschland als auch international bietet PW&CC ihren Kunden hochwertige Beratung und ein breites Spektrum an Finanzdienstleistungen an. Als Beratungsbank ist sie bestrebt, sich durch ein globales Netzwerk, starke Kapitalmarkt- und Finanzierungs-Expertise sowie moderne digitale Leistungen auszuzeichnen.

Deutsche Asset Management

Mit einem verwalteten Vermögen von über 700 Mrd € zum 31. Dezember 2016 sieht sich der Unternehmensbereich Deutsche Asset Management („Deutsche AM") als einen der weltweit führenden Vermögensverwalter, der Kunden aus der ganzen Welt Zugang zu den internationalen Finanzmärkten verschafft und Lösungen anbietet. Ziel der Deutsche AM ist es, allen Kunden – sowohl einzelnen Anlegern als auch den sie betreuenden Institutionen – eine nachhaltige finanzielle Zukunft zu eröffnen.

Postbank

Die Postbank („PB") ist ein deutscher Finanzdienstleister sowohl für Privat-, Geschäfts- und Unternehmenskunden wie auch für andere Finanzdienstleister. Als Multikanalbank bietet die Postbank ihre Produkte über ihr deutschlandweites Filialnetz, mobile Berater, Direct-Banking (online oder per Telefon) und Callcenter sowie im Wege des Drittvertriebs durch Vermittler an. In Kooperation mit der Deutsche Post DHL AG bietet die Postbank in ihren Filialen auch Brief- und Paketdienste an. Die Geschäftstätigkeit der Postbank konzentriert sich auf Privat- und Unternehmenskunden (Transaction Banking und Finanzierung) in Deutschland.

Non-Core-Operations Unit

Im zweiten Halbjahr 2012 wurde die Non-Core Operations Unit (NCOU) als damals fünfte Säule der Geschäftsstruktur der Deutschen Bank geschaffen. Ziel war es, die Bank dabei zu unterstützen, Risiken im Zusammenhang mit kapitalintensiven Aktiva, die nicht zum Kerngeschäft gehören, zu verringern und damit den Kapitalbedarf zu reduzieren. Die Deutsche Bank beabsichtigte, mit der Schaffung der NCOU

nach außen hin die Transparenz bezüglich ihrer nicht-strategischen Positionen zu verbessern, durch Abtrennung der nicht zum Kerngeschäft gehörenden Aktivitäten den Fokus des Managements stärker auf das Kerngeschäft zu richten und eine gezielte Beschleunigung des Risikoabbaus zu erreichen. Gemäß der strategischen Zielsetzung der Deutschen Bank war die Risikoabbaustrategie der NCOU erfolgreich und die NCOU hat das Portfolio so weit abgebaut, dass das zum Jahresende 2016 angestrebte Ziel, die risikogewichteten Aktiva („RWA") auf unter 10 Mrd € zu senken, erreicht wurde. Mit Beginn des Jahres 2017 hat die NCOU daher aufgehört, als eigenständiger Unternehmensbereich zu bestehen.

Strategie

Die Deutsche Bank ist eine der führenden europäischen Banken, mit einer globalen Reichweite und gestützt auf einen starken Heimatmarkt in Deutschland, Europas größter Volkswirtschaft. Die Deutsche Bank bedient die realwirtschaftlichen Bedürfnisse ihrer Unternehmens-, institutionellen, Asset-Management- und Privatkunden mit Dienstleistungen in den Bereichen Transaction Banking, Corporate Finance und Kapitalmarkt sowie Asset Management, Vermögensverwaltung und Retail Banking.

Im Oktober 2015 stellte die Deutsche Bank eine mehrjährige Strategie vor, die darauf ausgerichtet war, die Hauptstärken ihres Geschäftsmodells und ihrer kundenbezogenen Geschäftsaktivitäten auszubauen. Die vier wichtigsten Ziele dieser Strategie waren die Deutsche Bank einfacher und effizienter zu machen, Risiken abzubauen, ihre Kapitalposition zu stärken und die Deutsche Bank disziplinierter zu führen.

Der makroökonomische, geopolitische und aufsichtsrechtliche Ausblick hat sich seit der Einführung dieser Strategie im Jahr 2015 grundlegend verändert. Infolge dieser Veränderungen des Geschäftsumfelds und der Herausforderungen, die sich speziell der Deutschen Bank im Jahr 2016 stellten, hat die Deutsche Bank ihre Strategie im März 2017 überarbeitet. Ziel der überarbeiteten Strategie ist es, die Deutsche Bank weiter zu stärken und ihr zu ermöglichen, Wachstumschancen stärker zu nutzen. Dementsprechend plant die Deutsche Bank, die folgenden strategischen Maßnahmen umzusetzen:

- Wesentliche Verbesserung der Kapitalausstattung durch eine Kapitalerhöhung mit einem erwarteten Nettoerlös von rund 8 Mrd €, welche die CET 1-Quote (CRR/CRD 4 Vollumsetzung) der Deutschen Bank nach deren Abschluss auf ca. 14% und ihre Verschuldungsquote (CRR/CRD 4 Vollumsetzung) auf ca. 4 %, jeweils zum 31. Dezember 2016 unter Annahme der Durchführung der Kapitalerhöhung, bringen wird (die „CET 1 Quote (CRR/CRD 4 Vollumsetzung)" ist eine Finanzkennzahl, die das regulatorische Eigenkapital einer Bank zu ihren risikogewichteten Vermögenswerten ins Verhältnis setzt; auch die „Verschuldungsquote (CRR/CRD 4 Vollumsetzung)" ist eine Finanzkennzahl, die jedoch das regulatorische Eigenkapital einer Bank zu ihrer ungewichteten Bilanzsumme ins Verhältnis setzt).
- Zusätzliche Kapitalbildung in Höhe von bis zu weiteren 2 Mrd € durch den geplanten Börsengang eines Minderheitsanteils an Deutsche AM sowie durch weitere Geschäftsveräußerungen mit angesetzten RWA

von rund 10 Mrd € und einer für die Verschuldungsquote relevanten Bilanzsumme von rund 30 Mrd €, deren Großteil die Deutsche Bank innerhalb der nächsten 18 Monate abzuschließen beabsichtigt.

- Umorganisation der Unternehmensbereiche der Deutschen Bank in drei eigenständige Einheiten mit dem Ziel, das Geschäft jeder einzelnen dieser Einheiten zu stärken, die Kundendeckung zu verbessern, den Marktanteil zu erhöhen und Effizienz und Wachstum voranzutreiben:
  - Die neue Corporate & Investment Bank („CIB"), die das Kapitalmarkt-, Beratungs-, Finanzierungs- und Transaction-Banking-Geschäft der Deutschen Bank kombiniert.
  - Die Private & Commercial Bank („PCB"), welche die Postbank und das bestehende Privat- und Geschäftskunden- sowie Vermögensverwaltungsgeschäft der Deutsche Bank umfasst.
  - Eine operativ getrennte Deutsche AM.
- Integration der Postbank und des deutschen Geschäfts von PCB mit dem Ziel, eine marktführende Präsenz im Privatkundenbereich in Deutschland zu erreichen, eine größere Effizienz durch Skaleneffekte zu erlangen und die Ertrags- und Refinanzierungsstabilität der Deutschen Bank zu verbessern.
- Durchführung eines Programms zur Kostenreduzierung, mittels dessen für die Deutsche Bank eine Bereinigte Kostenbasis von ca. 22 Mrd € im Jahr 2018 und ca. 21 Mrd € bis 2021 (einschließlich der Auswirkungen durch die Beibehaltung der Bereinigten Kostenbasis der Postbank in Höhe von 2,7 Mrd € in 2016) erreicht werden soll.
- Gesonderte Verwaltung bestimmter Altbestände an Bilanzpositionen mit rund 20 Mrd € an RWA und rund 60 Mrd € an für die Verschuldungsquote relevanter Bilanzsumme, mit geplantem Abbau auf rund 12 Mrd € bzw. rund 30 Mrd € bis 2020.
- Umstrukturierungs- und Abfindungskosten in Höhe von rund 2 Mrd €, in dem Zeitraum von 2017 bis 2021, von denen rund 70% voraussichtlich in den nächsten zwei Jahren anfallen wird.
- Ziel einer wettbewerbsfähigen Dividendenausschüttungsquote für das Geschäftsjahr 2018 und danach. Zudem beabsichtigt der Vorstand der Deutschen Bank, der ordentlichen Hauptversammlung im Mai 2017 die Zahlung einer Dividende in Höhe von 0,19 € je Aktie aus dem Bilanzgewinn für 2016 vorzuschlagen. Die Zahlung einer Dividende aus dem Bilanzgewinn für 2016 beinhaltet eine Komponente, die den Gewinnvortrag von rund 165 Millionen € aus dem Jahr 2015 widerspiegelt sowie eine Dividende in Höhe von 0,11 € je Aktie aus dem verbleibenden Bilanzgewinn 2016. Insgesamt geht die Deutsche Bank davon aus, in 2017 eine Dividende in Höhe von rund 400 Millionen € zu zahlen.
- Ziel einer Eigenkapitalrendite nach Steuern, basierend auf dem durchschnittlichen materiellen Eigenkapital (RoTE), von ca. 10 % bei normalisiertem Geschäftsumfeld.

B.4a	**Wichtigste jüngste Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken**	***Schwieriges Marktumfeld*** Der europäische Bankenmarkt ist weiterhin mit einem schwachen Wirtschaftswachstum und einem anhaltenden Niedrigzinsumfeld konfrontiert, die weiterhin Druck auf die Nettozinsmarge ausüben. Auch mussten sich verschiedene europäische Banken in jüngster Vergangenheit auf die Beilegung alter Rechtsstreitigkeiten und die Durchführung komplexer Umstrukturierungen konzentrieren und dabei zugleich erheblichen aufsichtsrechtlichen Anforderungen gerecht werden. Wenngleich in allen Bereichen gute Fortschritte erzielt werden konnten, hat dies Managementkapazitäten gebunden und zu einem Verlust von Marktanteilen gegenüber US-Wettbewerbern geführt. Außerdem erschweren Unsicherheiten hinsichtlich der endgültigen Gestalt und des Anwendungszeitpunkts wichtiger Regulierungsvorhaben auch weiterhin die Lage. Mit Blick auf die Zukunft geht die Deutsche Bank davon aus, dass der europäische Bankensektor in 2017 weiterhin der gesamtwirtschaftlichen und aufsichtsrechtlichen Unsicherheit ausgesetzt sein wird. ***Verringerte Margen*** Die Aufsichtsbehörden haben den Bankensektor ermutigt, den Schwerpunkt grundsätzlich stärker auf die Befriedigung von Kundenbedürfnissen und weniger auf das Eingehen von Risiken zu legen. Dies wurde teilweise durch die Erhöhung der Kapitalanforderungen für Aktivitäten mit höherem Risiko bewirkt. Darüber hinaus haben einige der für die Deutsche Bank zuständigen Aufsichtsbehörden entsprechend ihrem Fokus auf Bankaktivitäten mit geringerem Risiko Änderungen der Geschäftsausrichtung der Deutschen Bank angeregt bzw. begrüßt. Zusätzlicher Druck auf die Erlöse und Rentabilität der Deutschen Bank ging von langfristigen strukturellen Trends aus, die von Regulierung (insbesondere höheren Anforderungen an regulatorisches Kapital und die Verschuldungsquote sowie erhöhte Compliance-Kosten) und Wettbewerb herrühren und die Margen der Deutschen Bank in vielen ihrer Geschäftsbereiche zusätzlich gedrückt haben. ***Aufsichtsrechtliche Reform*** Als Reaktion auf die weltweite Finanzkrise und die europäische Staatsschuldenkrise haben Regierungen, Aufsichtsbehörden und weitere Institutionen Vorschläge für Reformen des aufsichtsrechtlichen Rahmens für die Finanzdienstleistungsbranche gemacht und machen auch weiterhin solche Vorschläge mit dem Ziel, deren Widerstandsfähigkeit im Hinblick auf künftige Krisen zu verbessern. Auf viele dieser Vorschläge hin wurden bereits Rechtsvorschriften und Bestimmungen erlassen, wohingegen sich andere Vorschläge noch in der Ausarbeitung befinden. Der aufsichtsrechtliche Rahmen für Finanzinstitute wird voraussichtlich weiteren umfassenden Änderungen unterworfen sein. Dies bringt für die Deutsche Bank und die Finanzbranche im Allgemeinen erhebliche Unsicherheiten mit sich. ***Rechtsstreitigkeiten und Strafverfolgung*** Aufsichtsbehörden, Strafverfolgungsbehörden, Regierungsstellen und andere Institutionen haben sich bemüht, Finanzdienstleister einer verstärkten Aufsicht und Kontrolle zu unterwerfen, was wiederum zusätzliche aufsichtsrechtliche

Untersuchungen und Maßnahmen nach sich zog. Diese Tendenz hat angesichts der weltweiten Finanzkrise und der europäischen Staatsschuldenkrise erheblich zugenommen. Die Zugeständnisse, die Aufsichtsbehörden und Strafverfolgungsbehörden einfordern, um gerichtliche und aufsichtsrechtliche Verfahren gegen Finanzinstitute beizulegen, wurden erheblich verschärft. In den jüngst geschlossenen Vergleichen wurden zuvor nicht in dieser Höhe erreichte Geldstrafen sowie zudem strafrechtliche Maßnahmen verhängt.

B.5 Gruppe des Emittenten und Stellung des Emittenten innerhalb dieser Gruppe

Die Deutsche Bank AG ist die Muttergesellschaft einer internationalen Gruppe bestehend aus Banken, Kapitalmarktunternehmen, Fondsgesellschaften, einer Immobilienfinanzierungsgesellschaft, Ratenzahlungs-Finanzierungsgesellschaften, Forschungs- und Beratungsunternehmen und anderen Gesellschaften in Deutschland und weltweit.

B.6 Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital des Emittenten oder einen (meldepflichtigen) Anteil an den Stimmrechten halten

Auf der Grundlage der bei der Bank bis zum 10. März 2017 eingegangenen Stimmrechtsmitteilungen halten folgende Aktionäre mindestens 3 % der Aktien oder Stimmrechte an der Deutsche Bank AG:

	Stimmrechte[1]	
Aktionäre	**Anzahl**	**Prozentsätze**
Hainan Jiaoguan Holding Co., Ltd., Volksrepublik China[2] . .	41.938.864	3,04 %
H.H. Sheikh Hamad bin Khalifa Al Thani, Katar[3]	42.069.382	3,05 %
H.E. Sheikh Hamad Bin Jassim Bin Jabor Al-Thani, Katar[4] . . .	42.069.382	3,05 %
BlackRock, Inc., USA[5]	83.383.726[6]	6,05 %

1 Der Prozentsatz der Stimmrechte ist auf Grundlage des am Tag der jeweiligen Stimmrechtsmitteilung eingetragenen Grundkapitals der Bank berechnet.
2 Auf der Grundlage einer Stimmrechtsmitteilung vom 16. Februar 2017.
3 Zugerechnet über Supreme Universal Holdings Limited, Cayman Islands, auf der Grundlage einer Stimmrechtsmitteilung vom 24. August 2015.
4 Zugerechnet über Paramount Services Holdings Ltd., British Virgin Islands, und Treetop Family Foundation Inc., Panama, auf der Grundlage einer Stimmrechtsmitteilung vom 24. August 2015.
5 Auf der Grundlage einer Stimmrechtsmitteilung vom 6. März 2017.
6 Beinhaltet 82.070.291 Stimmrechte aufgrund von Aktien sowie 1.313.435 Stimmrechte, die aufgrund des Haltens von Instrumenten gemäß § 25 des Wertpapierhandelsgesetzes zugerechnet werden.

Besondere Stimmrechte für Hauptaktionäre

Entfällt. Jede Aktie der Gesellschaft gewährt in der Hauptversammlung der Gesellschaft (die „Hauptversammlung") eine Stimme. Es bestehen keine unterschiedlichen Stimmrechte für die Aktionäre der Gesellschaft.

Direkte oder indirekte Mehrheitsbeteiligung oder Kontrolle

Entfällt. Die Gesellschaft steht nicht direkt oder indirekt mehrheitlich im Eigentum einer anderen Gesellschaft oder Person, und sie wird nicht direkt oder indirekt durch eine andere Gesellschaft oder Person kontrolliert.

B.7 Ausgewählte wesentliche historische Finanzinformationen

Die nachfolgenden Tabellen fassen ausgewählte Unternehmens- und Finanzdaten des Deutsche Bank-Konzerns für die zum 31. Dezember 2016, 2015 und 2014 endenden Geschäftsjahre zusammen.

Die Daten der Konzern-Gewinn-und-Verlust-Rechnung und der Konzern-Kapitalflussrechnung für die zum 31. Dezember 2016, 2015 und 2014 endenden Geschäftsjahre sowie die Daten der Konzernbilanz zum 31. Dezember 2016 und 2015 wurden dem nach den International Financial Reporting Standards des International Accounting Standards Board (IASB), wie sie in der EU anzuwenden sind, (nachfolgend „IFRS") erstellten Konzernabschluss der Deutschen Bank für das zum 31. Dezember 2016 endende Geschäftsjahr (mit Vergleichszahlen für die Vorjahre) entnommen. Die Daten der Konzernbilanz zum 31. Dezember 2014 wurden dem nach IFRS erstellten Konzernabschluss der Deutschen Bank für das zum 31. Dezember 2015 endende Geschäftsjahr (mit Vergleichszahlen für das Vorjahr) entnommen. Die Konzernabschlüsse für die Geschäftsjahre 2016, 2015 und 2014 wurden von KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMG") geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen. Die Angaben zu den Eigenmitteln und den Kapitalquoten beruhen für die zum 31. Dezember 2016, 2015 und 2014 endenden Geschäftsjahre auf den Erläuterungen (Notes) zu den vorgenannten geprüften Konzernabschlüssen, soweit nicht anders angegeben.

Finanzangaben in den folgenden Tabellen, die mit „geprüft" gekennzeichnet sind, wurden den oben beschriebenen geprüften Abschlüssen entnommen, Finanzangaben, die in den folgenden Tabellen mit „ungeprüft" gekennzeichnet sind, sind nicht geprüft.

Der Konzernabschluss für das zum 31. Dezember 2016 endende Geschäftsjahr ist in diesem Prospekt abgedruckt. Die Konzernabschlüsse für die zum 31. Dezember 2015 und 2014 endenden Geschäftsjahre sind in Form eines Verweises in diesen Prospekt einbezogen.

Angaben aus der Konzern-Gewinn-und-Verlust-Rechnung

	Geschäftsjahr zum 31. Dezember		
in Mio € (außer Angaben je Aktie)	**2016**	**2015**	**2014**
		(geprüft)	
Zinsen und ähnliche Erträge	25.636	25.967	25.001
Zinsaufwendungen	10.929	10.086	10.729
Zinsüberschuss	**14.707**	**15.881**	**14.272**
Risikovorsorge im Kreditgeschäft	1.383	956	1.134
Zinsüberschuss nach Risikovorsorge im Kreditgeschäft	**13.324**	**14.925**	**13.138**
Provisionsüberschuss	11.744	12.765	12.409
Ergebnis aus zum beizulegenden Zeitwert bewerteten finanziellen Vermögenswerten/Verpflichtungen	1.401	3.842	4.299
Ergebnis aus zur Veräußerung verfügbaren finanziellen Vermögenswerten	653	203	242
Ergebnis aus nach der Equitymethode bilanzierten Beteiligungen	455	164	619
Ergebnis aus bis zur Endfälligkeit gehaltenen Wertpapieren	0	0	0
Sonstige Erträge	1.053	669	108
Zinsunabhängige Erträge insgesamt	**15.307**	**17.644**	**17.677**
Personalaufwand	11.874	13.293	12.512
Sachaufwand und sonstiger Aufwand	15.454	18.632	14.654
Aufwendungen im Versicherungsgeschäft	374	256	289
Wertminderungen auf Geschäfts- oder Firmenwert und sonstige immaterielle Vermögenswerte	1.256	5.776	111
Restrukturierungsaufwand	484	710	133
Zinsunabhängige Aufwendungen insgesamt	**29.442**	**38.667**	**27.699**
Ergebnis vor Steuern	**-810**	**-6.097**	**3.116**
Ertragsteueraufwand	546	675	1.425
Gewinn/Verlust (–) nach Steuern	**-1.356**	**-6.772**	**1.691**
Den Anteilen ohne beherrschenden Einfluss zurechenbares Konzernergebnis	45	21	28
Den Deutsche Bank-Aktionären und Zusätzlichen Eigenkapitalbestandteilen zurechenbares Konzernergebnis	-1.402	-6.794	1.663
Ergebnis je Aktie (unverwässert) (in €)(1)(2)	-1,21	-5,06	1,34
Ergebnis je Aktie (verwässert) (in €)(1)(3)	-1,21	-5,06	1,31

1 Die Anzahl der durchschnittlich ausstehenden Aktien (unverwässert und verwässert) wurde für alle Perioden vor Juni 2014 angepasst, um den Effekt der Bonuskomponente von Bezugsrechten, die im Juni 2014 im Rahmen der Kapitalerhöhung ausgegeben wurden, zu berücksichtigen.

2 Die Gesellschaft hat das unverwässerte Ergebnis je Aktie mittels Division des den Deutsche Bank-Aktionären zurechenbaren Konzernergebnisses durch die durchschnittliche Anzahl der ausstehenden Stammaktien ermittelt. Aufgrund von jeweils zum April 2016 und 2015 auf Anleihen des Zusätzlichen Kernkapitals (*Additional Tier 1 Notes*) gezahlter Kupons wurde das Ergebnis 2016 um 276 Mio € und 2015 um 228 Mio € nach Steuern angepasst. Die durchschnittliche Anzahl der ausstehenden Stammaktien ergibt sich aus dem Durchschnitt der ausgegebenen Stammaktien, vermindert um die durchschnittliche Anzahl an Aktien im Eigenbestand und um die durchschnittliche Anzahl an Aktien, die über Terminkäufe erworben werden, die durch Lieferung in Aktien erfüllt werden, und zuzüglich noch nicht zugeteilter unverfallbarer Aktien aus aktienbasierten Vergütungsplänen. Die für die Ermittlung des unverwässerten Ergebnisses pro Aktie zugrunde gelegte durchschnittliche Anzahl der ausstehenden Stammaktien betrug 1.388,1 Millionen zum 31. December 2016, 1.387,9 Millionen zum 31. Dezember 2015 und 1.241,9 Millionen zum 31. Dezember 2014.

3 Die Gesellschaft hat das verwässerte Ergebnis je Aktie mittels Division des den Deutsche Bank-Aktionären zurechenbaren Konzernergebnisses durch die durchschnittliche Anzahl der ausstehenden Stammaktien (wie in Fußnote 2 oben definiert) ermittelt, jeweils unter Annahme der Wandlung ausstehender Wertpapiere in Stammaktien oder der Ausübung sonstiger Kontrakte zur Emission von Stammaktien wie Aktienoptionen, wandelbaren Schuldtiteln, noch nicht unverfallbaren Aktienrechten und Terminkontrakten (die oben genannten Finanzinstrumente werden bei der Berechnung des verwässerten Ergebnisses je Aktie nur berücksichtigt, wenn sie in dem jeweiligen Berichtszeitraum einen verwässernden Effekt haben). Aufgrund von jeweils zum April 2016 und 2015 auf Anleihen des Zusätzlichen Kernkapitals (*Additional Tier 1 Notes*) gezahlter Kupons wurde das Ergebnis 2016 um 276 Mio € und 2015 um 228 Mio € nach Steuern angepasst. Da der Konzern in den Jahren 2016 und 2015 einen Nettoverlust erlitt, kam es in jenen Jahren zu keinem Verwässerungseffekt. Die für die Ermittlung des verwässerten Ergebnisses pro Aktie zugrunde gelegte durchschnittliche Anzahl der ausstehenden Stammaktien unter Annahme der Umwandlung betrug 1.388,1 Millionen zum 31. Dezember 2016, 1.387,9 Millionen zum 31. Dezember 2015 und 1.269,5 Millionen zum 31. Dezember 2014.

Angaben aus der Konzernbilanz

in Mio €	31. Dezember 2016	2015	2014
		(geprüft)	
Aktiva:			
Barreserven und Zentralbankeinlagen	181.364	96.940	74.482[1]
Einlagen bei Kreditinstituten (ohne Zentralbanken)	11.606	12.842	9.090[1]
Forderungen aus übertragenen Zentralbankeinlagen und aus Wertpapierpensionsgeschäften (Reverse Repos)	16.287	22.456	17.796
Forderungen aus Wertpapierleihen	20.081	33.557	25.834
Zum beizulegenden Zeitwert bewertete finanzielle Vermögenswerte insgesamt	743.781	820.883	942.924
Zur Veräußerung verfügbare finanzielle Vermögenswerte	56.228	73.583	64.297
Nach der Equitymethode bilanzierte Beteiligungen	1.027	1.013	4.143
Forderungen aus dem Kreditgeschäft	408.909	427.749	405.612
Bis zur Endfälligkeit gehaltene Wertpapiere	3.206	0	0
Sachanlagen	2.804	2.846	2.909
Geschäfts- oder Firmenwert und sonstige immaterielle Vermögenswerte	8.982	10.078	14.951
Sonstige Aktiva	126.045	118.137	137.980
Steuerforderungen aus laufenden Steuern	1.559	1.285	1.819
Steuerforderungen aus latenten Steuern	8.666	7.762	6.865
Summe der Aktiva	**1.590.546**	**1.629.130**	**1.708.703**
Passiva:			
Einlagen	550.204	566.974	532.931
Verbindlichkeiten aus übertragenen Zentralbankeinlagen und aus Wertpapierpensionsgeschäften (Repos)	21.042	9.803	10.887
Verbindlichkeiten aus Wertpapierleihen	8.296	3.270	2.339
Zum beizulegenden Zeitwert bewertete finanzielle Verpflichtungen insgesamt	581.971	599.754	697.699
Sonstige kurzfristige Geldaufnahmen	17.295	28.010	42.931
Sonstige Passiva	155.440	175.005	183.823
Rückstellungen	10.973	9.207	6.677
Steuerverbindlichkeiten aus laufenden Steuern	1.329	1.699	1.608
Steuerverbindlichkeiten aus latenten Steuern	486	746	1.175
Langfristige Verbindlichkeiten	172.316	160.016	144.837
Hybride Kapitalinstrumente	6.373	7.020	10.573
Verpflichtung zum Erwerb Eigener Aktien	0	0	0
Summe der Verbindlichkeiten	**1.525.727**	**1.561.506**	**1.635.481**
Stammaktien, ohne Nennwert, rechnerischer Nominalwert 2.56 €	3.531	3,531	3.531
Kapitalrücklage	33.765	33.572	33.626
Gewinnrücklagen	18.987	21.182	29.279
Eigene Aktien im Bestand zu Anschaffungskosten	0	-10	-8
Verpflichtung zum Erwerb Eigener Aktien	0	0	0
Kumulierte sonstige erfolgsneutrale Eigenkapitalveränderung, nach Steuern[2]	3.550	4.404	1.923
Den Deutsche Bank-Aktionären zurechenbares Eigenkapital	59.833	62.678	68.351
Zusätzliche Eigenkapitalbestandteile[3]	4.669	4.675	4.619
Anteile ohne beherrschenden Einfluss	316	270	253
Eigenkapital insgesamt	**64.819**	**67.624**	**73.223**
Summe der Passiva	**1.590.546**	**1.629.130**	**1.708.703**

1 Anpassung (*restatement*) in 2015.
2 Ohne Neubewertungseffekte in Bezug auf leistungsdefinierte Versorgungszusagen, nach Steuern.
3 Beinhaltet Anleihen des Zusätzlichen Kernkapitals (*Additional Tier 1 Notes*), die unbesicherte und nachrangige Anleihen der Deutschen Bank darstellen und unter IFRS als Eigenkapital klassifiziert werden.

Angaben aus der Konzern-Kapitalflussrechnung

in Mio €	2016	2015	2014
	Geschäftsjahr zum 31. Dezember		
		(geprüft)	
Jahresüberschuss/Jahresfehlbetrag (–)	-1.356	-6.772	1.691
Jahresüberschuss/Jahresfehlbetrag (–), bereinigt um nicht liquiditätswirksamen Aufwand/Ertrag und sonstige Posten	2.862	1.677	7.238
Nettocashflow aus operativer Geschäftstätigkeit	70.610	67.252	2.052
Nettocashflow aus Investitionstätigkeit	11.239	-8.242	-12.824
Nettocashflow aus Finanzierungstätigkeit	-1.649	-5.583	5.795
Nettoeffekt aus Wechselkursänderungen der Zahlungsmittel und Zahlungsmitteläquivalente	-28	94	897
Zahlungsmittel und Zahlungsmitteläquivalente (Gesamt)	**185.649**	**105.478**	**51.960**

Ausgewählte wesentliche Kennzahlen des Konzerns

	2016	2015	2014
	Geschäftsjahr zum 31. Dezember		
	(geprüft, sofern nicht anders angegeben)		
Nettovermögen je ausstehende Stammaktie (unverwässert)(1)(2)	42,74 €	45,16 €	49,32 €
Materielles Nettovermögen je ausstehende Stammaktie (unverwässert)(1)(3)	36,33 €	37,90 €	38,53 €
Eigenkapitalrendite nach Steuern (basierend auf dem durchschnittlichen den Deutsche Bank-Aktionären zurechenbaren Eigenkapital)(1)(4)	-2,3 %	-9,8 %	2,7 %
Eigenkapitalrendite nach Steuern (basierend auf dem durchschnittlichen materiellen Eigenkapital)(1)(5)	-2,7 %	-12,3 %	3,5 %
Aufwand-Ertrag-Relation(6)	98,1 %	115,3 %	86,7 %
Personalaufwandquote(7)	39,6 %	39,7 %	39,2 %
Sachaufwandsquote(8)	58,5 %	75,7 %	47,5 %
Harte Kernkapitalquote (CRR/CRD 4 (Übergangsregelung))(9)	13,4 %	13,2 %	15,2 %
Harte Kernkapitalquote (CRR/CRD 4 (Vollumsetzung))(1)(9)	11,8 %	11,1 %	11,7 %
Tier 1 Kapitalquote (CRR/CRD 4 (Übergangsregelung))(9)	15,6 %	14,7 %	16,1 %
Tier 1 Kapitalquote (CRR/CRD 4 (Vollumsetzung))(1)(9)	13,1 %	12,3 %	12,9 %

1 Ungeprüft.

2 Ermittelt durch Division des den Deutsche Bank-Aktionären zurechenbaren Eigenkapitals durch die Anzahl der ausstehenden Stammaktien (unverwässert, beide zum Bilanzstichtag).

3 Ermittelt durch Division des den Deutsche Bank-Aktionären zurechenbaren Eigenkapitals (abzüglich des Geschäfts- oder Firmenwerts und sonstiger immaterieller Vermögenswerte) durch die Anzahl der ausstehenden Stammaktien (unverwässert, beide zum Bilanzstichtag).

4 Prozentualer Anteil des den Deutsche Bank-Aktionären zurechenbaren Ergebnisses vor Steuern an dem durchschnittlichen den Deutsche Bank-Aktionären zurechenbaren Eigenkapital.

5 Prozentualer Anteil des den Deutsche Bank-Aktionären zurechenbaren Ergebnisses vor Steuern an dem durchschnittlichen materiellen Eigenkapital.

6 Prozentualer Anteil der zinsunabhängigen Aufwendungen am Zinsüberschuss vor Risikovorsorge im Kreditgeschäft plus zinsunabhängige Erträge.

7 Prozentualer Anteil des Personalaufwands am gesamten Zinsüberschuss vor Risikovorsorge im Kreditgeschäft plus zinsunabhängige Erträge.

8 Prozentualer Anteil des zinsunabhängigen Sachaufwands, der sich aus den zinsunabhängigen Aufwendungen abzüglich Personalaufwand zusammensetzt, am gesamten Zinsüberschuss vor Risikovorsorge im Kreditgeschäft plus zinsunabhängige Erträge.

9 Die Zahlen zum 2016, 2015 und 2014 beruhen auf den Übergangsregeln des CRR/CRD 4-Kapitalrahmenwerks ("CRR/CRD 4") und der vollständigen Anwendbarkeit ("CRR/CRD 4 Vollumsetzung") des CRR/CRD 4-Kapitalrahmenwerks. Die Kapitalquoten setzen das jeweilige Kapital in Beziehung zu den risikogewichteten Aktiva.

Informationen über die Aktien der Deutsche Bank AG

in € je Aktie	Geschäftsjahr zum 31. Dezember 2016	2015	2014[(1)]
Börsenkurs (XETRA):			
Aktienkurs zum Ende der Berichtsperiode	17,25	22,53	24,99
Aktienkurs höchst während der Berichtsperiode	22,10	33,42	38,15
Aktienkurs tiefst während der Berichtsperiode	9,90	20,69	22,66

1 Die historischen Kurse wurden am 5. Juni 2014 im Zusammenhang mit der Kapitalerhöhung rückwirkend angepasst durch Multiplikation mit einem Korrekturfaktor von 0,9538.

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses

Aktuelle Entwicklungen

Zwischen dem 31. Dezember 2016 und dem Datum des Prospekts gab es die folgenden wesentlichen Entwicklungen im Hinblick auf die Geschäfts- und Finanzlage der Deutschen Bank.

Die Deutsche Bank verzeichnete einen guten Start in das erste Quartal 2017. Dabei lagen die erzielten Erträge im Januar und Februar in vielen ihrer Segmente und Geschäftseinheiten über denen der ersten zwei Monate des Jahres 2016. Da der März 2016 ein außergewöhnlich starker Monat war, waren die Segmenterträge der Deutschen Bank im ersten Quartal 2017 bis Mitte März etwas geringer als zum vergleichbaren Zeitpunkt im ersten Quartal 2016. Ihrem Vergleich der bisherigen Segmenterträge im Jahr 2017 legt die Bank den Vergleichszeitraum 2016 zugrunde, ohne Berücksichtigung der Beiträge materieller Verkäufe im Jahr 2016 (Abbey Life, PCS und Hua Xia) und refinanzierungsbezogener Bewertungsanpassungen (FVA), forderungsbezogener Bewertungsanpassungen (DVA) und kreditrisikobezogener Bewertungsanpassungen (CVA).

Global Markets hat bislang in 2017 solide Ergebnisse gezeigt. Dabei verzeichnete der Anleihehandel bis zum 28. Februar 2017 im Vergleich zu den ersten beiden Monaten im Jahr 2016 ein Ertragsplus von über 30 % und lag auch bis Mitte März 2017 über dem Vergleichszeitraum im Jahre 2016 (wenngleich in geringerem Umfang), während die Erträge im Aktienhandel stabil blieben. Die Erträge in Corporate & Investment Banking im ersten Quartal 2017 bis Mitte März sind gegenüber dem Vergleichszeitraum des Vorjahres im Wesentlichen stabil geblieben. Die Erträge im Bereich Corporate Finance verzeichneten zum 28. Februar 2017 im Vergleich zu den ersten beiden Monaten im Jahr 2016 einen Zuwachs von 15 %. Hier führte eine positive Entwicklung in den Primärmärkten zu deutlich höheren Volumina bei Anleihen und Aktienemissionen, wenngleich der Vorsprung angesichts der Stärke des März 2016 im März 2017 zurückgehen wird. Das Geschäft der Transaktionsbank erwies sich vor dem Hintergrund anhaltend niedriger Zinsen und der Entscheidung zum Rückzug aus bestimmten Kundenbeziehungen im Jahr 2016 als widerstandsfähig. Die Erträge lagen unter denen im Vergleichszeitraum des Jahres 2016 (Rückgang im einstelligen Prozentbereich bis 28. Februar 2017 im Vergleich zu den ersten beiden Monaten 2016). Der Unternehmensbereich Private Wealth & Commercial Clients (PW&CC) verzeichnete bis zum 28. Februar 2017 im Vergleich zum Vorjahreszeitraum im Wesentlichen stabile Erträge. Die Auswirkungen des niedrigen Zinsumfelds wurden nahezu kompensiert durch

positive Entwicklungen bei Anlageprodukten sowie Zuflüssen bei Einlagen und beim verwalteten Vermögen. Bei der Deutschen Asset Management verbesserten sich die Erträge in den ersten beiden Monaten des Jahres 2017 im Vergleich zu den beiden ersten Monaten im Jahr 2016 bislang moderat. Die in 2016 verzeichnete Dynamik von Abflüssen beim verwalteten Vermögen kehrte sich um. Allerdings sind ihre Quartalserträge bis Mitte März geringer als die im Vergleichszeitraum im ersten Quartal 2016, in Anbetracht eines im März 2016 verbuchten Veräußerungsgewinns, der in 2017 nicht zu verzeichnen war. Bei der Postbank entwickelten sich die operativen Erträge im Vergleich zum Vergleichszeitraum 2016 im Wesentlichen stabil. Dagegen waren die ausgewiesenen Erträge bis zum 28. Februar 2017 im Vergleich zu den beiden Vergleichsmonaten in 2016 aufgrund schwächerer Ergebnisse aus Absicherungsgeschäften rückläufig. Zudem wurden 2016 positive Einmaleffekte verzeichnet.

Die konsolidierten Nettoerträge der Deutschen Bank berücksichtigen auch FVA/DVA/CVA sowie auch die Gewinne/Verluste aus beizulegenden Zeitwerten eigener Verbindlichkeiten. Diese leisteten im ersten Quartal 2016 einen positiven Beitrag zu den Erträgen, führten aber, primär wegen der Verringerung der Kreditzinsspanne der Deutschen Bank im ersten Quartal 2017, im Gegensatz zu einer Ausweitung im Vergleichszeitraum des Vorjahres, zu negativen Erträgen im ersten Quartal 2017 bis Mitte März. Dieser Effekt, zusammen mit der ungewöhnlichen Stärke des März 2016 in vielen der operativen Geschäftseinheiten sowie Konsolidierungspositionen und anderen Positionen, die nicht den Segmenten zuzuordnen sind, hat zu niedrigeren konsolidierten Nettoerträgen für das erste Quartal 2017 bis Mitte März gegenüber dem Vergleichszeitraum in 2016 geführt.

Am 5. März 2017 gab die Deutsche Bank eine geplante Kapitalerhöhung mit einem Erlös in Höhe von voraussichtlich rund 8 Mrd € bekannt. Die angekündigte Transaktion beinhaltet die Ausgabe von 687,5 Mio Neuen Aktien. Jede Neue Aktie ist mit der gleichen Gewinnanteilberechtigung ausgestattet wie jede andere ausstehende Aktie der Gesellschaft.

Zudem hat der Vorstand die Zahlung der im Jahr 2017 fälligen Zinskupons auf die AT1-Anleihen beschlossen.

Geschäftsjahre 2016 und 2015

Das Ergebnis im Geschäftsjahr 2016 wurde stark geprägt durch entschlossenes Handeln des Managements mit dem Ziel, die Deutsche Bank zu verbessern und zu modernisieren, sowie von Belastungen durch Rechtsstreitigkeiten und Marktturbulenzen. Die Deutsche Bank hat große Fortschritte bei der Implementierung strategischer Entscheidungen gemacht und Maßnahmen ergriffen, um ihre Kontrollinfrastruktur weiter zu stärken. Auch bei ihrer fortgesetzten Risikoabbau-Strategie und bei der Aufarbeitung anhängiger Rechtsstreitigkeiten erzielte die Deutsche Bank deutliche Fortschritte. Die Erträge und Kundenbestände der Deutschen Bank wurden durch die negative Berichterstattung über die Verhandlungen mit dem U.S.-Justizministerium im Oktober 2016 beeinträchtigt. Nach ihrer Einschätzung hat die Deutsche Bank im schwierigen Jahr 2016 jedoch ihre Widerstandsfähigkeit bewiesen, zumal viele ihrer Kunden zurückgewonnen werden konnten angesichts der kontinuierlichen Fortschritte der Deutschen Bank bei der Umsetzung ihrer im Oktober 2015 bekanntgegebenen Ziele.

Die wesentlichen Leistungskennzahlen (KPIs) des Konzerns zum 31. Dezember 2016 und 2015 sind in der folgenden Tabelle aufgeführt:

Konzernfinanzkennzahlen	**31. Dezember 2016**	**31. Dezember 2015**
	(geprüft, sofern nicht anders angegeben)	
Erträge	30,0 Mrd €	33,5 Mrd €
Ergebnis vor Steuern	-0,8 Mrd €	-6,1 Mrd €
Gewinn/Verlust (-) nach Steuern	-1,4 Mrd €	-6,8 Mrd €
Eigenkapitalrendite nach Steuern (basierend auf dem durchschnittlichen den Aktionären zurechenbaren materiellen Eigenkapital)[1]	-2,7 %[2]	-12,3 %[3]
Eigenkapitalrendite nach Steuern (basierend auf dem durchschnittlichen den Aktionären zurechenbaren Eigenkapital)[1]	-2,3 %	-9,8 %
Bereinigte Kostenbasis[4]	24,7 Mrd €	26,5 Mrd €
Aufwand-Ertrag-Relation[5]	98,1%[2]	115,3%[3]
Risikogewichtete Aktiva (RWA)[6]	357,5 Mrd €	396,7 Mrd €
Harte Kernkapitalquote (CRR/ CRD 4 ((Vollumsetzung))[7][9]	11,8 %[8]	11,1 %
Verschuldungsquote (CRR/CRD 4 (Vollumsetzung))[9]	3,5 %	3,5 %

N/A – Nicht anwendbar

1 Basierend auf dem den Deutsche Bank-Aktionären zurechenbaren Nettoertrag und zusätzlichen Eigenkapitalkomponenten.

2 Für das Geschäftsjahr 2016.

3 Für das Geschäftsjahr 2015.

4 Zinsunabhängige Aufwendungen insgesamt ohne Wertberichtigungen auf Firmenwerte und andere immaterielle Vermögenswerte, Aufwendungen für Rechtsstreitigkeiten, im Versicherungsgeschäft, für Restrukturierung und Abfindungszahlungen.

5 Prozentualer Anteil der zinsunabhängigen Aufwendungen insgesamt am Zinsüberschuss vor Risikovorsorge im Kreditgeschäft zuzüglich der zinsunabhängigen Erträge.

6 Risikogewichtete Aktiva und Kapitalquoten basieren auf CRR/CRD 4 Vollumsetzung.

7 Die Harte Kernkapitalquote (Common Equity Tier-1) gemäß CRR/ CRD 4 (Vollumsetzung) entspricht der Kalkulation der Harten Kernkapitalquote (Common Equity Tier-1) ohne Berücksichtigung der Übergangsregelungen der CRR/CRD 4.

8 Spiegelt die Entscheidung des Vorstands der Deutschen Bank wider, eine Dividende in Höhe von 0,19 € je Aktie aus dem Bilanzgewinn für 2016 vorzuschlagen. Die Dividende beinhaltet den Gewinnvortrag von rund 165 Millionen € aus dem Jahr 2015 sowie eine Dividende in Höhe von 0,11 € je Aktie aus dem verbleibenden Bilanzgewinn 2016. Insgesamt geht die Deutsche Bank davon aus, in 2017 eine Dividende in Höhe von rund 400 Millionen € zu zahlen.

9 Ungeprüft.

Die Nettoerträge beliefen sich im Geschäftsjahr 2016 auf 30,0 Mrd € und lagen damit um 3,5 Mrd € unter dem Wert von 2015. Der Rückgang war vor allem auf die Kosten des Risikoabbaus in der Abwicklungseinheit NCOU und die niedrigeren Erträge in den Unternehmensbereichen GM und CIB zurückzuführen, die das schwierige Marktumfeld, ein anhaltendes Niedrigzinsumfeld in Europa, negative Einschätzungen des Marktes zur Deutschen Bank und ihrer Strategieumsetzung widerspiegelten. Der Rückgang wurde teilweise kompensiert durch einen Gewinn in PW&CC aus

dem Verkauf der Beteiligung an der Hua Xia Bank Co. Ltd. und in PW&CC und Postbank aus dem Verkauf der Anteile an der Visa Europa Limited.

Die zinsunabhängigen Aufwendungen betrugen im Jahr 2016 29,4 Mrd €, was einem Rückgang von 24 % gegenüber 2015 entspricht. Dieser Rückgang resultierte im Wesentlichen aus den niedrigeren Wertminderungen auf den Geschäfts- oder Firmenwert und sonstige immaterielle Vermögenswerte, aus geringeren Belastungen durch Rechtsstreitigkeiten und aus niedrigeren Aufwendungen für leistungsabhängige Vergütungen. Die Wertminderungen auf den Geschäfts- oder Firmenwert und sonstige immaterielle Vermögenswerte in 2016 beliefen sich auf 1,3 Mrd €, einschließlich 1,0 Mrd € im Zusammenhang mit dem Verkauf von Abbey Life, gegenüber 5,8 Mrd € im Jahr 2015. Aufwendungen für Rechtsstreitigkeiten in 2016 beliefen sich auf 2,4 Mrd €, was einem Rückgang von 2,8 Mrd € gegenüber 2015 entspricht. Der Rückgang der zinsunabhängigen Aufwendungen wurde durch einen Anstieg der EDV-Aufwendungen sowie höhere Aufwendungen im Versicherungsgeschäft teilweise eingeschränkt.

Der Verlust vor Steuern in 2016 lag bei 810 Mio € gegenüber einem Verlust vor Steuern von 6,1 Mrd € in 2015. Hauptursache für die Verbesserung um 5,3 Mrd € in 2016 waren die deutlich geringeren Wertminderungen auf den Geschäfts- oder Firmenwert und sonstige immaterielle Vermögenswerte sowie Aufwendungen für Rechtsstreitigkeiten. Der Verlust nach Steuern in 2016 betrug 1,4 Mrd € gegenüber einem Verlust von 6,8 Mrd € im Jahr 2015.

Die harte Kernkapitalquote gemäß CRR/CRD 4 (Vollumsetzung) der Deutschen Bank lag zum Jahresende 2016 bei 11,8 %, nach 11,1 % zum Jahresende 2015. Gründe für diesen Anstieg sind die ergriffenen Maßnahmen zum Risikoabbau und Veräußerungsgewinne.

Die Europäische Zentralbank („EZB“) hat der Deutschen Bank die Ergebnisse des aufsichtlichen Überprüfungs- und Bewertungsprozesses (Supervisory Review and Evaluation Process, „SREP“) für 2017 mitgeteilt. Darin wird die Säule 2-Mindestanforderung für die Harte Kernkapitalquote („CET 1“), unter Berücksichtigung der CRR/CRD 4-Übergangsregelungen, auf 9,51 % festgelegt. Im Vergleich dazu wies die Deutsche Bank zum 1. Januar 2017 eine CET 1-Quote in Höhe von 12,76 % aus. Die SREP-Mindestanforderung für 2017 setzt sich zusammen aus einer Säule 1-Mindestanforderung in Höhe von 4,5 %, einer zusätzlichen Säule 2-Anforderung in Höhe von 2,75 %, einem Kapitalerhaltungspuffer von 1,25 %, einem antizyklischen Kapitalpuffer von derzeit 0,01 % und dem G-SIB-Puffer von 1,0 %.

Geschäftsjahre 2015 und 2014

2015 war ein schwieriges Jahr für die Deutsche Bank. Das Ergebnis war von spezifischen Sachverhalten wie Wertminderungen auf den Geschäfts- oder Firmenwert und andere immaterielle Vermögenswerte, Aufwendungen für Rechtsstreitigkeiten, Restrukturierungen und Abfindungen von insgesamt 12,4 Mrd € nach Steuern belastet. Dem standen ein Anstieg der Erträge im Vergleich zu 2014 sowie beachtliche Fortschritte bei der Umsetzung der Strategie der

Deutschen Bank gegenüber. Letztere verfolgte das Ziel, eine weniger komplexe und effizientere Deutsche Bank mit verringerten Risiken, gestärkter Kapitalbasis sowie erhöhter Disziplin und Verantwortung zu etablieren.

Die KPIs des Konzerns zum 31. Dezember 2015 und 2014 sind in der folgenden Tabelle aufgeführt:

Konzernfinanzkennzahlen	**31. Dezember 2015**	**31. Dezember 2014**
	(geprüft, sofern nicht anders angegeben)	
Erträge	33,5 Mrd €	31,9 Mrd €
Ergebnis vor Steuern	- 6,1 Mrd €	3,1 Mrd €
Gewinn/Verlust (-) nach Steuern	- 6,8 Mrd €	1,7 Mrd €
Eigenkapitalrendite nach Steuern (basierend auf dem durchschnittlichen den Aktionären zurechenbaren materiellen Eigenkapital[1]	- 12,3 %[2]	3,5 %[3]
Eigenkapitalrendite nach Steuern (basierend auf dem durchschnittlichen den Aktionären zurechenbaren Eigenkapital)[1]	- 9,8 %	2,7 %
Bereinigte Kostenbasis[4]	26,5 Mrd €	25,0 Mrd €
Aufwand-Ertrag-Relation[5]	115,3%[2]	86,7%[3]
Risikogewichtete Aktiva[6]	396,7 Mrd €	394,0 Mrd €
Harte Kernkapitalquote (CRR/CRD 4 ((Vollumsetzung))[7][8]	11,1 %	11,7 %
Verschuldungsquote (CRR/CRD 4 (Vollumsetzung))[8]	3,5 %	3,5 %

N/A – Nicht anwendbar

1 Basierend auf dem den Deutsche Bank-Aktionären zurechenbaren Nettoertrag und zusätzlichen Eigenkapitalkomponenten.

2 Für das Geschäftsjahr 2015.

3 Für das Geschäftsjahr 2014.

4 Zinsunabhängige Aufwendungen insgesamt ohne Wertberichtigungen auf Firmenwerte und andere immaterielle Vermögenswerte, Aufwendungen für Rechtsstreitigkeiten, im Versicherngsgeschäft, für Restrukturierung und Abfindungszahlungen.

5 Prozentualer Anteil der zinsunabhängigen Aufwendungen insgesamt am Zinsüberschuss vor Risikovorsorge im Kreditgeschäft zuzüglich der zinsunabhängigen Erträge.

6 Risikogewichtete Aktiva und Kapitalquoten basieren auf CRR/CRD 4 Vollumsetzung.

7 Die Harte Kernkapitalquote (Common Equity Tier-1) gemäß CRR/CRD 4 (Vollumsetzung) entspricht der Kalkulation der Harten Kernkapitalquote (Common Equity Tier-1) ohne Berücksichtigung der Übergangsregelungen der CRR/CRD 4.

8 Ungeprüft.

Die Erträge beliefen sich im Geschäftsjahr 2015 auf 33,5 Mrd € und lagen damit um 1,6 Mrd € über dem Wert von 2014. Trotz des herausfordernden Marktumfelds konnten alle Unternehmensbereiche bis auf PW&CC und Postbank im Berichtszeitraum ihre Erträge steigern, was teilweise auf positive Währungseffekte zurückzuführen war. Die Erträge in PW&CC verschlechterten sich vorwiegend aufgrund der bewertungs- und transaktionsbezogenen Effekte aus der Beteiligung an der Hua Xia Bank.

Die zinsunabhängigen Aufwendungen betrugen im Berichtsjahr 38,7 Mrd €, was einem Anstieg von 40 % gegenüber 2014 entspricht. Diese Entwicklung resultierte insbesondere aus Wertminderungen auf den Geschäfts- oder Firmenwert sowie auf immaterielle Vermögenswerte, einer deutlichen Zunahme der Kosten für Rechtsstreitigkeiten und aus Aufwendungen für Restrukturierungen und Abfindungszahlungen. Der Personalaufwand war höher als im Vorjahr. Ursächlich hierfür waren hauptsächlich Währungseffekte.

Das Ergebnis vor Steuern sank im Jahresvergleich auf negative 6,1 Mrd €, im Vergleich zu 3,1 Mrd € in 2014, vor allem bedingt durch im dritten Quartal vorgenommene Abschreibungen und die gestiegenen Kosten für Rechtsstreitigkeiten, Restrukturierungen und Abfindungszahlungen. Extrem hohe spezifische Effekte summierten sich zu einem Nettoverlust von 6,8 Mrd €. Diese spezifischen Effekte umfassten Abschreibungen von 6,5 Mrd € und Aufwendungen für Rechtsstreitigkeiten von 5,2 Mrd €, diese beiden Effekte waren größtenteils steuerlich nicht abzugsfähig, sowie Aufwendungen für Restrukturierungen und Abfindungszahlungen von 1,0 Mrd €.

Die Harte Kernkapitalquote (Common Equity Tier-1) der Deutschen Bank gemäß CRR/CRD 4 auf Basis der Vollumsetzung lag Ende 2015 bei 11,1 %, nach 11,7 % zum Ende des Vorjahres. Gründe für den Rückgang waren der Nettoverlust infolge höherer Kosten für Rechtsstreitigkeiten sowie Restrukturierungsaufwendungen und Abfindungszahlungen.

B.8	**Ausgewählte wesentliche Pro-forma-Finanzinformationen**	Entfällt. Es müssen keine Pro-forma Finanzinformationen dargestellt werden.
B.9	**Gewinnprognosen oder –schätzungen**	Entfällt. Es liegen keine Gewinnprognosen oder -schätzungen vor.
B.10	**Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen**	Entfällt. Die Konzernabschlüsse für die Geschäftsjahre 2016, 2015 und 2014 und der Jahresabschluss für 2016 wurden von KPMG geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen.
B.11	**Nicht ausreichendes Geschäftskapital, um bestehende Anforderungen zu erfüllen**	Entfällt. Die Gesellschaft ist der Ansicht, dass der Deutsche Bank-Konzern über ausreichendes Geschäftskapital verfügt, um seine Zahlungsverpflichtungen für mindestens die nächsten zwölf Monate zu erfüllen.

C – Wertpapiere

C.1	**Art und Gattung der Wertpapiere, Wertpapierkennung**	Sämtliche Aktien der Gesellschaft werden nach der Satzung der Gesellschaft (die „Satzung") als Namensaktien ausgegeben. Alle Aktien der Gesellschaft, einschließlich der in diesem Angebot (das „Angebot") angebotenen Aktien (die „Neuen Aktien"), sind Aktien derselben Gattung. ***International Securities Identification Number (ISIN)*** Neue Aktien: DE0005140008 Bezugsrechte: DE000A2E4184 ***Wertpapier-Kenn-Nummer (WKN)*** Neue Aktien: 514000 Bezugsrechte: A2E 418 ***Börsenkürzel*** DBK (deutsche Wertpapierbörsen) DB (New York Stock Exchange)
C.2	**Währung der Wertpapieremission**	Euro.
C.3	**Zahl der ausgegebenen und voll eingezahlten Aktien**	Das Grundkapital der Bank beträgt zum Datum dieses Prospekts und vor der Kapitalerhöhung entsprechend dem Angebot 3.530.939.215,36 € und ist in 1.379.273.131 auf den Namen lautende Stammaktien ohne Nennbetrag (Stückaktien) mit einem rechnerischen Anteil am Grundkapital der Deutschen Bank AG von 2,56 € eingeteilt. Sämtliche Aktien sind vollständig eingezahlt.

	Nennwert pro Aktien bzw. Angabe, dass die Aktien keinen Nennwert haben	Jede auf den Namen lautende Stammaktien ohne Nennbetrag (Stückaktie) hat einen anteiligen Betrag am Grundkapital der Bank von 2,56 € je Stückaktie.
C.4	**Mit den Wertpapieren verbundene Rechte**	Jede Aktie der Gesellschaft einschließlich der Neuen Aktien gewährt in der Hauptversammlung der Gesellschaft eine Stimme. Beschränkungen des Stimmrechts bestehen nicht. Jede Neue Aktie ist mit der gleichen Gewinnanteilberechtigung ausgestattet wie jede andere ausstehende Aktie der Gesellschaft, einschließlich voller Gewinnanteilberechtigung für das Geschäftsjahr 2016. Für den Fall, dass die Gesellschaft aufgelöst wird, wird das nach der Berichtigung der Verbindlichkeiten verbleibende Vermögen der Gesellschaft gemäß § 271 AktG nach den Anteilen am Grundkapital unter den Aktionären verteilt. Aktionären steht ein Bezugsrecht im Hinblick auf neue Aktien zu, die im Rahmen künftiger Kapitalerhöhungen ausgegeben werden, mit Ausnahme von Kapitalerhöhungen aus bedingtem Kapital, oder wenn das Bezugsrecht durch Beschluss der Hauptversammlung oder, soweit durch die Hauptversammlung ermächtigt, durch Beschluss des Vorstands der Gesellschaft („Vorstand“) mit Zustimmung des Aufsichtsrats der Gesellschaft („Aufsichtsrat“) ausgeschlossen wurde.
C.5	**Beschränkungen für die freie Übertragbarkeit der Wertpapiere**	Entfällt. Die Aktien der Gesellschaft sind frei übertragbar.
C.6	**Börsenzulassung**	Die Zulassung der Neuen Aktien zum regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Markts mit weiteren Zulassungsfolgepflichten (Prime Standard) an der Frankfurter Wertpapierbörse sowie zum regulierten Markt der Wertpapierbörsen Berlin, Düsseldorf, Hamburg, Hannover, München und Stuttgart wird voraussichtlich am 21. März 2017 beantragt werden. Der Zulassungsbeschluss wird am oder um den 5. April 2017 erwartet. Die Aufnahme des Börsenhandels und die Einbeziehung der Neuen Aktien in die bestehende Notierung an den deutschen Wertpapierbörsen wird am oder um den 7. April 2017 erwartet. Zeitgleich soll die Einbeziehung der Neuen Aktien in die bestehende Notierung an der New York Stock Exchange erfolgen.
C.7	**Dividendenpolitik**	Entsprechend ihrer aktualisierten Strategie beabsichtigt die Deutsche Bank nicht, für die Geschäftsjahre bis einschließlich 2016 eine höhere Dividende als nach deutschem Recht gesetzlich vorgeschrieben zu zahlen. Dementsprechend beabsichtigt der Vorstand, der ordentlichen Hauptversammlung im Mai 2017 die Zahlung einer Dividende in Höhe von 0,19 € je Aktie aus dem Bilanzgewinn für 2016 vorzuschlagen. Dies beinhaltet die Auszahlung des Gewinnvortrags aus 2015 in Höhe von rund 165 Mio € sowie eine Dividende in Höhe von 0,11 € je Aktie aus dem verbleibenden Bilanzgewinn 2016. Für das Geschäftsjahr 2017 beabsichtigt der Vorstand, wenigstens eine Mindestdividende von 0,11 € vorzuschlagen (zahlbar nach der ordentlichen Hauptversammlung in 2018). In der Vergangenheit hat die Deutsche Bank AG jedoch höhere Dividenden gezahlt, so etwa für 2014 eine Dividende von 0,75 € je Aktie, und sie beabsichtigt, spätestens für 2018 (zahlbar nach der ordentlichen Hauptversammlung 2019) eine wettbewerbsfähige Dividende oberhalb des Mindestbetrags zu zahlen. Die Gesellschaft kann Anlegern jedoch nicht garantieren, dass sie eine Dividende in der Höhe wie für 2014 oder frühere Jahre, in einer anderen Höhe, oder überhaupt

Dividenden ausschütten wird. Sollte die Gesellschaft nicht profitabel sein, wird sie möglicherweise überhaupt keine Dividenden zahlen. Sollte die Deutsche Bank ferner die regulatorischen Anforderungen an die Kapitalausstattung gemäß CRR/CRD 4 (einschließlich der individuell auferlegten Kapitalanforderungen (auch Pillar 2-Anforderungen genannt) und der kombinierten Kapitalpufferanforderungen) nicht erfüllen, könnte die Gesellschaft daran gehindert sein, Dividenden zu zahlen, oder die Europäische Zentralbank oder die Bundesanstalt für Finanzdienstleistungsaufsicht („BaFin") könnten die Ausschüttung von Dividenden aussetzen oder beschränken.

Darüber hinaus erwartet die EZB von Banken, dass diese die „Säule 2-Leitlinie" (*Pillar 2 guidance*) einhalten. Falls die Deutsche Bank AG unter die in der Säule 2-Leitlinie angegebenen Schwellenwerte fällt oder erwartet, unterhalb diese Schwellenwerte zu fallen, wird die EZB die Gründe dafür überprüfen, weshalb das Kapitalniveau der Bank gefallen bzw. dies zu erwarten ist, und möglicherweise geeignete und verhältnismäßige Maßnahmen im Hinblick auf diese Unterschreitung ergreifen. Jegliche solche Maßnahme könnte die Bereitschaft oder Fähigkeit der Deutsche Bank AG, Dividenden auszuschütten, beeinträchtigen.

D – Risiken

D.1 Zentrale Risiken des Emittenten oder seiner Branche

- Das in jüngster Zeit schleppende Wirtschaftswachstum und Unsicherheiten im Hinblick darauf, wie sich die Wachstumsaussichten insbesondere in ihrem Heimatmarkt Europa entwickeln werden, haben die Finanz- und Ertragslage der Deutschen Bank in einigen ihrer Geschäftsfelder und ihre strategischen Pläne beeinträchtigt und wirken sich weiterhin negativ auf diese aus. Gleichzeitig werden die Margen in vielen der Geschäftsfelder der Deutschen Bank durch ein anhaltend niedriges Zinsniveau und den Wettbewerb in der Finanzdienstleistungsbranche gedrückt. Falls diese Bedingungen anhalten oder sich verschlechtern, könnte sich dies weiterhin nachteilig auf die Geschäftstätigkeit, Ertragslage und strategischen Pläne der Deutschen Bank auswirken.
- Die Finanz- und Ertragslage der Deutschen Bank wird, insbesondere im Unternehmensbereich Global Markets, durch das schwierige Marktumfeld, das ungünstige makroökonomische und geopolitische Umfeld, geringere Kundenaktivität, verstärkten Wettbewerb und zunehmende Regulierung sowie die unmittelbaren Auswirkungen der strategischen Entscheidungen der Deutschen Bank im Zuge der Umsetzung ihrer Strategie weiterhin beeinträchtigt. Sollte die Deutsche Bank nicht in der Lage sein, ihre Profitabilität zu verbessern, während sie weiterhin diesen anhaltenden Herausforderungen und den beständig hohen Prozesskosten ausgesetzt ist, erreicht sie möglicherweise viele Ziele ihrer Strategie nicht und könnte Schwierigkeiten haben, die Eigenkapitalquote, die Liquiditätsquote und den Verschuldungsgrad auf einem von Marktteilnehmern und Aufsichtsbehörden erwarteten Niveau zu halten.
- Die anhaltend hohe politische Unsicherheit könnte für das Finanzsystem und die Gesamtwirtschaft unkalkulierbare Folgen haben und zu einer Abkehr von bestimmten Aspekten der europäischen Integration beitragen, was

möglicherweise zu einem Geschäftsrückgang, Abschreibungen von Vermögenswerten und zu Verlusten in allen Geschäftsfeldern der Deutschen Bank führen könnte. Die Fähigkeit der Deutschen Bank, sich vor diesen Risiken zu schützen, ist begrenzt.

- Sofern sich die europäische Schuldenkrise wieder verschärfen sollte, könnte die Deutsche Bank gezwungen sein, Abschreibungen auf ihr finanzielles Engagement in Bezug auf Staatsschulden europäischer oder anderer Länder vorzunehmen. Die von der Deutschen Bank zur Minderung des Ausfallrisikos staatlicher Kreditnehmer eingegangenen Credit Default Swaps können diese Verluste möglicherweise nicht ausgleichen.

- Die Liquidität, Geschäftsaktivitäten und Profitabilität der Deutschen Bank können nachteilig betroffen werden, sollte sie keinen Zugang zu den Fremdkapitalmärkten haben oder in Zeiten marktweiter oder firmenspezifischer Liquiditätsengpässe keine Vermögenswerte veräußern können. Herabstufungen des Ratings der Deutschen Bank haben in der Vergangenheit zu einem Anstieg der Finanzierungskosten der Deutschen Bank geführt, und zukünftige Herabstufungen könnten einen wesentlichen nachteiligen Einfluss auf die Finanzierungskosten der Deutschen Bank, die Bereitschaft von Geschäftspartnern, weiterhin Geschäftsbeziehungen mit der Deutschen Bank zu unterhalten, sowie auf wesentliche Aspekte des Geschäftsmodells der Deutschen Bank haben.

- Reformen des Aufsichtsrechts, die zur Adressierung von Schwachstellen im Finanzsektor erlassen oder vorgeschlagen wurden, haben, in Verbindung mit einer allgemein verschärften Überprüfung durch Aufsichtsbehörden, zu erheblichen Unsicherheiten für die Deutsche Bank geführt und können sich nachteilig auf das Geschäft der Deutschen Bank sowie ihre Fähigkeit, ihre strategischen Pläne umzusetzen, auswirken, und falls die Deutsche Bank aufsichtsrechtliche Anforderungen nicht erfüllt und keine anderen Maßnahmen ergreift, könnten ihr die zuständigen Aufsichtsbehörden untersagen, Dividenden zu zahlen oder Zahlungen auf ihre aufsichtsrechtlichen Eigenkapitalinstrumente zu leisten.

- Europäisches und deutsches Recht zur Sanierung und Abwicklung von Banken und Wertpapierfirmen könnte dann, wenn Schritte zur Sicherstellung der Abwicklungsfähigkeit der Deutschen Bank unternommen werden oder der Deutschen Bank Abwicklungsmaßnahmen auferlegt würden, erhebliche Folgen für die Geschäftstätigkeit der Deutschen Bank haben und Verluste für ihre Aktionäre und Gläubiger nach sich ziehen.

- Aufsichtsrechtliche und gesetzliche Änderungen zwingen die Deutsche Bank, höhere Eigenmittel vorzuhalten, und in einigen Fällen (unter anderem in den Vereinigten Staaten) lokale Liquiditäts-, Risikosteuerungs- und Eigenkapitalvorschriften nur auf ihre lokalen Geschäftsaktivitäten anzuwenden. Diese Anforderungen können erhebliche Folgen für das Geschäftsmodell und die Finanz- und Ertragslage der Deutschen Bank sowie das Wettbewerbsumfeld allgemein haben. Sofern im Markt die Ansicht entstünde, dass die Deutsche Bank möglicherweise nicht in der Lage sein könnte, ihre Kapital- und Liquiditätsanforderungen mit einem angemessenen Puffer zu erfüllen, oder dass sie über diese Anforderungen

hinaus Kapital vorhalten sollte, könnte dies die Wirkung dieser Faktoren auf ihre Geschäftstätigkeit und Ergebnisse noch verstärken.

- Die aufsichtsrechtlichen Eigenkapitalquoten und der Liquiditätsgrad der Deutschen Bank und ihre für Ausschüttungen auf ihre Aktien oder regulatorischen Eigenkapitalinstrumente zur Verfügung stehenden Mittel werden durch die Geschäftsentscheidungen der Deutschen Bank berührt. Wenn die Deutsche Bank diese Entscheidungen trifft, stimmen ihre Interessen und die Interessen der Inhaber dieser Instrumente möglicherweise nicht überein, und die Deutsche Bank trifft möglicherweise Entscheidungen in Übereinstimmung mit geltendem Recht und den Bedingungen der entsprechenden Instrumente, die dazu führen, dass geringere oder gar keine Zahlungen auf ihre Aktien oder regulatorischen Eigenkapitalinstrumente erfolgen.

- Die Gesetzgebung in den Vereinigten Staaten und in Deutschland sowie Vorschläge für EU-weite Regelungen im Hinblick auf das Verbot des Eigenhandels oder seine Trennung vom Einlagengeschäft können das Geschäftsmodell der Deutschen Bank wesentlich beeinträchtigen.

- Weitere infolge der Finanzkrise verabschiedete oder vorgeschlagene aufsichtsrechtliche Reformen – beispielsweise umfangreiche neue Vorschriften zum Derivate-Geschäft der Deutschen Bank, zur Vergütung, zu Bankenabgaben, Einlagensicherung oder zu einer möglichen Finanztransaktionssteuer – können die betrieblichen Aufwendungen der Deutschen Bank erheblich steigern und negative Auswirkungen auf ihr Geschäftsmodell haben.

- Widrige Marktverhältnisse, Preisrückgang bei Vermögenswerten, Volatilität sowie Zurückhaltung bei Investoren haben in der Vergangenheit erhebliche und nachteilige Auswirkungen auf die Umsätze und Erträge der Deutschen Bank gehabt und könnten auch in Zukunft derartige Auswirkungen haben, insbesondere in den Bereichen Investmentbanking, Brokerage sowie anderen provisions- oder gebührenabhängigen Geschäftsfeldern. Infolgedessen hat die Deutsche Bank in der Vergangenheit erhebliche Verluste aus ihren Handels- und Investmentaktivitäten erlitten und wird möglicherweise auch in Zukunft Verluste erleiden.

- Die Deutsche Bank kündigte im April 2015 die nächste Phase ihrer Strategie an, teilte dann im Oktober 2015 weitere Details dazu mit und gab im März 2017 eine Aktualisierung ihrer Strategie bekannt. Sollte die Deutsche Bank nicht in der Lage sein, ihre strategischen Pläne erfolgreich umzusetzen, könnte die Deutsche Bank möglicherweise ihre finanziellen Ziele nicht erreichen oder sie könnte von Verlusten, geringer Profitabilität oder einer Erosion ihrer Kapitalbasis betroffen sein, und ihre Finanz- und Ertragslage sowie ihr Aktienkurs könnten wesentlich beeinträchtigt werden.

- Im Rahmen der Aktualisierung ihrer Strategie im März 2017 gab die Deutsche Bank ihre Absicht bekannt, ihr Global Markets-, Corporate Finance- und Transaction-Banking-Geschäft in einem einzigen, auf

Unternehmenskunden ausgerichteten Unternehmensbereich Corporate & Investment Banking zusammenzufassen, um Wachstum durch stärkeres Cross-Selling-Potenzial im Hinblick auf ertragsstarke Unternehmenskunden generieren zu können. Kunden könnten sich möglicherweise dagegen entscheiden, ihre Geschäftsbeziehungen mit der Deutschen Bank und ihre Portfolios auszuweiten, wodurch die Möglichkeit der Deutschen Bank, von diesem Potenzial profitieren zu können, beeinträchtigt wäre.

- Im Rahmen der Aktualisierung ihrer Strategie im März 2017 gab die Deutsche Bank ihre Absicht bekannt, an der Deutsche Postbank AG (zusammen mit ihren Tochtergesellschaften „Postbank") festzuhalten und diese mit ihrem bestehenden Privat- und Geschäftskundengeschäft zusammenzuführen, nachdem die Deutsche Bank früher ihre Absicht erklärt hatte, die Postbank zu veräußern. Die Deutsche Bank könnte Schwierigkeiten haben, die Postbank zu integrieren, nachdem die operative Eigenständigkeit vom Konzern bereits erreicht worden war. Daher könnten die Kostenersparnisse und sonstigen Vorteile, welche die Deutsche Bank zu erzielen erwartet, nur um den Preis höherer Kosten als erwartet zu erreichen sein oder sich überhaupt nicht erreichen lassen.

- Im Rahmen der Aktualisierung ihrer Strategie im März 2017 gab die Deutsche Bank ihre Absicht bekannt, ihren Unternehmensbereich Deutsche Asset Management mittels eines teilweisen Börsengangs (IPO) operativ abzutrennen. Sollten die wirtschaftlichen Umstände oder Marktbedingungen oder die Finanz- und Ertragslage oder die Geschäftsaussichten der Deutsche AM sich als ungünstig erweisen oder sollten irgendwelche erforderliche aufsichtsbehördliche Genehmigungen überhaupt nicht oder nur zu nachteiligen Bedingungen erteilt werden, könnte die Deutsche Bank möglicherweise nicht in der Lage sein, einen Anteil an Deutsche AM zu einem attraktiven Preis oder zu einem günstigen Zeitpunkt oder überhaupt zu veräußern. Außerdem könnte es der Deutschen Bank möglicherweise nicht gelingen, von den Vorteilen zu profitieren, die sie sich von einer operativ getrennten Deutsche AM erwartet.

- Der Deutschen Bank gelingt es möglicherweise nur unter Schwierigkeiten, Gesellschaften, Geschäftsfelder oder Vermögenswerte zu vorteilhaften Preisen oder überhaupt zu verkaufen, und sie kann unabhängig von Marktentwicklungen wesentliche Verluste im Zusammenhang mit diesen Vermögenswerten und weiteren Investments erleiden.

- Um zu gewährleisten, dass die Deutsche Bank ihre Geschäftstätigkeit in Übereinstimmung mit den einschlägigen Rechtsvorschriften ausübt, ist ein solides und wirksames internes Kontrollumfeld erforderlich. Die Deutsche Bank hat die Notwendigkeit der Stärkung ihres internen Kontrollumfelds erkannt und diesbezüglich Maßnahmen ergriffen. Sollten diese Maßnahmen nicht erfolgreich sein oder sich verzögern, könnte sich dies erheblich nachteilig auf die Reputation, und die aufsichtsrechtliche Stellung und Finanzlage der Deutschen Bank auswirken, und die Fähigkeit der Deutschen Bank, ihre strategischen Ziele zu erreichen, könnte beeinträchtigt werden.

- Die Deutsche Bank ist in einem in hohem und zunehmendem Maße regulierten und für

Rechtsstreitigkeiten anfälligen Umfeld tätig, wodurch sie potenziell Schadensersatzsprüchen und anderen Kosten, deren Höhe erheblich und schwierig abzuschätzen sein kann, sowie rechtlichen und regulatorischen Sanktionen und einer Beeinträchtigung der Reputation ausgesetzt ist.

- Die Deutsche Bank ist derzeit Gegenstand von Untersuchungen von Aufsichts- und Strafverfolgungsbehörden weltweit im Zusammenhang mit angeblichem Fehlverhalten in Bezug auf die Manipulation von Wechselkursen. Die sich aus diesen Untersuchungen für die Deutsche Bank ergebenden finanziellen Risiken könnten wesentlich sein, und auch die Reputation der Deutschen Bank könnte dadurch wesentlich beeinträchtigt werden.
- Die Deutsche Bank ist im Zusammenhang mit der Bestimmung von Referenzzinssätzen derzeit sowohl Gegenstand branchenweiter aufsichtsrechtlicher und strafrechtlicher Untersuchungen als auch Beklagte in zivilrechtlichen Verfahren. Aufgrund einer Reihe von Unwägbarkeiten in diesem Zusammenhang, einschließlich in Bezug auf das damit verbundene hohe Aufsehen und die Vergleichsverhandlungen anderer Banken, ist der Ausgang dieser Verfahren unvorhersehbar und kann wesentliche und nachteilige Auswirkungen auf die Finanz- und Ertragslage sowie die Reputation der Deutschen Bank haben.
- Die Deutsche Bank hat Anfragen von Aufsichts- und Strafverfolgungsbehörden im Zusammenhang mit Untersuchungen des Handels mit Edelmetallen und damit zusammenhängender Vorgänge erhalten, darunter Ersuchen um Informationen und Unterlagen. Die laufenden Untersuchungen können potenziell zu erheblichen finanziellen Sanktionen und anderen Konsequenzen für die Deutsche Bank führen. Zudem wurde die Deutsche Bank in mehreren Sammelklagen im Hinblick auf den Handel mit Edelmetallen und damit zusammenhängenden Vorgängen verklagt.
- Die Deutsche Bank hat die Umstände von Aktiengeschäften, die von einigen Kunden in Moskau und London abgeschlossen wurden, untersucht und die Aufsichts- und Strafverfolgungsbehörden mehrerer Rechtsordnungen von diesen Geschäften unterrichtet. Sollten Verstöße gegen das Recht oder gegen Rechtsvorschriften festgestellt werden, könnten gegebenenfalls daraus resultierende Sanktionen wesentliche und nachteilige Auswirkungen auf die Finanz- und Ertragslage sowie die Reputation der Deutsche Bank haben.
- Aufsichts- und Strafverfolgungsbehörden in den Vereinigten Staaten untersuchen, ob die in der Vergangenheit erfolgte Abwicklung bestimmter U.S.-Dollar-Zahlungsanweisungen für Personen aus Staaten, die U.S.-Embargobestimmungen unterliegen, im Einklang mit U.S.-Bundes- und Landesrecht standen. Einige Verfahren hat die Deutsche Bank mit einem Vergleich abgeschlossen, doch andere Untersuchungen laufen noch und der Ausgang dieser Verfahren ist unvorhersehbar und kann weiterhin wesentliche und nachteilige Auswirkungen auf die Finanz- und Ertragslage sowie die Reputation der Deutschen Bank haben.

- Die Deutsche Bank sieht sich vertraglichen Ansprüchen, Rechtsstreitigkeiten und behördlichen Untersuchungen im Zusammenhang mit ihrem U.S.-amerikanischen Hypothekendarlehensgeschäft ausgesetzt, die wesentliche und nachteilige Auswirkungen auf ihre Finanz- und Ertragslage oder ihre Reputation haben können.
- Die Deutsche Bank befindet sich gegenwärtig in einem zivilrechtlichen Rechtsstreit im Zusammenhang mit ihrem freiwilligen Übernahmeangebot zum Erwerb sämtlicher Aktien der Postbank. Der Umfang der damit verbundenen finanziellen Risiken der Deutschen Bank könnte erheblich sein, und die Reputation der Deutschen Bank könnte beeinträchtigt werden.
- Die Deutsche Bank ist an zivil- und strafrechtlichen Verfahren im Hinblick auf Transaktionen mit der Monte dei Paschi di Siena beteiligt. Der Umfang des sich aus diesen Angelegenheiten für die Deutsche Bank ergebenden finanziellen Risikos könnte erheblich sein, und die Reputation der Deutschen Bank könnte beeinträchtigt werden.
- Die Deutsche Bank befindet sich gegenwärtig in einem Rechtsstreit mit den deutschen Steuerbehörden in Bezug auf die steuerliche Behandlung bestimmter Erträge im Zusammenhang mit ihrem Pensionsplanvermögen. Das Verfahren ist vor dem zuständigen Finanzgericht anhängig. Sollten die Gerichte letztinstanzlich zugunsten der deutschen Steuerbehörden entscheiden, könnte der Ausgang des Rechtsstreits erhebliche Auswirkungen auf das Gesamtergebnis und die Finanzlage der Deutschen Bank haben.
- Schuldanerkenntnisse oder Verurteilungen der Deutschen Bank oder ihrer verbundenen Unternehmen in Strafverfahren können Konsequenzen haben, die sich auf bestimmte Geschäftsfelder der Deutschen Bank nachteilig auswirken.
- Zusätzlich zum klassischen, das Einlagen- und Kreditgeschäft umfassenden Bankgeschäft ist die Deutsche Bank auch im nicht-klassischen Bankgeschäft tätig und geht dabei im Rahmen von Transaktionen, wie dem Halten von Wertpapieren Dritter oder der Durchführung komplexer derivativer Transaktionen, Kreditrisiken ein. Diese nicht-klassischen Bankgeschäfte erhöhen die Kreditrisiken, denen die Deutsche Bank ausgesetzt ist, erheblich.
- Ein wesentlicher Teil der in der Bilanz der Deutschen Bank ausgewiesenen Aktiva und Passiva umfasst zum Markt- bzw. Zeitwert angesetzte Finanzinstrumente, dessen Änderungen in der Gewinn- und Verlustrechnung erfasst werden. Aufgrund solcher Änderungen hat die Deutsche Bank in der Vergangenheit erhebliche Verluste erlitten und wird möglicherweise auch in Zukunft weitere Verluste erleiden.
- Ungeachtet bestehender Grundsätze, Verfahren und Methoden zur Überwachung von Risiken ist die Deutsche Bank unerkannten und nicht vorhergesehenen Risiken ausgesetzt, die zu erheblichen Verlusten führen können.
- Operationelle Risiken, die sich aus Fehlern in Prozessabläufen der Deutschen Bank, dem Verhalten ihrer

Mitarbeiter, einer Instabilität, Störung oder eines Ausfalls ihres IT-Systems und ihrer IT-Infrastruktur oder dem Verlust der Geschäftskontinuität oder vergleichbaren Problemen im Hinblick auf ihre jeweiligen Dienstleister ergeben können, könnten die Geschäfte der Deutschen Bank beeinträchtigen und zu erheblichen Verlusten führen.

- Die Betriebssysteme der Deutschen Bank sind zunehmend Risiken im Hinblick auf Cyber-Angriffe und sonstige Internetkriminalität ausgesetzt, die zu erheblichen Verlusten der Daten von Kunden und Klienten führen, die Reputation der Deutschen Bank schädigen und zu aufsichtsrechtlichen Sanktionen und finanziellen Verlusten führen können.
- Der Umfang des Clearing-Geschäfts der Deutschen Bank setzt die Deutsche Bank erhöhten Gefahren erheblicher Verluste aus, sollten ihre diesbezüglichen Systeme nicht ordnungsgemäß funktionieren.
- Die Deutsche Bank könnte Schwierigkeiten haben, Akquisitionsmöglichkeiten zu identifizieren und umzusetzen. Sowohl die Durchführung als auch das Absehen von Akquisitionen können die Ertragslage und den Aktienkurs der Deutschen Bank erheblich beeinträchtigen.
- Der intensive Wettbewerb sowohl auf dem deutschen Heimatmarkt der Deutschen Bank als auch den internationalen Märkten könnte die Erträge und Profitabilität der Deutschen Bank wesentlich beeinträchtigen.
- Transaktionen mit Gegenparteien in Ländern, die vom U.S.-amerikanischen Außenministerium als terrorismusfördernde Staaten eingestuft werden, oder mit Personen, gegen die U.S.-amerikanische Wirtschaftssanktionen gerichtet sind, können dazu führen, dass potenzielle Kunden und Investoren keine Geschäfte mit der Deutschen Bank eingehen oder nicht in ihre Wertpapiere investieren. Sie können zudem die Reputation der Deutschen Bank schädigen oder zu behördlichen Maßnahmen führen, die sich wesentlich und nachteilig auf das Geschäft der Deutschen Bank auswirken können.

D.3 Zentrale Risiken der Wertpapiere

- Der Aktienkurs der Deutsche Bank AG war und kann weiterhin volatil sein.
- Die Aktienbeteiligung von Aktionären, die nicht an diesem Angebot teilnehmen, wird erheblich verwässert, d.h. der Wert ihrer Aktien und Kontrollrechte wird nachteilig beeinflusst werden.
- Die Aktienbeteiligung von Aktionären könnte bei zukünftigen Kapitalmaßnahmen erheblich verwässert werden.
- Wenn das Angebot nicht durchgeführt wird, oder wenn der Aktienkurs der Deutsche Bank AG stark fällt, können die Bezugsrechte entfallen oder wertlos werden.
- Es ist nicht sicher, dass sich ein Bezugsrechtshandel entwickelt, und die Bezugsrechte können höheren Kursschwankungen unterliegen als die Aktien der Deutsche Bank AG.

- Es kann sein, dass die Deutsche Bank AG in künftigen Geschäftsjahren keine Dividenden zahlt, sei es, dass sie keinen ausschüttungsfähigen Bilanzgewinn erzielt, oder sei es aus anderen Gründen.

E – Angebot

E.1	**Gesamtnettoerlöse und geschätzte Gesamtkosten des Angebots, einschließlich der geschätzten Kosten, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden**	Der Bruttoemissionserlös aus dem Angebot beläuft sich unter der Annahme, dass alle Neuen Aktien zum Bezugspreis von 11,65 € je Neuer Aktie bezogen werden, auf 8.009 Mio € vor Kosten, Provisionen und Gebühren. Die Gesellschaft rechnet mit Übernahmeprovisionen und anderen Angebotskosten in Höhe von insgesamt maximal ca. 148 Mio €, (nach Steuern: 136 Mio €) einschließlich der Übernahme- und Managementprovision der Konsortialbanken in Höhe von maximal ca. 141 Mio €. Diese von der Gesellschaft zu tragenden Kosten werden vom Bruttoemissionserlös abgezogen. Unter der Annahme des Bezugs bzw. der Platzierung aller Neuen Aktien zum Bezugspreis erhielte die Gesellschaft aus dem Verkauf der Neuen Aktien damit einen Nettoemissionserlös vor Steuern in Höhe von rund 7.861 Mio € (nach Steuern: 7.873 Mio €).
E.2a	**Gründe für das Angebot, Zweckbestimmung der Erlöse, geschätzte Nettoerlöse**	Die Deutsche Bank beabsichtigt, durch den Nettoemissionserlös des Angebots ihre regulatorische Kapitalbasis weiter zu stärken sowie ein Polster im Hinblick auf zukünftige regulatorische Unsicherheiten und von der Deutschen Bank derzeit nicht vorhergesehene künftige Herausforderungen vorzuhalten. Die Deutsche Bank plant auch, einen Teil des Emissionserlöses für gezielte Investitionen zu nutzen, um in der Lage zu sein, Chancen wahrzunehmen, die sie in ihrem gesamten Geschäftsbereich als vorhanden oder entstehend ansieht. Zum Datum des Prospekts hat sich die Deutsche Bank noch nicht auf eine konkrete Allokation des Emissionserlöses festgelegt. Der von der Gesellschaft erzielte Nettoemissionserlös vor Steuern beläuft sich voraussichtlich auf insgesamt ca. 7.861 Mio €.
E.3	**Angebotskonditionen**	***Gegenstand des Angebots*** Gegenstand des Angebots (das „Angebot“) sind 687.500.000 neue, auf den Namen lautende Stammaktien ohne Nennbetrag (Stückaktien) der Deutsche Bank AG (die „Neuen Aktien“), jeweils mit einem rechnerischen Anteil am Grundkapital von 2,56 € je Aktie und mit der gleichen Gewinnanteilberechtigung wie jede andere ausstehende Aktie der Gesellschaft. Die Neuen Aktien werden aus der am 19. März 2017 vom Vorstand mit Zustimmung des Präsidialausschusses des Aufsichtsrats, an den die Beschlusszuständigkeit zuvor delegiert worden war, vom selben Tag beschlossenen Kapitalerhöhung gegen Bareinlagen aus genehmigtem Kapital stammen. Unter Ausnutzung der Ermächtigungen in § 4 Absatz 5 und 6 der Satzung der Deutsche Bank AG (Genehmigte Kapitalia) hat der Vorstand der Deutsche Bank AG am 19. März 2017 mit Zustimmung des Präsidialausschusses des Aufsichtsrats, an den die Beschlusszuständigkeit zuvor delegiert worden war, vom selben Tag beschlossen, das Grundkapital von 3.530.939.215,36 € um 1.760.000.000 € auf 5.290.939.215,36 € durch die Ausgabe von 687.500.000 Neuen Aktien gegen Bareinlagen zu einem Bezugspreis von

11,65 € je Neuer Aktie zu erhöhen. Dabei ist den Aktionären ein Bezugsrecht einzuräumen. Die Neuen Aktien werden den Aktionären in einem Bezugsverhältnis von 2 : 1 angeboten. Es kann damit eine Neue Aktie zum Bezugspreis für zwei alte Aktien bezogen werden. Hinsichtlich eines Spitzenbetrages von bis zu 500.000 Neuen Aktien wurde das Bezugsrecht der Aktionäre ausgeschlossen. Dabei ergibt sich die endgültige Anzahl Neuer Aktien, für die das Bezugsrecht tatsächlich ausgeschlossen wird, auf Basis des Bestandes an eigenen Aktien bei Handelsschluss am Abend des 20. März 2017 (entspricht verbuchtem Bestand eigener Aktien bei Clearstream Banking AG am 22. März 2017 abends).

Bezugsangebot

Die Konsortialbanken haben sich auf Grundlage eines am 5. März 2017 abgeschlossenen Aktienübernahmevertrags (der „Aktienübernahmevertrag") unter bestimmten Bedingungen verpflichtet, die Neuen Aktien zu zeichnen, zu übernehmen und sie (mit Ausnahme des Spitzenbetrags) den Aktionären der Bank im Rahmen eines mittelbaren Bezugsrechts entsprechend dem Bezugsverhältnis zum Bezugspreis je Neuer Aktie im Wege öffentlicher Angebote in der Bundesrepublik Deutschland („Deutschland"), dem Vereinigten Königreich von Großbritannien und Nordirland („Vereinigtes Königreich" oder „UK") und den Vereinigten Staaten von Amerika („Vereinigte Staaten" oder „USA") zum Bezug anzubieten (das „Bezugsangebot"). Die Neuen Aktien werden den Aktionären der Gesellschaft in Kanada im Rahmen eines Bezugsangebots gemäß einem kanadischen Angebotsdokument ausschließlich durch zum Verkauf der Neuen Aktien in Kanada berechtigte Personen angeboten und ausschließlich an kanadische Aktionäre, an die sie berechtigt sind, Neue Aktien zu verkaufen. Die Neuen Aktien, die nicht aufgrund des Bezugsangebots bezogen worden sind, sowie der vom Bezugsrecht der Aktionäre ausgenommene Spitzenbetrag werden im Wege eines öffentlichen Angebots in den Vereinigten Staaten und im Rahmen von Privatplatzierungen Anlegern in der Bundesrepublik Deutschland und bestimmten anderen Ländern (ausgenommen Japan) zum Erwerb angeboten.

Das Angebot kann unter bestimmten Umständen abgebrochen werden.

Bezugspreis

Der Bezugspreis je bezogener Neuer Aktie beträgt 11,65 €. Er ist spätestens am 6. April 2017 zu entrichten.

Bezugsverhältnis

Entsprechend dem Bezugsverhältnis von 2 : 1 kann auf jeweils zwei alte Aktien der Gesellschaft eine Neue Aktie zum Bezugspreis bezogen werden.

Bezugsfrist

Die Bezugsfrist wird voraussichtlich vom 21. März 2017 bis zum 6. April 2017 (jeweils einschließlich) laufen („Bezugsfrist").

Ausübung des Bezugsrechts

Die Depotbanken werden die Bezugsrechte (ISIN DE000A2E4184, WKN A2E 418), die auf die bestehenden Aktien der Gesellschaft (ISIN DE0005140008, WKN 514 000) entfallen, den Depots der Aktionäre am 20. März 2017 abends gutschreiben.

Die Aktionäre werden durch Veröffentlichung des Bezugsangebots – im Bundesanzeiger voraussichtlich am 20. März 2017 und in der Frankfurter Allgemeine Zeitung sowie in der Börsen-Zeitung voraussichtlich am 21. März 2017 – aufgefordert, ihr Bezugsrecht auf die Neuen Aktien zur Vermeidung des Ausschlusses von der Ausübung ihres Bezugsrechts in der Zeit vom 21. März 2017 bis einschließlich 6. April 2017 über ihre Depotbank bei einer der unten genannten Bezugsstellen während der üblichen Geschäftszeiten auszuüben. Nicht fristgemäß ausgeübte Bezugsrechte verfallen wertlos. Ein Ausgleich für nicht ausgeübte Bezugsrechte erfolgt nicht.

Bezugsstellen sind die deutschen Niederlassungen der Deutsche Bank AG.

Bezugsrechtshandel

Im Zusammenhang mit dem Angebot der Neuen Aktien findet ein börslicher Handel der Bezugsrechte statt. Die Bezugsrechte (ISIN DE000A2E4184) für die Neuen Aktien werden in der Zeit vom 21. März 2017 bis einschließlich 4. April 2017 im regulierten Markt (XETRA und XETRA Frankfurt Spezialist) an der Frankfurter Wertpapierbörse gehandelt. Die Bezugsrechte werden auch an der New York Stock Exchange gehandelt. Darüber hinaus beabsichtigt die Gesellschaft, keinen Antrag auf Bezugsrechtshandel an einer anderen Wertpapierbörse zu stellen. Die Bezugsstellen sind bereit, den börsenmäßigen An- und Verkauf von Bezugsrechten nach Möglichkeit zu vermitteln. Ein Ausgleich für nicht ausgeübte Bezugsrechte findet nicht statt. Nach Ablauf der Bezugsfrist verfallen die nicht ausgeübten Bezugsrechte wertlos. Vom 21. März 2017 an werden die bestehenden Aktien der Deutsche Bank AG im regulierten Markt an der Frankfurter Wertpapierbörse und an den Wertpapierbörsen Berlin, Düsseldorf, Hamburg, Hannover, München und Stuttgart sowie an der New York Stock Exchange „ex Bezugsrecht" notiert.

Verbriefung und Lieferung

Die Neuen Aktien werden in einer Globalurkunde verbrieft, die bei der Clearstream Banking AG und bei dem unter der Global Share-Struktur von der Deutsche Bank AG für die USA ernannten Sub-Agent hinterlegt wird. Ein Anspruch der Aktionäre auf Verbriefung ihrer Anteile sowie etwaiger Gewinnanteil- und Erneuerungsscheine ist satzungsgemäß ausgeschlossen, soweit seine Gewährung nicht nach den Regeln erforderlich ist, die an einer Börse gelten, an der die Aktien zugelassen sind. Die Neuen Aktien sind mit den gleichen Rechten ausgestattet wie alle anderen Aktien der Gesellschaft und vermitteln keine darüber hinausgehenden Rechte oder Vorteile.

Die im Rahmen des Bezugsangebots bezogenen Neuen Aktien werden voraussichtlich am oder um den 7. April 2017, und die im Rahmen der unten beschriebenen Privatplatzierungen erworbenen Neuen Aktien werden nach Abschluss der Privatplatzierungen, voraussichtlich am oder um den 11. April 2017, durch Girosammeldepotgutschrift zur Verfügung gestellt, es sei denn, die Bezugsfrist wurde verlängert.

Verwertung nicht bezogener Aktien/Privatplatzierungen

Die Neuen Aktien, die nicht aufgrund des Bezugsangebots bezogen worden sind, sowie der vom Bezugsrecht der

		Aktionäre ausgenommene Spitzenbetrag werden im Wege eines öffentlichen Angebots in den Vereinigten Staaten und im Rahmen von Privatplatzierungen Anlegern in der Bundesrepublik Deutschland und bestimmten anderen Ländern (ausgenommen Japan) zum Erwerb angeboten.
E.4	**Wesentliche Interessen an dem Angebot, einschließlich potenzieller Interessenkonflikte (soweit vorhanden)**	In Zusammenhang mit dem Angebot stehen die Konsortialbanken in einer Vertragsbeziehung mit der Gesellschaft. Bei erfolgreicher Durchführung des Angebots erhalten die Konsortialbanken von der Gesellschaft eine Provision. Die Konsortialbanken oder einige ihrer jeweiligen verbundenen Unternehmen haben bestimmte Beratungs- oder andere Dienstleistungen, für die sie marktübliche Gebühren und Auslagen erhalten haben, für die Deutsche Bank erbracht und werden dies voraussichtlich auch in Zukunft tun. Auch die Gesellschaft hat für die Konsortialbanken oder ihre jeweiligen verbundenen Unternehmen bestimmte Beratungs- oder andere Dienstleistungen, für die sie marktübliche Gebühren und Auslagen erhalten hat, erbracht und wird dies voraussichtlich auch in Zukunft tun. Die Gesellschaft und die Konsortialbanken sowie ggf. deren verbundene Unternehmen waren ferner an weiteren Transaktionen untereinander und unter Beteiligung dritter Parteien im Bank- und Finanzierungsgeschäft beteiligt, wie etwa im Emissions- oder Kreditgeschäft sowie bei Handels- und Derivatetransaktionen. Die Gesellschaft erwartet, dass die Deutsche Bank und die Konsortialbanken bzw. deren verbundene Unternehmen auch in Zukunft Geschäftsbeziehungen wie vorstehend beschrieben eingehen. Die Gesellschaft geht daher davon aus, dass jede der Konsortialbanken ein Interesse an der erfolgreichen Durchführung der Transaktion hat.
E.5	**Personen, die die Wertpapiere zum Kauf anbieten, Lock-up Vereinbarungen**	Deutsche Bank AG und die Konsortialbanken bieten die Neuen Aktien zum Kauf an. ***Lock-up Vereinbarung*** In einem Zeitraum vom 5. März 2017 bis sechs Monate nach dem ersten Handelstag der Neuen Aktien an der Frankfurter Wertpapierbörse, den Wertpapierbörsen Berlin, Düsseldorf, Hamburg, Hannover, München und Stuttgart sowie der New York Stock Exchange wird die Gesellschaft ohne vorherige schriftliche Zustimmung der Credit Suisse Securities (Europe) Limited, die nicht unbillig verweigert oder verzögert werden darf, und im Rahmen des aktienrechtlich Zulässigen: (i) keine satzungsmäßige Ermächtigung zur Kapitalerhöhung ausüben; (ii) keinen Vorschlag für eine Kapitalerhöhung oder die Begebung von Finanzinstrumenten, die in Aktien der Gesellschaft umgewandelt werden können oder mit Optionsrechten auf Aktien der Gesellschaft ausgestattet sind, zum Beschluss vorlegen (wobei Ermächtigungen gemäß § 202 oder § 221 Abs. 2 Aktiengesetz (AktG) und die Schaffung eines damit verbundenen bedingten Kapitals ausgenommen sind); (iii) keine Aktien der Gesellschaft oder Wertpapiere, die in solche Aktien umgewandelt, für die solche Aktien bezogen oder die in solche Aktien umgetauscht werden können, direkt oder indirekt anbieten, verpfänden, zuteilen, ausgeben (sofern nicht durch anwendbares Recht vorgeschrieben), verkaufen, sich zu deren Verkauf

verpflichten, keine Option für deren Kauf verkaufen, sich zu deren Kauf verpflichten, keine Option für deren Verkauf kaufen, keine Option, kein Recht und keinen Optionsschein zu deren Kauf gewähren, oder anderweitig zu übertragen oder veräußern und keine Swaps oder sonstigen Vereinbarungen eingehen, durch die das wirtschaftliche Risiko des Eigentums an solchen Aktien ganz oder teilweise an eine andere Partei übertragen wird, unabhängig davon, ob die Abwicklung einer solchen vorstehend beschriebenen Transaktion durch Lieferung von Aktien oder anderen Wertpapieren, in bar oder auf sonstige Weise erfolgen soll.

Die vorstehenden Beschränkungen gelten nicht für (i) die auf der Grundlage des Aktienübernahmevertrages zu verkaufenden Neuen Aktien, (ii) von der Gesellschaft ausgegebene oder noch auszugebende bedingte Kapitalinstrumente (einschließlich CRR/CRD 4 Additional-Tier-1 („AT1")-Instrumente), die (aa) zwingend oder freiwillig in Aktien der Gesellschaft umgewandelt werden können oder (bb) mit einer Option, einem Recht oder einem Optionsschein zum Kauf von bestehenden oder neuen Aktien ausgestattet sind oder (cc) ein Genussrecht gewähren oder (dd) andere Instrumente, die sich auf die unter (aa) bis (cc) genannten Instrumente beziehen oder diese kombinieren, jeweils unabhängig davon, ob den Aktionären der Gesellschaft Bezugsrechte eingeräumt werden, (iii) die Ausgabe oder anderweitige Verteilung oder Zuteilung von Aktien der Gesellschaft oder Optionen auf Aktien der Gesellschaft oder anderen Instrumenten in Bezug auf Aktien der Gesellschaft an Führungskräfte (einschließlich Vorstands- und Aufsichtsratsmitgliedern) oder Mitarbeiter der Gesellschaft oder einer ihrer Tochtergesellschaften im Rahmen eines üblichen Aktienoptions-, Aktienbeteiligungs- oder sonstigen Mitarbeiteranreizplans für Führungskräfte (einschließlich Vorstands- und Aufsichtsratsmitgliedern) und/oder Mitarbeiter oder anderweitig in Bezug auf die Aktienvergütung von Führungskräften (einschließlich Vorstands- und Aufsichtsratsmitgliedern) oder Mitarbeitern der Gesellschaft, (iv) Verkäufe eigener Aktien (oder Derivate-Transaktionen in Bezug darauf), die in Übereinstimmung mit den üblichen Treasury-Aktivitäten der Gesellschaft durchgeführt werden, (v) Absicherungs-, Marketmaking- und Makleraktivitäten im üblichen Verlauf der Handelsaktivitäten der Gesellschaft oder ihrer verbundenen Unternehmen und (vi) Transaktionen der Gesellschaft oder ihrer verbundenen Unternehmen zur Ausführung von Kundenaufträgen.

E.6 Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung

Der in der nach IFRS aufgestellten Bilanz ausgewiesene Buchwert des den Deutsche Bank-Aktionären zurechenbaren Eigenkapitals belief sich zum 31. Dezember 2016 auf 59.833 Mio € und damit auf 43,38 € je Aktie der Gesellschaft, ermittelt auf Grundlage der Anzahl der zum 31. Dezember 2016 ausgegebenen 1.379.273.131 Stückaktien der Gesellschaft.

Auf dieser Grundlage hätte nach der Durchführung der Kapitalerhöhung von 3.530.939.215,36 € um 1.760.000.000,00 € auf 5.290.939.215,36 € durch die Ausgabe 687.500.000 Neuer Aktien gegen Bareinlagen im Zusammenhang mit diesem Angebot, die voraussichtlich am oder um den 5. April 2017 im Handelsregister der Gesellschaft eingetragen wird, und zu einem Bezugs- bzw. Platzierungspreis von 11,65 € je Neuer Aktie, und nach Abzug

		der geschätzten Kosten, Provisionen und Auslagen des Angebots in maximaler Höhe von 136 Mio € nach Steuern, der in der nach IFRS aufgestellten Bilanz ausgewiesene Buchwert des den Aktionären der Gesellschaft zurechenbaren Eigenkapitals zum 31. Dezember 2016, 67.706 Mio € bzw. 32,76 € je Aktie betragen (berechnet auf der Grundlage der Anzahl der 2.066.773.131 Aktien der Gesellschaft nach der Durchführung der Kapitalerhöhung im Zusammenhang mit dem Angebot). Dies entspricht einer Verwässerung des Eigenkapitals der Gesellschaft um 10,62 € bzw. 24,5 % je Aktie für die bisherigen Aktionäre. Für die Erwerber von Neuen Aktien führt dies zu einem indirekten Wertzuwachs von 21,11 € bzw. 181,2 % je Aktie, da das angepasste den Aktionären der Gesellschaft zurechenbare Eigenkapital je Aktie den Bezugs- bzw. Platzierungspreis von 11,65 € je Neuer Aktie um diesen Betrag bzw. Prozentsatz übersteigt.
	Betrag und Prozentsatz der unmittelbaren Verwässerung für den Fall, dass die Aktionäre ihre Bezugsrechte nicht ausüben	Übt ein Aktionär keines seiner Bezugsrechte aus, wird der von diesem Aktionär gehaltene Anteil am Grundkapital der Gesellschaft sowie an den Stimmrechten gehaltene Anteil um 33,3 % verwässert. Ohne Berücksichtigung des wirtschaftlichen Werts des Bezugsrechts, ergäbe sich eine Kapitalverwässerung des Aktionärs von 10,62 € je Aktie.
E.7	**Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden**	Entfällt. Anlegern werden keine Auslagen von der Gesellschaft oder den Konsortialbanken in Rechnung gestellt. Anleger müssen jedoch solche Gebühren selbst tragen, die ihnen ihre eigene depotführende Bank für den Kauf und das Halten von Wertpapieren in Rechnung stellt.

1. RISK FACTORS

Investors should carefully consider the following risks, in addition to the other information contained in this Prospectus, before making investment decisions involving shares or subscription rights of Deutsche Bank Aktiengesellschaft, Frankfurt am Main ("Deutsche Bank AG", the "Bank" or the "Company", and, together with its consolidated subsidiaries the "Deutsche Bank Group", "Deutsche Bank" or the "Group"). If one or more of the risks described in this Prospectus materializes, this may have a material adverse impact on the net assets, financial condition and results of operations of Deutsche Bank or on the quoted market price of the shares or subscription rights of Deutsche Bank AG. The quoted market price of the shares or subscription rights of the Company may decline significantly due to the realization of any of these individual risks, and investors may lose their invested capital in part or in full. The risks described are not the only risks that Deutsche Bank faces. Other risks of which the Company is currently unaware or does not currently consider material may also affect the Company's or the Deutsche Bank Group's business operations and may have a material adverse impact on the business, net assets, financial condition and results of operations of the Company or the Deutsche Bank Group. The order in which the risks are presented does not have any significance in regard to the likelihood of their occurrence nor the significance or severity of their economic impact.

1.1 Risks Related to the Business of Deutsche Bank

1.1.1 Recent tepid economic growth, and uncertainties about prospects for growth going forward, especially in Deutsche Bank's home market of Europe, have affected and continue to negatively affect Deutsche Bank's results of operations and financial condition in some of its businesses and Deutsche Bank's strategic plans, while a continuing low interest environment and competition in the financial services industry have compressed margins in many of the Group's businesses. If these conditions persist or worsen, Deutsche Bank's business, results of operations or strategic plans could continue to be adversely affected.

Although economic data appear to have stabilized or improved somewhat during the course of 2016 in many of the countries in which Deutsche Bank operates, Deutsche Bank's business, financial results and strategic plans continue to be negatively impacted by the low interest rate environment, uneven and tepid economic growth, especially in Deutsche Bank's home markets in Europe, and elevated political uncertainty. Recent and upcoming political events, including the UK referendum on European Union ("EU") membership, the recent U.S. presidential election, the Italian referendum on constitutional reform and upcoming national elections in France and Germany, have contributed to considerable uncertainty concerning the current and future economic environment. Global economic growth also continues to be reliant on the supportive monetary policy stance of the major central banks. While somewhat improving economic conditions in the U.S. and the potential for fiscal stimulus have prompted the Federal Reserve to embark on a course of raising interest rates, the European Central Bank ("ECB") has continued its policy of negative interest rates on deposits and its program of monthly asset purchases, although it plans to do so at a somewhat reduced volume starting in April 2017.

The European economy remains subject to a number of potential obstacles to future economic growth beyond the political events summarized above, including renewed doubts about the future of the eurozone, a discussion about the appropriate monetary policy stance of the ECB, possible weakening exports growth should the euro strengthen again or if protectionist trade policies are adopted, a delay in implementing structural reforms and a renewed increase of the refugee inflow. In particular, sentiment towards the Italian banking sector deteriorated in 2016 driven by concerns around capitalization, non-performing loans and the impact of the EU-wide stress tests. In contrast, global financial markets have reacted relatively positively to the beginning of the normalization of U.S. monetary policy and the potential growth-enhancing measures of the new U.S. presidential administration. Markets could, however, react more negatively to these actions as policy plans begin to take shape, for example if they do not quickly result in anticipated increased economic growth or if protectionist measures dampen global growth. In the emerging markets, growth remained relatively weak in 2016 and could be a source of global economic shocks going forward. A stronger than forecast increase of interest rates in the United States could result in strong capital outflows from the emerging markets, further dampening their outlook. In China, in particular, economic growth continued to slow in 2016, and the economic outlook remains subdued, even as the People's Bank of China may take actions to loosen its monetary supply. Should a severe economic contraction or a protracted period of stagnation occur, monetary policymakers, particularly in Europe and the United States but also in the emerging markets, have few tools left in their toolboxes to combat these developments.

Against this background, Deutsche Bank's results continue to be adversely impacted in particular by the protracted low interest environment and the macro-economic and political uncertainties. The simultaneous easing of monetary policy in the eurozone and the tightening of it in the United States may continue to have disruptive effects on many of Deutsche Bank's businesses. A further tightening of monetary policy by the Federal Reserve or any decision 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 Deutsche Bank's business and financial position. Deutsche Bank may face further uncertainty if, as it currently appears, the net effect of monetary and fiscal policies in the U.S. and the eurozone is to continue to weaken the euro against the U.S. dollar. A stronger U.S. dollar can have a beneficial effect on Deutsche Bank's revenues, as a significant portion of its revenues is generated in the United States while its results are reported in euro. A stronger U.S. dollar will, however, also increase the euro values of Deutsche Bank's U.S. dollar-denominated costs and liabilities, including those incurred in respect of U.S. litigation and enforcement matters, and will also tend to significantly increase Deutsche Bank's risk weighted assets and leverage exposures that are denominated in U.S. dollars. If not fully hedged, this can lead to material declines in Deutsche Bank's capital ratios, as its capital is preponderantly denominated in euro.

1.1.2 Deutsche Bank's results of operation and financial condition, in particular those of its Global Markets corporate division, continue to be negatively impacted by the challenging market environment, unfavorable macro-economic and geopolitical conditions, lower client activities, increased competition and regulation, and the immediate impacts resulting from Deutsche Bank's strategic decisions as Deutsche Bank makes progress on the implementation of its strategy. If Deutsche Bank is unable to improve its profitability as it continues to face these headwinds as well as persistently high litigation costs, Deutsche Bank may be unable to meet many of its strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage ratios at levels expected by market participants and Deutsche Bank's regulators.

In 2016, Deutsche Bank's revenues declined in several of its corporate divisions, reflecting the negative impact of the challenging low interest rate market environment, sluggish economic conditions, especially in Deutsche Bank's home market of Europe, and lower client activities. The implementation of some of the strategic measures as part of Deutsche Bank's targets originally announced in October 2015 also continues to negatively impact Deutsche Bank's revenues in the short term. Even as the ultra-low interest rate environment, especially in the eurozone, has put pressure on Deutsche Bank's margins in its traditional banking business, Deutsche Bank's trading and markets businesses, in particular its fixed income securities franchise, have not matched the results of many of its international peers as differences in regional economic performance as well as the challenges specific to Deutsche Bank have impacted its results.

Deutsche Bank has experienced and may continue to experience mark-to-market losses on positions as it seeks to manage long positions in its inventory that experience mark-to-market losses in times of high market volatility. These losses can more than offset volatility-driven increases in client activity. This factor, for example, negatively impacted some of the businesses in Deutsche Bank's Global Markets corporate division early in 2016.

In addition, changes in Deutsche Bank's business mix towards lower-margin, lower-risk products can limit Deutsche Bank's opportunities to profit from volatility. Regulators have generally encouraged the banking sector to focus more on the facilitation of client flow and less on risk taking. This has been effected in part by increasing capital requirements for higher-risk activities. In addition, some of Deutsche Bank's regulators have encouraged or welcomed changes to its business perimeter, consistent with their emphasis on lower-risk activities for banks. Deutsche Bank's strategy provides for it to reduce its exposures in a number of businesses that focused on riskier but more capital-intensive products (but that in earlier periods also had the potential to be more highly profitable than those dependent on low-risk, low-margin flow in a very low interest rate environment). Further pressure on Deutsche Bank's revenues and profitability has resulted from long-term structural trends driven by regulation (especially increased regulatory capital and leverage requirements and increased compliance costs) and competition that have further compressed Deutsche Bank's margins in many of its businesses. Deutsche Bank's strategic decisions on these businesses led in part to impairments Deutsche Bank recognized in 2015 in its Corporate Banking & Securities business division (in 2016 part of its Global Markets and Corporate & Investment Banking corporate divisions) and reflect a new view on the medium-term profit potential of these activities. Should a combination of these factors continue to lead to reduced margins and subdued activity levels in Deutsche Bank's trading and markets business over the longer term, this could reflect structural challenges that may lead Deutsche Bank to consider even further-reaching changes to aspects of its business mix than those contained in its targets originally announced in October 2015.

Against this backdrop, Deutsche Bank expects its costs arising from the resolution of litigation, enforcement and similar matters pending against it to continue to be significant in the near to medium term and to adversely affect its business, financial condition and results of operations. In particular, these costs could substantially exceed the level of provisions that Deutsche Bank established for its litigation, enforcement and similar matters, which can contribute to negative market perceptions about its financial health, costing business for Deutsche Bank. This, combined with the actual costs of litigation, enforcement and other matters, could in turn adversely affect Deutsche Bank's ability to maintain capital, liquidity and

leverage ratios at levels expected by market participants and its regulators. In particular, Deutsche Bank suffered, at the end of the third quarter and beginning of the fourth quarter of 2016, some reduction in business volumes and asset outflows, particularly in some parts of its Global Markets business and of its Wealth Management business, as a result of speculation about the potential magnitude of a settlement of civil claims then being negotiated with the U.S. Department of Justice in connection with Deutsche Bank's issuance and underwriting of residential mortgage-backed securities (RMBS). Although these negative effects on Deutsche Bank's business have abated since then and in some cases have reversed, future market speculation about potential settlement demands with respect to litigation and enforcement matters could have persistent adverse effects on Deutsche Bank's revenue levels. These factors have placed pressure on the markets for Deutsche Bank's securities, along with concerns regarding its ability to overcome the numerous headwinds facing it. As a result of the substantial uncertainties with respect to the potential outflows in respect of litigation and enforcement matters as well as the broader prospects for its business, Deutsche Bank may find it necessary or desirable to raise additional capital in the future to maintain its capital, leverage and liquidity ratios at levels required by its regulators or viewed by market participants as necessary for its businesses in comparison with its international peers.

1.1.3 Continued elevated levels of political uncertainty could have unpredictable consequences for the financial system and the greater economy, and could contribute to an unwinding of aspects of European integration, potentially leading to declines in business levels, write-downs of assets and losses across Deutsche Bank's businesses. Deutsche Bank's ability to protect itself against these risks is limited.

The last several years have been characterized by increased political uncertainty as Europe in particular has been impacted by the European sovereign debt crisis, the outcomes of the referenda in the UK on EU membership and in Italy on constitutional reform, the refugee crisis and the increasing attractiveness to voters of populist and anti-austerity movements. Although the severity of the European debt crisis appeared to have abated somewhat over recent years as the actions by the ECB, the rescue packages and the economic recovery appeared to have stabilized the situation in Europe, political uncertainty has nevertheless continued to be at an elevated level in recent periods and could trigger the unwinding of aspects of European integration that have benefitted Deutsche Bank's businesses. Against this backdrop, the prospects for national structural reform and further integration among EU member states, both viewed as important tools to reduce the eurozone's vulnerabilities to future crises, appear to have worsened. These trends may ultimately result in material reductions in Deutsche Bank's business levels as its customers rein in activity levels in light of decreased economic output and increased uncertainty, which would materially adversely affect Deutsche Bank's operating results and financial condition.

An escalation of political risks could have unpredictable consequences both for the financial system and the greater economy as a whole, potentially leading to declines in business levels, write-downs of assets and losses across Deutsche Bank's businesses. In particular, the UK voted on June 23, 2016 in a non-binding national referendum to withdraw from the EU ("Brexit"). On January 24, 2017, the UK Supreme Court ruled that the UK is not authorized to formally give notice to the European Council without an act of Parliament. Nonetheless, the UK appears to be on course to formally give notice to the European Council in March, at which time potentially tense and highly uncertain negotiations regarding the UK's exit from the EU would commence. Given these and other uncertainties in connection with the UK's withdrawal from the EU, it is difficult to determine the exact impact on Deutsche Bank over the long term. Deutsche Bank is also unable to determine with any precision the impact of Brexit on its current UK structure or business model in the short-term, as there remains no clarity into the details or timing of the changes. However, the UK's economy and those of the eurozone countries are very tightly linked as a result of EU integration projects other than the euro, and the scale of Deutsche Bank's businesses in the UK – especially those dependent on activity levels in the City of London, to which Deutsche Bank is heavily exposed and which may deteriorate as a result of Brexit – means that even modest effects in percentage terms can have a very substantial adverse effect on Deutsche Bank's businesses. In addition, a number of EU member states face national elections in 2017, including France and Germany (and likely Italy), and political parties disfavoring current levels of European integration, or espousing the unwinding of European integration to varying extents, are performing relatively well in pre-election polling. The Brexit vote has also given a voice to some of these political parties to challenge European integration. The resulting uncertainty could have significant effects on the value of the euro and on prospects for member state's financial stability, which in turn could potentially lead to a significant deterioration of the sovereign debt market, especially if Brexit or any other member country's 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 Deutsche Bank has to public and private counterparties around Europe, its ability to plan for such a contingency in a manner that would reduce its 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, Deutsche Bank's businesses could be adversely affected, and, if overall business levels decline or it is forced to write down significant exposures among its various businesses, Deutsche Bank could incur substantial losses.

1.1.4 Deutsche Bank may be required to take impairments on its exposures to the sovereign debt of European or other countries if the European sovereign debt crisis reignites. The credit default swaps into which Deutsche Bank has entered to manage sovereign credit risk may not be available to offset these losses.

The effects of the 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 by Deutsche Bank. As of December 31, 2016, Deutsche Bank had a direct sovereign credit risk exposure of € 2.7 billion to Italy, € 1.3 billion to Spain, € 61 million to Portugal, € 569 million to Ireland and € 89 million to Greece. Despite the apparent 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. The rise of anti-austerity parties and populist sentiment in many of these countries poses a threat to the medium- to long-term measures recommended for these countries to alleviate the tensions in the eurozone caused by drastically differing economic situations among the eurozone states. 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 Deutsche Bank's balance sheet. Any negotiations are highly likely to be subject to political and economic pressures that Deutsche Bank cannot control, and Deutsche Bank is unable to predict their effects on the financial markets, on the greater economy or on Deutsche Bank itself.

In addition, any restructuring of outstanding sovereign debt may result in potential losses for Deutsche Bank and other market participants that are not covered by payouts on hedging instruments that Deutsche Bank has 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 Deutsche Bank has entered into, meaning that its exposures in the event of a write-down could exceed the exposures it previously viewed as its 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 Deutsche Bank incurs. Deutsche Bank also faces the risk that its 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 Deutsche Bank's business and financial position.

1.1.5 Deutsche Bank's liquidity, business activities and profitability may be adversely affected by an inability to access the debt capital markets or to sell assets during periods of market-wide or firm-specific liquidity constraints. Credit rating downgrades have contributed to an increase in Deutsche Bank's funding costs, and any future downgrade could materially adversely affect its funding costs, the willingness of counterparties to continue to do business with it and significant aspects of its business model.

Deutsche Bank has a continuous demand for liquidity to fund its business activities. Deutsche Bank's liquidity may be impaired by an inability to access secured and/or unsecured debt markets, an inability to access funds from its subsidiaries or otherwise allocate liquidity optimally across its businesses, an inability to sell assets or redeem its investments, or unforeseen outflows of cash or collateral. This situation may arise due to circumstances unrelated to Deutsche Bank's businesses and outside Deutsche Bank's control, such as disruptions in the financial markets, or circumstances specific to Deutsche Bank, such as reluctance of its counterparties or the market to finance its operations due to perceptions about potential outflows resulting from litigation, regulatory and similar matters, actual or perceived weaknesses in its businesses, its business model or its strategy, as well as in its resilience to counter negative economic and market conditions. For example, Deutsche Bank has over the last year, as well as in the past, experienced

steep declines in the price of its shares and increases in the spread versus government bonds at which its debt trades in the secondary markets. Reflecting these conditions, Deutsche Bank's internal estimates of its available liquidity over the duration of a stressed scenario has at times been negatively impacted in recent periods. Such effects were particularly acute in the autumn of 2016 in response to market speculation about the potential magnitude of a settlement of civil claims then being negotiated with the U.S. Department of Justice in connection with Deutsche Bank's issuance and underwriting of residential mortgage-backed securities (RMBS). In addition, negative developments concerning other financial institutions perceived to be comparable to Deutsche Bank and negative views about the financial services industry in general have also affected Deutsche Bank in recent years. These perceptions have affected the prices at which Deutsche Bank has accessed the capital markets to obtain the necessary funding to support its business activities; should these perceptions worsen, Deutsche Bank's ability to obtain this financing on acceptable terms may be adversely affected. Among other things, an inability to refinance assets on Deutsche Bank's balance sheet or maintain appropriate levels of capital to protect against deteriorations in their value could force Deutsche Bank to liquidate assets it holds at depressed prices or on unfavorable terms, and could also force Deutsche Bank to curtail business, such as the extension of new credit. This could have an adverse effect on Deutsche Bank's business, financial condition and results of operations.

In addition, Deutsche Bank has benefited in recent years from a number of incremental measures by the ECB and other central banks to provide additional liquidity to financial institutions and the financial markets, particularly in the eurozone. To the extent these actions are curtailed or halted, Deutsche Bank's funding costs could increase, or its funding supply could decrease, which could in turn result in a reduction in its business activities. In particular, any decision by the ECB to discontinue or reduce quantitative easing or further steps by the Federal Reserve to tighten its monetary policy or actions by central banks more generally to tighten their monetary policy will likely cause long-term interest rates to increase and accordingly impact the costs of Deutsche Bank's funding.

Since the start of the global financial crisis, the major credit rating agencies have lowered Deutsche Bank's credit ratings or placed them on review or negative watch on multiple occasions. These credit rating downgrades have contributed to an increase in Deutsche Bank's funding costs, and any future downgrade could materially affect its funding costs, although Deutsche Bank is 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 Deutsche Bank, such as its potential settlement of regulatory, litigation and similar matters; any actions its senior management may take in advance of or in response to the downgrade; the willingness of counterparties to continue to do business with it; any impact of other market events and the state of the macroeconomic environment more generally. In particular, should any of the major credit rating agencies lower Deutsche Bank's credit rating to a level considered sub-investment grade, significant aspects of its business model would be materially and adversely affected.

Additionally, under many of the contracts governing derivative instruments to which Deutsche Bank is a party, a downgrade could require it to post additional collateral, lead to terminations of contracts with accompanying payment obligations for Deutsche Bank or give counterparties additional remedies. Deutsche Bank takes these effects into account in its liquidity stress testing analysis.

1.1.6 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 Deutsche Bank and may adversely affect its business and ability to execute its strategic plans, and competent regulators may prohibit Deutsche Bank from making dividend payments or payments on its regulatory capital instruments or take other actions if Deutsche Bank fails to comply with regulatory requirements.

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 been enacted and regulations have been issued in response to many of these proposals, while others continue to be developed. The regulatory framework for financial institutions is likely to undergo further significant change. This creates significant uncertainty for Deutsche Bank 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, leverage 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,

- large exposure limits,
- the creation of a single supervisory authority and a single resolution authority within the eurozone and any other participating member states,
- 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. For example, in 2016 the Basel Committee on Banking Supervision published its final revised standards for market risk following the "Fundamental Review of the Trading Book", or "FRTB", and consultative documents on revising the standardized approach for credit risk, operational risk, constraining the use of internal models for credit risk, capital floors, and revisions to the leverage ratio. Also in 2016, the Basel Committee published, among other things, changes to the calculation of interest rate risk in the banking book, or "IRRBB". The changes contemplated by the FRTB and IRRBB as well as the proposals to implement the standardized approach for credit risk, among other things, are part of the EC proposals published on November 23, 2016 to change the CRR/CRD 4 legislative package. Furthermore, European Union and U.S. regulators have implemented or are expected to propose rules implementing the further revisions to credit risk, operational risk and capital floors in 2018. Full compliance with the European Union rules could be required at some point between 2020 and 2025. The proposed changes could lead to a significant increase of Deutsche Bank's risk-weighted assets and, as a result, a higher capital demand, changes in Deutsche Bank's deductions from its regulatory capital and the imposition of additional capital charges to cover credit, 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 Deutsche Bank and could themselves materially increase its 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 Deutsche Bank that are deemed to be systemically important.

In particular, the regulators with jurisdiction over Deutsche Bank, including the ECB under the Single Supervisory Mechanism (also referred to as the "SSM"), may, in connection with the supervisory review and evaluation process ("SREP") or otherwise, conduct stress tests and have discretion to impose capital surcharges on financial institutions for risks, including for litigation, regulatory and similar matters, that are not otherwise recognized in risk-weighted assets or other surcharges depending on the individual situation of the bank and take or require other measures, such as restrictions on or changes to Deutsche Bank's business. In this context, the ECB may impose on Deutsche Bank individual capital requirements resulting from the SREP which are referred to as "Pillar 2" requirements. "Pillar 2" requirements must be fulfilled with Common Equity Tier 1 capital in addition to the statutory minimum capital and buffer requirements and any non-compliance may have immediate legal consequences such as restrictions on dividend payments. Also following the SREP, the ECB may communicate to individual banks an expectation to hold a further "Pillar 2" Common Equity Tier 1 capital add-on, the so-called "Pillar 2" guidance. Although the "Pillar 2" guidance is not legally binding and failure to meet the "Pillar 2" guidance does not automatically trigger legal action, the ECB has stated that it expects banks to meet the "Pillar 2" guidance. Also, more generally, competent regulators may, if Deutsche Bank fails to comply with regulatory requirements, in particular with statutory minimum capital requirements, "Pillar 2" requirements or buffer requirements, or if there are shortcomings in its governance and risk management processes, prohibit Deutsche Bank from making dividend payments to shareholders or distributions to holders of its other regulatory capital instruments. This could occur, for example, if Deutsche Bank fails to make sufficient profits due to declining revenues, or substantial outflows due to litigation, regulatory and similar matters. Generally, a failure to comply with the new quantitative and qualitative regulatory requirements could have a material adverse effect on Deutsche Bank's business, financial condition and results of operations, including its ability to pay out dividends to shareholders or distributions on its other regulatory capital instruments or, in certain circumstances, conduct business which Deutsche Bank currently conducts or plans to conduct in the future.

1.1.7 European and German legislation regarding the recovery and resolution of banks and investment firms could, if steps were taken to ensure Deutsche Bank's resolvability or resolution measures were imposed on Deutsche Bank, significantly affect Deutsche Bank's business operations, and lead to losses for its shareholders and creditors.

Germany participates in the Single Resolution Mechanism (referred to as the "SRM"), which centralizes at a European level the key competences and resources for managing the failure of any bank in member states of the European Union participating in the banking union. The SRM is based on the SRM Regulation and the Bank Recovery and Resolution Directive (or "BRRD"), which was implemented in Germany through the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*, "SAG"). In addition, the German Resolution Mechanism Act (*Abwicklungsmechanismusgesetz*) adapted German bank resolution laws to the SRM.

The SRM Regulation and the German Recovery and Resolution Act require the preparation of recovery and resolution plans for banks and grant broad powers to public authorities to intervene in a bank which is failing or likely to fail. For a bank directly supervised by the ECB, such as Deutsche Bank, the Single Resolution Board (referred to as the "SRB") assesses its resolvability and may require legal and operational changes to the bank's structure to ensure its resolvability. In the event that such bank is failing or likely to fail and certain other conditions are met, the SRB is responsible for adopting a resolution scheme for resolving the bank pursuant to the SRM Regulation. The European Commission and, to a lesser extent, the Council of the European Union, have a role in endorsing or objecting to the resolution scheme proposed by the SRB. The resolution scheme would be addressed to and implemented by the competent national resolution authorities (in Germany: the Federal Agency for Financial Market Stabilization, "FMSA") in line with the national laws implementing the BRRD. Resolution measures that could be imposed upon a failing bank may include a range of measures including the transfer of shares, assets or liabilities of the bank to another legal entity, the reduction, including to zero, of the nominal value of shares, the dilution of shareholders of a failing bank or the cancellation of shares outright, or the amendment, modification or variation of the terms of the bank's outstanding debt instruments, for example by way of a deferral of payments or a reduction of the applicable interest rate. Furthermore, certain eligible unsecured liabilities, in particular certain senior unsecured debt instruments specified by the German Banking Act, as amended by the German Resolution Mechanism Act, may be written down, including to zero, or converted into equity (commonly referred to as "bail-in").

In order to facilitate the authorities' bail-in powers, which became effective in Germany on January 1, 2015, banks are required to include in their eligible liabilities issued under non-EU law conditions to the effect that the respective counterparties recognize the regulatory powers to write down or convert such liabilities as well as other resolution powers. The SRM Regulation, the BRRD and the Recovery and Resolution Act are intended to eliminate, or reduce, the need for public support of troubled banks. Therefore, financial public support for such banks, if any, would be used only as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution powers, including a bail-in. The taking of actions to ensure Deutsche Bank's resolvability or the exercise of resolution powers by the competent resolution authority could materially affect Deutsche Bank's business operations and lead to a significant dilution of its shareholders or even the total loss of its shareholders' or creditors' investment.

1.1.8 Regulatory and legislative changes require Deutsche Bank to maintain increased capital, in some cases (including in the United States) applying liquidity, risk management and capital adequacy rules to its local operations on a standalone basis. These requirements may significantly affect Deutsche Bank's business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that Deutsche Bank may be unable to meet its capital or liquidity requirements with an adequate buffer, or that Deutsche Bank should maintain capital in excess of these requirements, could intensify the effect of these factors on Deutsche Bank's 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". 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 Deutsche Bank's case German) law. CRR/CRD 4 became effective on January 1, 2014, with some of the regulatory adjustments being gradually phased in through January 1, 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 new and tightened liquidity standards and the introduction of a leverage ratio not based upon risk-weightings. Deutsche Bank is subject to additional capital buffers, including as a result of being

designated a global systemically important bank, or "G-SIB". In July 2013, U.S. federal bank regulators issued final rules implementing many elements of the Basel 3 capital adequacy framework in the United States. The impact and implementation of the Basel 3 capital adequacy framework is being assessed and monitored by regulators on a regular basis. Further revisions, such as stricter rules on the measurement of risks proposed by the Basel Committee on Banking Supervision, could further increase risk-weighted assets and the corresponding capital demand for banks.

Furthermore, under the SRM Regulation, the BRRD and the German Recovery and Resolution Act, banks in the European Union are required to meet at all times a robust minimum requirement for own funds and eligible liabilities ("MREL") which is determined on a case-by-case basis by the competent resolution authority. In addition, on November 9, 2015, the Financial Stability Board ("FSB") published a new standard applicable to all G-SIBs (and not only European G-SIBs), such as Deutsche Bank, that will require, when transposed as law, G-SIBs, such as Deutsche Bank, to meet a new firm-specific minimum requirement for total loss-absorbing capacity ("TLAC") starting on January 1, 2019. Also in order to facilitate the meeting of TLAC requirements by German banks, obligations of banks under certain, specifically defined senior unsecured debt instruments issued by them (such as bonds that are not structured products) rank, as from 2017, junior to all other outstanding unsecured unsubordinated obligations of such bank (such as certain structured products), without technically constituting subordinated debt, but continue to rank in priority to contractually or otherwise subordinated debt instruments. Both the TLAC and MREL requirements are specifically designed to require banks to maintain a sufficient amount of instruments which are eligible to absorb losses in resolution with the aim of ensuring that failing banks can be resolved without recourse to taxpayers' money. On November, 23, 2016, the European Commission published a proposal to implement the FSB's TLAC standard in the European Union and align it with MREL and also harmonize national rules on the priority of claims of banks' creditors in the European Union. This review comes as part of a broader review of the CRR/CRD 4 rules incorporating changes to the market risk framework, liquidity framework and leverage ratio calculation, amongst others. These rules are now subject to the EU co-decision process and will likely be subject to change over the coming months. Furthermore, on December 15, 2016, the Federal Reserve Board adopted final rules that implement the FSB's TLAC standard in the United States. The final rules, which apply beginning in 2019, require, among other things, the U.S. intermediate holding companies ("IHCs") of non-U.S. G-SIBs, including Deutsche Bank's IHC, DB USA Corporation, to maintain a minimum amount of TLAC, and separately require them to maintain a minimum amount of long-term debt. While the final impact of the MREL and TLAC requirements will depend on their final implementation, the need to comply with such requirements, and the change in ranking of certain debt instruments issued by Deutsche Bank, may affect its business, financial condition and results of operation and in particular may increase its financing costs.

Deutsche Bank may not have sufficient capital or other loss-absorbing liabilities to meet these increasing regulatory requirements. This could occur due to regulatory changes and other factors, such as the gradual phase out of Deutsche Bank's hybrid capital instruments qualifying as Additional Tier 1 (or AT1) capital or Deutsche Bank's inability to issue new securities which are recognized as regulatory capital or loss-absorbing liabilities under the new standards, due to an increase of risk-weighted assets based on more stringent rules for the measurement of risks or as a result of a continued decline in the value of the euro as compared to other currencies, due to stricter requirements for the compliance with the non-risk based leverage ratio, due to any substantial losses Deutsche Bank may incur, which would reduce its retained earnings, a component of Common Equity Tier 1 capital, or due to a combination of these or other factors.

If Deutsche Bank is unable to maintain sufficient capital to meet the statutory minimum capital requirements, the buffer requirements or any specific "Pillar 2" capital requirements imposed on it by the ECB or capital ratios expected by the market, it may become subject to enforcement actions and/or restrictions on the pay-out of dividends, share buybacks, payments on its other regulatory capital instruments, and discretionary compensation payments. In addition, any requirement to increase risk-based capital ratios or the leverage ratio could lead Deutsche Bank to adopt a strategy focusing on capital preservation and creation over revenue generation and profit growth, including the reduction of higher margin risk-weighted assets. If Deutsche Bank is unable to increase its 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, it may be required to activate its group recovery plan. If these actions or other private or supervisory actions do not restore capital ratios to the levels required under the CRR/CRD 4 legislative package, and Deutsche Bank is failing or likely to fail, competent authorities may apply resolution powers under the SRM Regulation, the German Recovery and Resolution Act and other applicable rules and regulations, which could lead to a significant dilution of Deutsche Bank's shareholders' or even the total loss of its shareholders' or creditors' investment.

Moreover, Deutsche Bank is required to hold and calculate capital and to comply with rules on liquidity and risk management separately for its local operations in different jurisdictions. In the United States, the Federal Reserve Board has adopted rules that impose enhanced prudential standards on Deutsche Bank's

U.S. operations. 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 Deutsche Bank, were required to establish or designate a separately capitalized top-tier U.S. IHC to hold substantially all of the FBO's ownership interests in U.S. subsidiaries by July 1, 2016. On July 1, 2016, Deutsche Bank designated DB USA Corporation as its IHC and, as of that date, DB USA Corporation became subject, on a consolidated basis, to the 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. Certain of these requirements also apply to the New York Branch of Deutsche Bank AG. The Federal Reserve Board has the authority to examine DB USA Corporation and any of its subsidiaries, as well as the New York branch. U.S. leverage ratio and supplementary leverage ratio requirements applicable to the IHC will take effect beginning in January 2018.

In September 2014, the Federal Reserve Board and other U.S. regulators approved a final rule implementing liquidity coverage ratio ("LCR") requirements for large U.S. banking holding companies and certain of their subsidiary depositary institutions that are generally consistent with the Basel Committee's revised Basel 3 liquidity standards. Deutsche Bank Trust Corporation became subject to a modified, less stringent version of the LCR beginning in January 2016, and DB USA Corporation and Deutsche Bank Trust Company Americas will become subject to the full LCR on April 1, 2017. Once DB USA Corporation becomes subject to the full LCR, Deutsche Bank Trust Corporation will no longer be subject to a standalone LCR requirement.

On June 1, 2016, the Federal Reserve and other U.S. regulators proposed rules implementing the second element of the Basel 3 liquidity framework, the net stable funding ratio ("NSFR"), which measures whether an institution maintains sufficiently stable amounts of longer-term funding. Under the proposed rules DB USA Corporation and Deutsche Bank Trust Company Americas would be subject to the full NSFR on January 1, 2018.

Deutsche Bank's combined U.S. operations, including its New York branch, are expected to become subject to additional quantitative requirements related to liquidity and risk management.

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. On June 29, 2016, the Federal Reserve Board publicly indicated that it had objected to Deutsche Bank Trust Corporation's 2016 capital plan submission due to weaknesses in its capital planning processes. Deutsche Bank Trust Corporation's stressed Common Equity Tier 1 capital ratio, however, was forecast by the Federal Reserve Board to substantially exceed the minimum required ratio under the supervisory severely adverse scenario. Deutsche Bank Trust Corporation will submit its 2017 capital plan, incorporating enhancements to its processes, on April 5, 2017. The Federal Reserve has indicated that this capital plan will be judged publicly only on a quantitative basis. DB USA Corporation will provide its first capital plan submission to the Federal Reserve Board in April 2017; however, the results of its first submission will not be made public by the Federal Reserve Board. 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 DB USA Corporation become fully effective in January 2018. It is possible this compliance date will be amended when the final U.S. NSFR rule is published.

Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (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. Deutsche Bank AG filed its most recent Title I US Resolution Plan in July 2015 and, as a foreign-based covered company, was not required to file one in 2016. In addition to the Title I US Resolution Plan, in 2014, Deutsche Bank Trust Company Americas ("DBTCA"), one of Deutsche Bank's insured depository institutions ("IDIs") in the United States, became 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 (the "IDI Rule"). In 2014, Deutsche Bank expanded its Title I US Resolution Plan to also be responsive to the IDI Rule requirements, and in 2015 DBTCA submitted a separate resolution plan under the IDI Rule. Deutsche Bank's next Title I US Resolution Plan filing is expected to be due on July 1, 2017. If the Federal Reserve Board and the FDIC were to jointly deem its Title I US Resolution Plan not credible and it failed to remedy the deficiencies in the required timeframe, Deutsche Bank could be required to restructure or reorganize businesses, legal entities, operational systems and/or intra-company transactions in ways that

may negatively impact its operations and strategy, or could be subject to restrictions on growth. Deutsche Bank could also eventually be subjected to more stringent capital, leverage or liquidity requirements, or be required to divest certain assets or operations.

U.S. rules and interpretations, including those described above, could cause Deutsche Bank to reduce assets held in the United States, inject capital and/or liquidity into or otherwise change the structure of its U.S. operations. To the extent that Deutsche Bank is 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 Deutsche Bank's business, financial condition and results of operations.

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

In addition to these regulatory initiatives, market sentiment may encourage financial institutions such as Deutsche Bank to maintain significantly more capital, liquidity and loss-absorbing capital instruments than regulatory-mandated minima, which could exacerbate the effects on Deutsche Bank described above or, if Deutsche Bank does not increase its capital to the encouraged levels, could lead to the perception in the market that it is undercapitalized relative to its peers generally.

It is unclear whether the increased U.S. capital and other requirements described above, as well as similar developments in other jurisdictions could lead to a fragmentation of supervision of global banks that could adversely affect Deutsche Bank's reliance on regulatory waivers allowing it 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 Deutsche Bank no longer be entitled to rely on these waivers, it 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 Deutsche Bank's profitability and dividend paying ability.

1.1.9 Deutsche Bank's regulatory capital and liquidity ratios and its funds available for distributions on its shares or regulatory capital instruments will be affected by Deutsche Bank's business decisions and, in making such decisions, Deutsche Bank's interests and those of the holders of such instruments may not be aligned, and Deutsche Bank may take decisions in accordance with applicable law and the terms of the relevant instruments that result in no or lower payments being made on Deutsche Bank's shares or regulatory capital instruments.

Deutsche Bank's regulatory capital and liquidity ratios are affected by a number of factors, including decisions Deutsche Bank makes relating to its businesses and operations as well as the management of its capital position, of its risk-weighted assets and of its balance sheet in general, and external factors, such as regulations regarding the risk weightings it is permitted to allocate to its assets, commercial and market risks or the costs of its legal proceedings. While Deutsche Bank and its management are required to take into account a broad range of considerations in its and their managerial decisions, including the interests of the Bank as a regulated institution and those of Deutsche Bank's shareholders and creditors, particularly in times of weak earnings and increasing capital requirements, the regulatory requirements to build capital and liquidity may become paramount. Accordingly, in making decisions in respect of its capital and liquidity management, Deutsche Bank is not required to adhere to the interests of the holders of instruments it has issued that qualify for inclusion in its regulatory capital, such as its Additional Tier 1 capital instruments. Deutsche Bank may decide not to take any measures, including increasing its capital at a time when it is feasible to do so (through securities issuances or otherwise), even if its failure to take such an action would result in a non-payment or a writedown or other recovery- or resolution-related measure in respect of any of its regulatory capital instruments. Deutsche Bank's decisions could cause the holders of such regulatory capital instruments to lose all or part of the value of their investments in these instruments due to their effect on Deutsche Bank's regulatory capital ratios, and such holders will not have any claim against Deutsche Bank relating to such decisions, even if they result in a non-payment or a writedown or other recovery- or resolution-related measure in respect of such instruments they hold.

In addition, Deutsche Bank's annual profit and distributable reserves form an important part of the funds available for Deutsche Bank to pay dividends on its shares and make payments on its other regulatory capital instruments, as determined in the case of each such instrument by its terms or by operation of law, and any adverse change in Deutsche Bank's financial prospects, financial position or profitability, or its distributable reserves, each as calculated on an unconsolidated basis, may have a material adverse effect on its ability to make dividend or other payments on these instruments. In addition, as part of the implementation of its strategy, Deutsche Bank may record impairments that reduce the carrying value of subsidiaries on its unconsolidated balance sheet and reduce profits and distributable reserves. Future impairments or other events that reduce Deutsche Bank's profit or distributable reserves on an unconsolidated basis could lead Deutsche Bank to be unable to make such payments in respect of future years in part or at all. In particular, the direct costs of Deutsche Bank's potential settlements of litigation, enforcement and similar matters, especially to the extent in excess of provisions Deutsche Bank has established for them, and their related business impacts, if they occur, could impact such distributable amounts.

In addition, German law places limits on the distribution of annual profits and otherwise-distributable reserves, as calculated on an unconsolidated basis, to be distributed to Deutsche Bank's shareholders or the holders of its other regulatory capital instruments, such as its Additional Tier 1 capital instruments. Deutsche Bank's management also has, subject to applicable law, broad discretion under the applicable accounting principles to influence all amounts relevant for calculating funds available for distribution. Such decisions may impact Deutsche Bank's ability to make dividend or other payments under the terms of its regulatory capital instruments.

1.1.10 Legislation in the United States and in Germany as well as proposals in the European Union regarding the prohibition of proprietary trading or its separation from the deposit-taking business may materially affect Deutsche Bank's 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 Act. The final rules prohibit U.S. insured depository institutions and companies that control or are affiliated with U.S. insured depository institutions (such as Deutsche Bank) from engaging in proprietary trading of certain securities, derivatives, commodity futures and options on these instruments, for their own account. The final rules also impose limits or restrictions 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. The Federal Reserve Board has extended the Volcker Rule's general conformance period for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 until July 21, 2017. 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.

In Germany, the German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups (*Trennbankengesetz*), referred to as the "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 Deutsche Bank exceeds. In addition, the German Separation Act authorizes the BaFin, since July 1, 2016, 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 (referred to as financial trading institution (*Finanzhandelsinstitut*)). The prohibition for deposit-taking banks and their affiliates to conduct activities associated with increased risks became effective on July 1, 2015, with a further transitional period of twelve months to accomplish the separation requirement, unless the BaFin extends this period. For the Group, the period to cease or transfer activities concerned was extended by the BaFin until June 30, 2017. Non-compliance with the prohibitions set forth in the German Separation Act could ultimately result in civil and criminal liability.

On January 29, 2014, the European Commission published a proposal for a regulation on structural measures improving the resilience of European Union credit institutions (referred to as "Proposed Regulation"), which if enacted, will impose measures similar to the German Separation Act. The Proposed Regulation would apply to large banks which are either identified as G-SIBs (such as Deutsche Bank), or whose total assets and trading activities exceed certain thresholds (which Deutsche Bank exceeds). If the Proposed Regulation were enacted as proposed, it would, inter alia, ban proprietary trading in financial instruments and

commodities. On June 19, 2015, the Council of the European Union agreed its position at first reading on the Proposed Regulation, which contains significant amendments to the Proposed Regulation. If adopted, the Proposed Regulation might overrule certain requirements set out in the German Separation Act at the national level. The ultimate impact on Deutsche Bank of the Proposed Regulation will depend on the content of the final version.

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

1.1.11 Other regulatory reforms adopted or proposed in the wake of the financial crisis – for example, extensive new regulations governing Deutsche Bank's derivatives activities, compensation, bank levies, deposit protection or a possible financial transaction tax – may materially increase Deutsche Bank's operating costs and negatively impact its business model.

Beyond capital requirements, recovery and resolution planning, separation of certain bank activities and other requirements discussed above, Deutsche Bank is affected, or expect to be affected, by various additional regulatory reforms adopted or proposed in the wake of the financial crisis including, among other things, new regulations governing Deutsche Bank's derivatives activities, compensation, bank levies, deposit protection or a possible financial transaction tax.

On August 16, 2012, the EU Regulation on over-the-counter ("OTC") derivatives, central counterparties and trade repositories, referred to as "European Market Infrastructure Regulation" or "EMIR", entered into force. While a number of the compliance requirements introduced by EMIR already apply, the European Securities and Markets Authority ("ESMA") 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 Deutsche Bank's profit margins, require Deutsche Bank to adjust its business practices or increase its costs (including compliance costs). The new Markets in Financial Instruments Directive ("MiFID II") and the corresponding Regulation ("MiFIR") introduce, among other changes, a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized. MiFID II/MiFIR are foreseen to be applicable to Deutsche Bank starting on January 3, 2018. MiFID II needs yet to be transposed into national law, and ESMA and the European Commission yet have to finalize several related implementing regulations. Deutsche Bank 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 the United States, the Dodd-Frank Act has numerous provisions that may affect Deutsche Bank's operations. Pursuant to regulations implementing provisions of the Dodd-Frank Act, Deutsche Bank registered as a swap dealer with the U.S. Commodity Futures Trading Commission ("CFTC") and became subject to the CFTC's 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 Deutsche Bank. It also requires Deutsche Bank 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, as well as the margin requirements recently adopted by the U.S. bank regulatory agencies and the CFTC, may allow Deutsche Bank 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 Deutsche Bank's derivatives business and make Deutsche Bank less competitive, especially as compared to competitors not subject to such regulation. Additionally, under the Dodd-Frank Act, security-based swaps are subject to a standalone regulatory regime under the jurisdiction of the U.S. Securities and Exchange Commission ("SEC"). The SEC is finalizing rules for its security-based swap regime that are expected to be parallel to, but not identical to, the CFTC's regulation of swaps. This will impose further regulation on Deutsche Bank's derivatives business.

In addition, CRD 4 provides for executive compensation reforms including caps on bonuses that may be awarded to "material risk takers" and other employees as defined in CRD 4, the German Banking Act and other applicable rules and regulations such as the German Remuneration Regulation for Institutions (*Institutsvergütungsverordnung*). The compensation reforms of CRD 4, including any guidelines issued by the EBA to further implement them, could put Deutsche Bank at a disadvantage to its competitors in attracting and retaining talented employees, especially compared to those outside the European Union that are not subject to these caps and other constraints.

Following the financial crisis, bank levies have been introduced in some countries including, among others, Germany and the United Kingdom. Deutsche Bank accrued € 342 million for bank levies in 2014, € 653 million in 2015 and € 771 million in 2016. Also, Deutsche Bank is required to contribute substantially to the Single Resolution Fund ("SRF") under the SRM (which is intended to reach a target level of 1 % of insured deposits of all banks in member states participating in the SRM by the end of 2023) and the statutory deposit guarantee and investor compensation schemes under the recast European Union directive on deposit guarantee schemes ("DGS Directive") and the European Union directive on investor compensation schemes. The DGS Directive defines a 0.8 % target level of prefunding by 2024 (similar to resolution funds), which has significantly increased the costs of the statutory deposit protection scheme. In addition, in this context, on November 24, 2015, the European Commission proposed a regulation to establish a European Deposit Insurance Scheme, or "EDIS" for bank deposits of all credit institutions that are members of any of the current national statutory deposit guarantee schemes of member states participating in the banking union. While the total impact of these future levies cannot currently be quantified, they may have a material adverse effect on Deutsche Bank's 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. Since then, the introduction of the financial transaction tax is subject to ongoing controversial discussions at the European Union level with the result that the final scope, design and entry into force of the financial transaction tax remain uncertain. Estonia is no longer participating. Depending on the final details, the proposed financial transaction tax could result in compliance costs as well as market consequences and have a materially adverse effect on Deutsche Bank's profits and business. Different forms of national financial transaction taxes have already been implemented in a number of European jurisdictions, including France and Italy.

1.1.12 Adverse market conditions, asset price deteriorations, volatility and cautious investor sentiment have affected and may in the future materially and adversely affect Deutsche Bank's revenues and profits, particularly in its investment banking, brokerage and other commission- and fee-based businesses. As a result, Deutsche Bank has in the past incurred and may in the future incur significant losses from its trading and investment activities.

As a global investment bank, Deutsche Bank has significant exposure to the financial markets and is 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 Deutsche Bank's revenues to decline, and, if Deutsche Bank is unable to reduce its expenses at the same pace, can cause its profitability to erode or cause it to show material losses. Volatility can also adversely affect Deutsche Bank, by causing the value of financial assets it holds to decline or the expense of hedging its risks to rise. Reduced customer activity can also lead to lower revenues in Deutsche Bank's "flow" business.

Specifically, Deutsche Bank's investment banking revenues, in the form of financial advisory and underwriting fees, directly relate to the number and size of the transactions in which Deutsche Bank participates 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 recent and other times in the past, decreased client appetite for risk has led to lower levels of activity and lower levels of profitability in Deutsche Bank's Corporate & Investment Banking corporate division. Deutsche Bank's 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 Deutsche Bank executes for its clients and, therefore, to declines in its noninterest income. In addition, because the fees that Deutsche Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals reduces the revenues Deutsche Bank receives from its asset management and private banking businesses. Even in the absence of a market downturn, below-market or negative performance by Deutsche Bank's investment funds may result in increased withdrawals and reduced inflows, which would reduce the revenue Deutsche Bank receives from its asset management business. While Deutsche Bank's clients would be responsible for losses it incurs in taking positions for

their accounts, Deutsche Bank may be exposed to additional credit risk as a result of their need to cover the losses where it does not hold adequate collateral or cannot realize it. Deutsche Bank's business may also suffer if its clients lose money and it loses the confidence of clients in its products and services.

In addition, the revenues and profits Deutsche Bank derives from many of its trading and investment positions and its 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 Deutsche Bank enters into these trading and investment positions, part of its business entails making assessments about the financial markets and trends in them. When Deutsche Bank owns assets, market price declines can expose it to losses. Many of the more sophisticated transactions of Deutsche Bank's Global Markets corporate division are designed to profit from price movements and differences among prices. If prices move in a way Deutsche Bank has not anticipated, it may experience losses. Also, when markets are volatile, the assessments Deutsche Bank has made may prove to lead to lower revenues or profits, or may lead to losses, on the related transactions and positions. In addition, Deutsche Bank commits capital and takes 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 Deutsche Bank holds 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 Deutsche Bank calculates using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses Deutsche Bank did not anticipate. Deutsche Bank 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 its businesses dependent on transaction flow.

1.1.13 Deutsche Bank announced the next phase of its strategy in April 2015, gave further details on it in October 2015 and announced an update in March 2017. If Deutsche Bank is unable to implement its strategic plans successfully, Deutsche Bank may be unable to achieve its financial objectives, or Deutsche Bank may incur losses or low profitability or erosions of its capital base, and Deutsche Bank's financial condition, results of operations and share price may be materially and adversely affected.

Deutsche Bank announced the next phase of its strategy in April 2015, gave further details on it in October 2015 and announced an update in March 2017. Deutsche Bank's plans included becoming simpler and more efficient by focusing on the markets, products and clients where it is better positioned to succeed, becoming less risky by modernizing its technology and by withdrawing from higher-risk client relationships, becoming better capitalized and running Deutsche Bank in a more disciplined way. In October 2015 Deutsche Bank announced specific execution measures for each business division and updated its financial targets to highlight the financial objectives of its strategy. In March 2017, Deutsche Bank announced an update that includes a number of new steps to further strengthen the bank and place it in a better position to pursue growth opportunities, including a € 8 billion capital raise, the reorganization of its business into three distinct units, the combination of Postbank's and PCB's German business, the establishment of a cost reduction plan as described below, and an update to the Group's targets.

Deutsche Bank's strategy goals are subject to various internal and external factors including market, regulatory, economic and political uncertainties, and to limitations relating to its operating model. These could negatively impact or prevent the implementation of Deutsche Bank's strategic goals or the realization of their anticipated benefits. Economic uncertainties such as the recurrence of extreme turbulence in the markets; weakness in global, regional and national economic conditions; the continuation of the low interest rate environment; increased competition for business; and political instability, especially in Europe, may impact Deutsche Bank's ability to achieve its strategic goals. Regulatory changes could also adversely impact Deutsche Bank's ability to achieve its strategic aims. In particular, regulators could demand changes to Deutsche Bank's business model or organization that could reduce its profitability, or Deutsche Bank may be forced to make changes that reduce its profitability in an effort to remain compliant with law and regulation. Deutsche Bank is also involved in numerous litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside of Germany, especially in the U.S. Such matters are subject to many uncertainties. Deutsche Bank expects the litigation environment to continue to be challenging. If litigation and regulatory matters continue to occur at the same rate and magnitude as in recent years or if Deutsche Bank is subject to sustained market speculation about its potential settlement of such matters, it may not be able to achieve its strategic aspirations.

In particular, macroeconomic risks and the risks relating to regulatory changes and Deutsche Bank's legal proceedings may impact its ability to meet its financial and capital targets. As financial targets, Deutsche Bank is aiming to achieve a post-tax return on tangible equity of approximately 10 %, assuming a normalized operating environment, in addition to the cost-related targets and net revenues expectations referred to below. Deutsche Bank's capital targets comprise a fully loaded Common Equity Tier 1 capital

ratio comfortably above 13.0 %, and a leverage ratio of 4.5% over time. Furthermore, Deutsche Bank intends to target a competitive dividend payout ratio for the financial year 2018 and thereafter. Deutsche Bank's strategy is based on an ambitious financial plan with, Deutsche Bank believes, some buffer for downside scenarios and contingencies. However, the base case scenario for Deutsche Bank's financial and capital plan includes revenue growth estimates which are dependent on positive macroeconomic developments. Stagnation or a downturn in the macroeconomic environment could significantly impact Deutsche Bank's ability to generate the revenue growth necessary to achieve these strategic financial and capital targets. Furthermore, even if Deutsche Bank is able to grow its revenues in accordance with its strategic plans, the materialization of any of the regulatory changes or the costs for Deutsche Bank – in terms of the outcomes or necessary changes to its businesses – of the litigation and regulatory matters mentioned above, including market speculation about its potential settlement of them, or any other unforeseen risk, could adversely impact Deutsche Bank's net income and thereby cause it to fall short of its strategic financial and capital targets.

Deutsche Bank's capital targets are further dependent on its ability to reduce the size of its balance sheet in accordance with its strategy. Deutsche Bank plans disposals of a number of smaller businesses with identified risk-weighted assets (RWAs) of approximately € 10 billion and leverage exposure of approximately € 30 billion, the majority of which are expected to take place over the next 18 months. Deutsche Bank also plans for CIB to separately manage identified legacy asset portfolios with approximately € 20 billion of RWA and approximately € 60 billion leverage exposure, with a target to reduce them to approximately € 12 billion of RWA and approximately € 30 billion leverage exposure, respectively, by 2020. Difficult market conditions or regulatory uncertainties may prevent Deutsche Bank from being able to dispose of assets at all, or at prices it would consider to be reasonable, thereby causing Deutsche Bank either to sell these assets for losses (or losses that are higher than expected) or hold these assets for a longer period of time than desired or planned. If Deutsche Bank cannot reduce its RWAs according to plan, it may not be able to achieve the capital targets set out under its strategy.

Deutsche Bank's strategy's financial plan also includes substantial cost reduction targets, which Deutsche Bank plans to achieve through efficiency gains from implementation of various initiatives. Deutsche Bank aims to reduce its adjusted costs to approximately € 22 billion by 2018 and approximately € 21 billion by 2021, including the impact of retaining Postbank's adjusted costs (€ 2.7 billion in 2016). (Deutsche Bank defines 'adjusted costs' as noninterest expenses excluding impairment of goodwill and other intangible assets, litigation and restructuring and severance. In 2016 and prior years, Deutsche Bank also reported adjusted costs, which in addition excluded policyholder benefits and claims arising from Abbey Life Assurance, which was sold at the end of 2016.) In respect of Deutsche Bank's reorganized Corporate & Investment Bank division, Deutsche Bank expects efficiencies from the combination of the current CIB with GM to result in a reduction of adjusted costs by approximately € 0.7 billion by 2018. In respect of Deutsche Bank's reorganized Private & Commercial Bank division, Deutsche Bank estimates the planned restructuring to produce approximately € 0.9 billion of cost savings by 2022, and is targeting a cost-income ratio of below 65 % following the completion of its restructuring. Deutsche Bank's planned exit from certain businesses, offboarding of certain clients and disposals of certain assets may entail higher costs or take more time than anticipated and thereby impede it from achieving the cost reductions it has targeted as scheduled or at all. Furthermore, additional costs could arise from any number of anticipated or unanticipated developments, such as costs relating to compliance with additional regulatory requirements and increased regulatory charges. In order to achieve its strategic goals, Deutsche Bank expects to incur restructuring and severance costs of approximately € 2 billion over the period 2017 to 2021, approximately 70 % of which is expected to be incurred within the next two years. In respect of Deutsche Bank's reorganized Private & Commercial Bank division, Deutsche Bank estimates that restructuring and severance costs for the planned restructuring measures will be approximately € 1.0 billion by 2022. Deutsche Bank's estimated restructuring and severance charges could ultimately run higher than anticipated, preventing it from achieving its adjusted costs target and the related divisional targets.

In the near term, in relation to Deutsche Bank's reorganized business divisions Corporate & Investment Bank, Private & Commercial Bank and Deutsche Asset Management, Deutsche Bank has communicated its expectations for 2017 in respect of the directional development of its net revenues in the main businesses within each of those divisions.

Deutsche Bank's ability to implement its strategy and meet its stated targets, both in the near term and thereafter, is based on a number of additional key assumptions relating to Deutsche Bank's business and operating model:

- Deutsche Bank assumes that it will be able to overcome significant challenges arising from its business model. Deutsche Bank continues to rely on its trading and markets businesses as a significant source of profit. However, these businesses, in particular Deutsche Bank's fixed income securities franchise, have continued to face an extremely challenging environment, caused by uncertainty about the duration of

the low interest rate environment, central bank intervention in markets and the gradual cessation thereof and overall sluggish economic growth. Deutsche Bank is substantially dependent on the performance of these businesses, and this dependency exceeds that of many of its competitors. Many of Deutsche Bank's businesses dependent on client flow are increasingly challenged in uncertain times. In addition, some of Deutsche Bank's businesses may be resistant to change, posing risks to the implementation of changes to its business model. Should Deutsche Bank be unable to implement this new business model successfully, or should the new business model fail to be profitable, Deutsche Bank may not be able to achieve some or all of its strategic goals.

- Deutsche Bank assumes a continuation of the positive inflows and the return of many clients that it has seen in the first quarter of 2017 following the significant asset outflows and loss of clients in the third quarter of 2016 resulting from negative market perceptions concerning Deutsche Bank around its negotiations with the U.S. Department of Justice. Nevertheless, overall levels remain below those seen before impact of the negative market perceptions, and a renewed negative market focus on Deutsche Bank could end or reverse these positive inflows.
- Deutsche Bank assumes that it will be able to continue to attract and retain highly qualified staff. Given the operating environment in 2016, the Deutsche Bank's Management Board decided to cancel the discretionary bonus element of the compensation for Deutsche Bank's senior employees. Across all its businesses, the Group needs to attract and retain highly qualified staff. The decision to cancel the discretionary bonus element for 2016 may adversely affect the Group's ability to succeed in attracting or retaining highly qualified employees. If the Group's efforts to attract and/or retain employees should fail, this may have a material adverse effect on the Group's ability to implement its strategy.
- Deutsche Bank assumes that it will be able to significantly upgrade and reduce the complexity of its infrastructure. Deutsche Bank currently operates a highly complex infrastructure, which can compromise the quality of the overall control environment. Establishing a more efficient bank with a strong control environment depends on successfully streamlining and simplifying the IT landscape as well as cultural change. Furthermore, capital and execution plans require robust monitoring and tracking that is dependent on accurate, timely and relevant data. Deutsche Bank has undertaken initiatives designed to address existing challenges in its IT and data architecture as well as in its data aggregation capabilities. Potential delays and challenges to implementing these initiatives would impact Deutsche Bank's ability to achieve efficiency improvements and enhance the control environment, thereby affecting its ability to implement its strategy successfully.
- Deutsche Bank assumes that it will be able to improve its internal control environment. A robust and effective internal control environment is necessary to ensure that Deutsche Bank conducts its business in compliance with the laws and regulations applicable to it. Deutsche Bank is undertaking several major initiatives to enhance the efficacy of the transaction processing environment, strengthen its controls and manage non-financial risks, in particular as a response to the circumstances that have resulted in many of the litigation and regulatory and enforcement investigations and proceedings to which the Bank has recently been subject. However, Deutsche Bank may be unable to complete these initiatives as quickly as it intends or as its regulators demand, and its efforts may be insufficient to prevent all future deficiencies in its control environment or to result in fewer litigations or regulatory and enforcement investigations and proceedings in the future. Furthermore, implementation of enhance controls may result in higher than expected costs of regulatory compliance that could offset efficiency gains. Any of these factors could affect Deutsche Bank's ability to implement its strategy in a timely manner or at all.
- Deutsche Bank assumes that the buffers it has included in its financial targets will be sufficient to reflect a plausible range of downside scenarios and that absent more substantial dislocations Deutsche Bank will be able to achieve the targets. However, the buffers that Deutsche Bank has provided for in order to achieve these goals may prove to be insufficient in a downside scenario. Should this risk materialize as a result of the macroeconomic, regulatory, litigation or other factors discussed above, Deutsche Bank may fail to meet its strategic targets.
- Deutsche Bank's plan for 2017 is based on assumed foreign exchange rates of EUR/USD 1.01 and EUR/GBP 0.88.

If Deutsche Bank fails to implement its strategic initiatives in whole or in part or should the initiatives that are implemented fail to produce the anticipated benefits, or should the costs it incurs to implement its initiatives exceed the amounts anticipated, or should Deutsche Bank fail to achieve the publicly communicated targets it has set for implementation of these initiatives, Deutsche Bank may fail to achieve its financial objectives, or incur losses or low profitability or erosions of its capital base, and its financial condition, results of operations and share price may be materially and adversely affected.

1.1.14 As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to reconfigure its Global Markets, Corporate Finance and Transaction Banking businesses into a single, corporate client-led Corporate & Investment Banking division to position itself for growth through increased cross-selling opportunities for its higher return corporate clients. Clients may choose not to expand their businesses or portfolios with Deutsche Bank, thereby negatively influencing its ability to capitalize on these opportunities.

As part of its strategic initiatives announced in March 2017, Deutsche Bank intends to reconfigure its Global Markets, Corporate Finance and Transaction Banking businesses into a single, corporate client-led Corporate & Investment Banking division. The combination is intended to promote a more seamless and aligned offering of products to clients, meaningfully enhance cross selling opportunities, ensure better client rationalization with resources being focused on higher return relationships, and achieve greater cost and asset efficiencies to drive improved returns. The franchise is intended to be primarily a corporate-client focused business, while retaining a focused institutional client business. Deutsche Bank's corporate clients' product needs, business plans and general willingness to engage into a deeper banking relationship with Deutsche Bank will ultimately determine whether it is successful in capturing this anticipated spending. Should Deutsche Bank be unable to deliver on the cross-selling efforts due to either lack of client demand, product availability or quality or delivery, there is a risk that this could negatively influence its ability to capitalize on these opportunities. The aforementioned macroeconomic, geo-political and regulatory risks also pose a challenge to the operating models of Deutsche Bank's Corporate & Investment Bank clients, and its ability to capture the incremental opportunity. In addition, in connection with the formation of the new Corporate & Investment Bank division, Deutsche Bank will be required by the relevant accounting rules to allocate the businesses being reconfigured into one or more cash generating units ("CGUs") within the new division. Depending on the outcome of this accounting determination, some or all of the goodwill in the existing Corporate & Investment Banking CGU, amounting to € 532 million as of December 31, 2016, may be offset by the shortfall in recoverable amount of the current Global Markets CGU such that this goodwill would be written off on consummation of the reconfiguration. Any such writedown would have an equivalent adverse effect on the statement of income of the Group for the period in which it occurs.

1.1.15 As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to retain and combine Deutsche Postbank AG (together with its subsidiaries, "Postbank") with its existing retail and commercial operations, after earlier having announced its intention to dispose of Postbank. Deutsche Bank may face difficulties integrating Postbank into the Group following the completion of operational separability from the Group. Consequently, the cost savings and other benefits Deutsche Bank expects to realize may only come at a higher cost than anticipated, or may not be realized at all.

As part of its strategy, Deutsche Bank initially announced its intention to dispose of Postbank. However, Deutsche Bank has since decided to retain Postbank and combine it with Deutsche Bank's existing German retail and commercial operations over the next five years. This shift from the prior strategy reflects a number of evolving factors, including Deutsche Bank's belief that growth in small and mid-sized German corporate clients and private banking clients will continue, changes in the expected regulatory requirements and market expectations for leverage ratios of European banks, the positive impact on the business model of retaining a large and stable business with a substantial deposit base, Deutsche Bank's revised view on the possible degree of integration of Postbank and the resulting scale and incremental synergies, and future growth opportunities Deutsche Bank has identified, reflecting a potential improvement in the macroeconomic outlook and the changing dynamics in private and commercial banking, the growing likelihood of eventual industry consolidation in German retail banking and the continued positive opportunities presented by digitization. Deutsche Bank expects that the integration of Postbank will create Germany's largest private and commercial bank. This integration is intended to achieve cost efficiencies by more readily permitting rationalization of central functions, improved efficiency across technology platforms and infrastructure and more efficient investment in areas including digitization, distribution channels and regulatory change.

In furtherance of the earlier plan to deconsolidate Postbank, Deutsche Bank engaged in a project to separate Postbank operationally from the Group. This process was completed at the end of the second quarter of 2016. Deutsche Bank estimates that the total cost of the planned restructuring measures to integrate Postbank into the Group will be € 1.9 billion, with restructuring and severance costs estimated to be approximately € 1.0 billion by 2022 and the remainder related to IT and other costs, and Deutsche Bank is targeting benefits of € 0.9 billion in annual cost savings by 2022. By the end of 2018, Deutsche Bank expects to finalize the existing transformation programs, which it anticipates will result in cost reductions of € 0.4 billion. Unforeseen difficulties may emerge in connection with the integration efforts, including potential difficulties due to differing IT systems, difficulties in integrating personnel, the commitment of management resources in connection with the integration process and the potential loss of key personnel.

The benefits, cost and timeframe of the integration could be adversely affected by any of these factors, as well as a variety of factors beyond Deutsche Bank's and Postbank's control, such as negative market developments. Should any of these risks materialize, the cost savings and other benefits Deutsche Bank expects to realize from the integration may only come at a higher cost than anticipated, or may not be realized within the period Deutsche Bank anticipates or to the extent it plans, or at all.

1.1.16 As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to create an operationally segregated Asset Management division through a partial initial public offer (IPO). If economic or market conditions, or the financial position, results of operations and business prospects of Deutsche AM, are unfavorable, or if any required regulatory approvals are not obtained or would be available only on disadvantageous terms, Deutsche Bank may not be able to sell a stake in Deutsche AM at a favorable price or timing, or at all. Additionally, Deutsche Bank may not be able to capitalize on the expected benefits that it believes an operationally segregated Deutsche AM can offer.

One of the three incremental strategic initiatives Deutsche Bank announced in March 2017 is its intention to create a segregated Asset Management business and offer a portion of it in an initial public offer (IPO). Deutsche Bank believes that the growth potential of Deutsche Asset Management (Deutsche AM) has been constrained by its full ownership by Deutsche Bank, with reputational issues and wider market concerns around Deutsche Bank's capital strength in late 2016 affecting Deutsche AM. Additionally, resourcing limitations, as Deutsche Bank has pursued its restructuring efforts, further constrained Deutsche AM. Deutsche Bank therefore believes that Deutsche AM remains undervalued in the current corporate structure. Accordingly, Deutsche Bank intends to sell a minority stake in Deutsche AM and provide the division with more flexibility to enhance its ability to pursue growth opportunities globally and gain market share. Deutsche Bank intends to complete the IPO over the next 24 months, subject to market conditions.

However, Deutsche Bank may have difficulties selling a stake in Deutsche AM at a favorable price or timing, or at all. Deutsche Bank's ability to sell a stake in Deutsche AM will, among other things, depend on economic, regulatory and market conditions, particularly those relevant to the asset management business in Germany. Deutsche Bank's ability to sell a stake in Deutsche AM will also depend on the financial position, results of operations and business prospects of Deutsche AM. Furthermore, the step necessary to implement an IPO, even of a minority stake, may require the approval of relevant regulators in the European Union, the United States and elsewhere. If economic, regulatory or market conditions, or the financial position, results of operations and business prospects of Deutsche AM, are unfavorable, or if regulatory approvals are not obtained or would be available only on disadvantageous terms, Deutsche Bank may not be able to sell a stake in Deutsche AM at a favorable price or timing, or at all.

Additionally, Deutsche Bank may not be able to capitalize upon the expected benefits that it believes a more operationally segregated Deutsche AM has to offer. Furthermore, an IPO of Deutsche AM may not entirely mitigate the market concerns about Deutsche Bank that impacted Deutsche AM's business in 2016.

1.1.17 Deutsche Bank may have difficulties selling companies, businesses or assets at favorable prices or at all and may experience material losses from these assets and other investments irrespective of market developments.

As part of its strategy, Deutsche Bank is seeking to continue to reduce its assets, including in particular those of its Global Markets corporate division (which will become part of the new CIB corporate division), which include assets transferred to such division at the beginning of 2017 upon the closing of the Non-Core Operations Unit. Deutsche Bank is planning to dispose of businesses with identified risk-weighted assets of approximately € 10 billion and leverage exposure of approximately € 30 billion, the majority of which Deutsche Bank plans to complete over the next 18 months. Deutsche Bank also plans for CIB to separately manage identified legacy asset portfolios with approximately € 20 billion of RWA and approximately € 60 billion leverage exposure, with a target to reduce them to approximately € 12 billion of RWA and approximately € 30 billion leverage exposure, respectively, by 2020. Deutsche Bank also has other assets that are not part of its core business, and Deutsche Bank may seek to sell them or otherwise reduce the amount and the risk of its exposure to them.

These reductions are part of Deutsche Bank's strategy to simplify and focus its business and to meet or exceed the new capital and leverage requirements by reducing risk-weighted assets and leverage exposures and thereby improving its capital and leverage ratios, as well as to help the Bank meet its return on tangible equity target. This strategy may prove difficult in the current and future market environment as many of Deutsche Bank's competitors are also seeking to dispose of assets to improve their capital and leverage ratios and returns on equity. Deutsche Bank has already sold a substantial portion of its non-core assets, and the remaining non-core assets may be particularly difficult for Deutsche Bank to sell as quickly

as the Bank has expected at prices Deutsche Bank deems acceptable. Also, Deutsche Banks is often a passive investor in such investments and as such the Bank is reliant on the actions of third parties. Where Deutsche Bank sells companies or businesses, the Bank may remain exposed to certain of their losses or risks under the terms of the sale contracts, and the process of separating and selling such companies or businesses may give rise to operating risks or other losses. Unfavorable business or market conditions may make it difficult for Deutsche Bank to sell companies, businesses or assets at favorable prices, or may preclude a sale altogether.

If Deutsche Bank cannot reduce its assets according to plan, it may not be able to achieve the capital targets set out under its strategy.

1.1.18 A robust and effective internal control environment is necessary to ensure that Deutsche Bank conducts its business in compliance with the laws and regulations applicable to it. Deutsche Bank has identified the need to strengthen its internal control environment and has embarked on initiatives to accomplish this. If these initiatives are not successful or are delayed, Deutsche Bank's reputation, regulatory position and financial condition may be materially adversely affected, and Deutsche Bank's ability to achieve its strategic ambitions may be impaired.

Deutsche Bank's businesses are highly dependent on its ability to maintain a robust and effective internal control environment. This is needed for Deutsche Bank to process and monitor, on a daily basis, a wide variety of transactions – many of which are highly complex and occur at high speeds, volumes and frequencies, across numerous and diverse markets and currencies. However, the infrastructure (comprising people, policies and procedures, controls testing and IT systems) that underlies Deutsche Bank's internal control environment sometimes is not sufficiently comprehensive or well integrated across the Deutsche Bank Group. In particular, the infrastructure requires, especially in the case of Deutsche Bank's IT infrastructure, the use of numerous platforms that are fragmented across the Deutsche Bank Group. Therefore Deutsche Bank's business processes often require manual procedures and actions that make information available for management more prone to human error than would be the case with more seamlessly integrated systems. These processes span processing and settling transactions, valuation of assets, identifying risks, escalating reviews and mitigation and remediating actions, as well as regulatory reporting and other data processing and compliance activities. As a result, it is often difficult and labor intensive for Deutsche Bank to obtain information of a consistently high quality and on a timely basis to manage its risk levels and to comply with regulatory reporting and other compliance requirements. Furthermore, it takes intensive efforts to identify, when possible, inappropriate behavior by Deutsche Bank's staff and attempts by third parties to misuse Deutsche Bank's services as a conduit for prohibited activities, including those relating to anti-financial crime laws and regulation.

Against this backdrop, Deutsche Bank's regulators, the Management Board and the Group Audit function have increasingly and more intensively focused on Deutsche Bank's internal controls through numerous formal reviews and audits of its operations. These reviews and audits have identified various areas for improvement relating to certain elements of Deutsche Bank's control environment. These include the infrastructure relating to transaction capturing and recognition, classification of assets, asset valuation frameworks and data and process consistency. They also include regulatory reporting, anti-money laundering (AML), "know your customer" and other internal processes that are aimed at preventing use of Deutsche Bank's products and services for the purpose of committing or concealing financial crime. As one example, Deutsche Bank's recent settlement with the UK Financial Conduct Authority (FCA) relating to trading activities involving Deutsche Bank's Russian operations stemmed in part from the FCA's review of the AML control functions in Deutsche Bank's investment bank.

In order to improve in the areas discussed above, Deutsche Bank is undertaking several major initiatives to enhance the efficacy of the transaction processing environment, strengthen Deutsche Bank's controls and manage non-financial risks. Deutsche Bank believes that these initiatives will better enable it to avoid the circumstances that have resulted in many of the litigations and regulatory and enforcement investigations and proceedings to which Deutsche Bank has recently been subject. In particular, Deutsche Bank is making efforts to reduce the complexity of its business and to integrate and automate processes and business line controls. Deutsche Bank has also exited certain businesses, for example in Russia, selectively off-boarded a number of clients, worked to strengthen its compliance culture and control functions and increased the size of the Group Audit function. However, Deutsche Bank may be unable to complete these initiatives as quickly as it intends or as its regulators demand, and Deutsche Bank's efforts may be insufficient to prevent all future deficiencies in its control environment or to result in fewer litigations or regulatory and enforcement investigations and proceedings in the future. If Deutsche Bank is unable to significantly improve its control environment in a timely manner, some of Deutsche Bank's regulators may require it to reduce its exposure to certain kinds of products or businesses, counterparties or regions, which could, depending on the extent of such requirement, significantly challenge Deutsche Bank's ability to operate profitably under its current business model.

Regulators can also impose capital surcharges, requiring capital buffers in addition to those directly required under the regulatory capital rules applicable to Deutsche Bank, to reflect the additional risks posed by deficiencies in Deutsche Bank's control environment. In extreme cases, regulators can suspend Deutsche Bank's permission to operate in the businesses and regions within their jurisdictions. Furthermore, implementation of enhanced controls may result in higher than expected costs of regulatory compliance that could offset or exceed efficiency gains. Any of these factors could affect Deutsche Bank's ability to implement its strategy in a timely manner or at all.

1.1.19 Deutsche Bank operates in a highly and increasingly regulated and litigious environment, potentially exposing Deutsche Bank 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. Deutsche Bank's operations throughout the world are regulated and supervised by the central banks and regulatory authorities in the jurisdictions in which Deutsche Bank operates. In recent years, regulation and supervision in a number of areas has increased, and regulators, law enforcement authorities, 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. 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, Deutsche Bank 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.

Deutsche Bank AG and its 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. Deutsche Bank expects that the costs to it arising from the resolution of litigation, enforcement and similar matters pending against it to continue to be significant in the near to medium term and to adversely affect its business, financial condition and results of operations. Litigation and regulatory matters are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Deutsche Bank may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. Deutsche Bank may do so for a number of reasons, including to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when it believes it has valid defenses to liability. Deutsche Bank may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, Deutsche Bank may, for similar reasons, reimburse counterparties for their losses even in situations where it does not believe that it is legally compelled to do so. 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 or contingent liabilities assessed for such risks.

Deutsche Bank is under continuous examination by tax authorities in the jurisdictions in which it operates. Tax laws are increasingly complex. In the current political and regulatory environment, tax administrations' and courts' interpretation of tax laws and regulations and their application are evolving, and scrutiny by tax authorities has become increasingly intense. Wide ranging changes in the principles of international taxation emanating from the OECD's Base Erosion and Profit Shifting agenda are generating significant uncertainties for Deutsche Bank and its subsidiaries and may result in an increase in instances of bilateral tax disputes going forward, as member states may take different approaches in transposing these requirements into national law. In addition, tax administrations have focused on the eligibility of taxpayers for relief from or reduced withholding taxes on dividends in connection with certain cross-border lending or derivative transactions as well as reduced withholding taxes on other payments (with Germany recently reforming the German Investment Tax Act (*Investmentsteuergesetz*) in this area), thus causing uncertainties in the application of existing withholding tax principles. As a result, the cost to Deutsche Bank arising from the conclusion and resolution of routine tax examinations, tax litigation and other forms of tax proceedings or tax disputes, as well as from rapidly changing and increasingly complex and uncertain tax laws and principles, may increase and may adversely affect Deutsche Bank's business, financial condition and results of operation.

Actions currently pending against Deutsche Bank or its current or former employees may not only result in judgments, settlements, fines or penalties, but may also cause substantial reputational harm to Deutsche Bank. The risk of damage to Deutsche Bank's reputation arising from such proceedings is also difficult or impossible to quantify.

Regulators have increasingly sought admissions of wrongdoing in connection with settlement of matters brought by them. This could lead to increased exposure in subsequent civil litigation or in consequences under so-called "bad actor" laws, in which persons or entities determined to have committed offenses under some laws can be subject to limitations on business activities under other laws, as well as adverse reputational consequences. In addition, the U.S. Department of Justice ("DOJ") conditions the granting of cooperation credit in civil and criminal investigations of corporate wrongdoing on the company involved having provided to investigators all relevant facts relating to the individuals responsible for the alleged misconduct. This policy may result in increased fines and penalties if the DOJ determines that Deutsche Bank has not provided sufficient information about applicable individuals in connection with an investigation. Other governmental authorities could adopt similar policies.

In addition, the financial impact of legal risks arising out of matters similar to some of those Deutsche Bank faces 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 few years to unprecedented levels. The experience of others, including settlement terms, in similar cases is among the factors Deutsche Bank takes into consideration in determining the level of provisions it maintains 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 Deutsche Bank to add to its provisions. Moreover, the costs of Deutsche Bank's 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 or among regulators with varying competencies in a single jurisdiction, which may make it difficult for Deutsche Bank to reach concurrent settlements with each regulator. Should Deutsche Bank be subject to financial impacts arising out of litigation and regulatory matters to which it is subject in excess of those it has calculated in accordance with its expectations and the relevant accounting rules and contrary to its publicly communicated expectation that 2015 and 2016 were peak years for the financial impact of litigation and regulatory matters, Deutsche Bank's provisions in respect of such risks may prove to be materially insufficient to cover these impacts. This could have a material adverse effect on Deutsche Bank's results of operations, financial condition or reputation as well as on its ability to maintain capital, leverage and liquidity ratios at levels expected by market participants and Deutsche Bank's regulators. In such an event, Deutsche Bank could find it necessary to reduce its risk-weighted assets (including on terms disadvantageous to it) or substantially cut costs to improve these ratios, in an amount corresponding to the adverse effects of the provisioning shortfall.

1.1.20 Regulatory and law enforcement agencies globally are currently investigating Deutsche Bank in connection with alleged misconduct relating to manipulation of foreign exchange rates. The extent of Deutsche Bank's financial exposure to these matters could be material, and Deutsche Bank's reputation may suffer material harm as a result.

Deutsche Bank has 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. Deutsche Bank is cooperating with these investigations. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for Deutsche Bank. Relatedly, Deutsche Bank has conducted its own internal global review of foreign exchange trading and other aspects of its foreign exchange business.

The CFTC Division of Enforcement has issued a letter notifying Deutsche Bank that the CFTC has closed its foreign exchange investigation of Deutsche Bank, and the DOJ, Criminal Division, Fraud Section, has issued a letter notifying Deutsche Bank that the DOJ has closed its criminal inquiry concerning possible violations of federal criminal law in connection with the foreign exchange markets. Both letters noted that the respective authorities may reopen their investigations in the future. Further, such letters have no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending. On December 7, 2016, it was announced that Deutsche Bank has reached an agreement with CADE, the Brazilian antitrust enforcement agency, to settle an investigation into conduct in the foreign exchange market by a former Brazil-based Deutsche Bank trader. This has had the effect of bringing to a close CADE's administrative process as far as it relates to Deutsche Bank. Investigations conducted by certain other regulatory and law enforcement agencies are ongoing and Deutsche Bank is cooperating with these investigations.

Deutsche Bank has also been named as a defendant in multiple putative class actions brought in the U.S. District Court for the Southern District of New York alleging antitrust and U.S. Commodity Exchange Act claims relating to the alleged manipulation of foreign exchange rates. There are now four actions pending. The first pending action is a consolidated action brought on behalf of putative classes of over-the-counter traders and central-exchange traders and alleges illegal agreements to restrain competition with respect to

and to manipulate both benchmark rates and spot rates, particularly the spreads quoted on those spot rates; the complaint further alleges that those supposed conspiracies, in turn, resulted in artificial prices on centralized exchanges for foreign exchange futures and options. Deutsche Bank's motion to dismiss the consolidated action was granted in part and denied in part on September 20, 2016. A second action tracks the allegations in the consolidated action and asserts that such purported conduct gave rise to, and resulted in a breach of, defendants' fiduciary duties under the U.S. Employment Retirement Income Security Act of 1974 ("ERISA"). The third putative class action alleges that Deutsche Bank rejected FX orders placed over electronic trading platforms through the application of a function referred to as "Last Look" and that these orders were later filled at prices less favorable to putative class members. Plaintiff has asserted claims for breach of contract, quasi-contractual claims, and claims under New York statutory law. The fourth putative class action tracks the allegations in the consolidated action and asserts that such purported conduct injured "indirect purchasers" of FX instruments. These claims are brought pursuant to the Sherman Act, New York's Donnelly Act, California's Cartwright Act and California's Unfair Competition Law.

On August 24, 2016, the Court granted defendants' motion to dismiss the ERISA action. Plaintiffs in that action filed an appellate brief in the United States Court of Appeals for the Second Circuit on January 9, 2017. On February 14, 2017, the court granted in part and denied in part Deutsche Bank's motion to dismiss the Last Look action. Deutsche Bank moved to dismiss the indirect purchasers action on January 24, 2017. Discovery has commenced in the consolidated and Last Look actions. Discovery has not yet commenced in the ERISA and indirect purchasers actions.

Deutsche Bank has also been named as a defendant in two Canadian class proceedings brought in the provinces of Ontario and Quebec. Filed on September 10, 2015, these class actions assert factual allegations similar to those made in the consolidated action in the United States and seek damages pursuant to the Canadian Competition Act as well as other causes of action.

Many of these matters are not advanced enough 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 Deutsche Bank, 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 Deutsche Bank to substantial monetary damages and defense costs in addition to criminal and civil penalties, and they could accordingly have a material adverse effect on Deutsche Bank's results of operations, financial condition or reputation.

1.1.21 Deutsche Bank is currently the subject of industry-wide investigations by regulatory and law enforcement agencies 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 Deutsche Bank's results of operations, financial condition and reputation.

Deutsche Bank has received requests for information from various regulatory and law enforcement agencies, including various U.S. states attorneys general, in connection with industry-wide investigations concerning the setting of the London Interbank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Tokyo Interbank Offered Rate (TIBOR) and other interbank offered rates. Deutsche Bank is cooperating with these investigations. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for Deutsche Bank.

Deutsche Bank 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, Deutsche Bank agreed to pay € 725 million in total.

On April 23, 2015, Deutsche Bank entered into separate settlements with the DOJ, the CFTC, the UK Financial Conduct Authority ("FCA"), and the New York State Department of Financial Services ("DFS") to resolve investigations into misconduct concerning the setting of LIBOR, EURIBOR, and TIBOR. Under the terms of these agreements, Deutsche Bank agreed to pay penalties of U.S.$ 2.175 billion to the DOJ, CFTC and DFS and GBP 226.8 million to the FCA. These fines have been paid in full, save for U.S. $150 million that is payable to the DOJ, subject to court approval (currently scheduled for March 28, 2017), following the sentencing of DB Group Services (UK) Ltd. (an indirectly-held, wholly-owned subsidiary of Deutsche Bank) in connection with its guilty plea to one count of wire fraud. As part of the resolution with the DOJ, Deutsche Bank entered into a Deferred Prosecution Agreement with a three year term pursuant to which it agreed (among other things) to the filing of an Information in the U.S. District Court for the District of Connecticut charging it with one count of wire fraud and one count of price fixing in violation of the Sherman Act.

Factual admissions Deutsche Bank has made in connection with these settlements could make it difficult for it to defend against pending and future claims.

As reported above, Deutsche Bank is subject to an inquiry by a working group of U.S. state attorneys general in relation to the setting of LIBOR, EURIBOR, and TIBOR. Deutsche Bank continues to cooperate with the U.S. state attorneys generals' inquiry. Other investigations of Deutsche Bank concerning the setting of various interbank offered rates remain ongoing, and Deutsche Bank remains exposed to further action.

In addition, Deutsche Bank is party to 47 civil actions concerning alleged manipulation relating to the setting of various Interbank Offered Rates. Most of the civil actions, including putative class actions, are pending in the U.S. District Court for the Southern District of New York (SDNY), against Deutsche Bank and numerous other defendants. All but six of the civil actions were filed on behalf of parties who allege losses as a result of manipulation relating to the setting of U.S. dollar LIBOR. The six civil actions pending against Deutsche Bank that do not relate to U.S. dollar LIBOR are also pending in the SDNY, and include two actions concerning Yen LIBOR and Euroyen TIBOR, one action concerning EURIBOR, one consolidated action concerning Pound Sterling (GBP) LIBOR, one action concerning Swiss franc (CHF) LIBOR, and one action concerning two Singapore Dollar (SGD) benchmark rates, the Singapore Interbank Offered Rate (SIBOR) and the Swap Offer Rate (SOR).

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

This uncertainty is further exacerbated by several factors outside of Deutsche Bank's 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 Deutsche Bank. Any fines, damages, legal or regulatory sanctions or other consequences may have a material adverse effect, beyond provisions taken, on Deutsche Bank's results of operations, financial condition or reputation.

1.1.22 Deutsche Bank has received inquiries from regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for Deutsche Bank. Deutsche Bank is also named as a defendant in several putative class action complaints in respect of precious metals trading and related conduct.

Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. Deutsche Bank is cooperating with these investigations and engaging with relevant authorities, as appropriate. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for Deutsche Bank. Relatedly, Deutsche Bank has been conducting its own internal review of its historic participation in the precious metals benchmarks and other aspects of its precious metals trading and precious metals business.

In addition, Deutsche Bank is a defendant in Canadian class action proceedings in the province of Ontario concerning gold and in the provinces of Ontario and Quebec concerning silver. Each of the proceedings seeks damages for alleged violations of the Canadian Competition Act and other causes of action. These complaints may result in material liability for Deutsche Bank.

1.1.23 Deutsche Bank has investigated the circumstances around equity trades entered into by certain clients in Moscow and London and has advised regulators and law enforcement authorities in several jurisdictions about those trades. In the event that violations of law or regulation are found to have occurred, any resulting penalties against Deutsche Bank may materially and adversely affect Deutsche Bank's results of operations, financial condition and reputation.

Deutsche Bank has investigated the circumstances around equity trades entered into by certain clients with Deutsche Bank in Moscow and London that offset one another. The total volume of the transactions under review is significant. Deutsche Bank's internal investigation of potential violations of law, regulation and policy and into the related internal control environment has concluded, and Deutsche Bank is assessing the findings identified during the investigation; to date Deutsche Bank has identified certain violations of its policies and deficiencies in its control environment. Deutsche Bank has advised regulators and law enforcement authorities in several jurisdictions (including Germany, Russia, the UK and U.S.) of this investigation and has taken disciplinary measures with regards to certain individuals in this matter and will continue to do so with respect to others as warranted. On January 30 and 31, 2017, the DFS and UK

Financial Conduct Authority (FCA) announced settlements with Deutsche Bank related to their investigations into this matter. The settlements conclude the DFS and the FCA's investigations into the bank's anti-money laundering (AML) control function in its investment banking division, including in relation to the equity trading described above. Under the terms of the settlement agreement with the DFS, Deutsche Bank entered into a Consent Order, and agreed to pay civil monetary penalties of U.S.$ 425 million and to engage an independent monitor to conduct a comprehensive review of its existing AML compliance programs that pertain to or affect activities conducted by or through DBTCA and the New York branch for a term of up to two years. Under the terms of the settlement agreement with the FCA, Deutsche Bank agreed to pay civil monetary penalties of approximately GBP 163 million. The settlement amounts were already materially reflected in existing litigation reserves. Deutsche Bank is cooperating with other regulators and law enforcement authorities (including the DOJ and the Federal Reserve), which have their own ongoing investigations into these securities trades. In the event that violations of law or regulation are found to have occurred, legal and regulatory sanctions in respect thereof may materially and adversely affect Deutsche Bank's results of operations, financial condition and reputation.

1.1.24 Regulatory and law enforcement agencies in the United States are investigating whether Deutsche Bank's 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. While Deutsche Bank has settled some matters, other investigations are still in progress and the eventual outcomes of these matters are unpredictable, and may continue materially and adversely to affect Deutsche Bank's results of operations, financial condition and reputation.

Deutsche Bank has received requests for information from certain regulatory and law enforcement agencies concerning its 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. On November 3, 2015, Deutsche Bank entered into agreements with the DFS and the Federal Reserve Bank of New York to resolve their investigations of Deutsche Bank. Deutsche Bank paid the two agencies U.S.$ 200 million and U.S.$ 58 million, respectively, and agreed to terminate certain employees, not rehire certain former employees and install an independent monitor for one year. In addition, the Federal Reserve Bank of New York ordered certain remedial measures, specifically, the requirement to ensure an effective OFAC compliance program and an annual review of such program by an independent party until the Federal Reserve Bank of New York is satisfied as to its effectiveness. Deutsche Bank continues to provide information to and otherwise cooperate with other investigating agencies (which include the DOJ). While it is too early to predict, the eventual outcomes of the investigations to which Deutsche Bank is subject may materially and adversely affect its results of operations, financial condition and reputation.

1.1.25 Deutsche Bank has been subject to contractual claims, litigation and governmental investigations in respect of Deutsche Bank's U.S. residential mortgage loan business that may materially and adversely affect Deutsche Bank's results of operations, financial condition or reputation.

From 2005 through 2008, as part of its U.S. residential mortgage loan business, Deutsche Bank sold approximately U.S.$ 84 billion of loans into private label securitizations and U.S.$ 71 billion through whole loan sales. Deutsche Bank has been, and may in the future be, presented with demands to repurchase loans from purchasers, investors and financial insurers based on alleged material breaches of representations and warranties or to indemnify such persons with respect to losses allegedly caused thereby. Deutsche Bank's 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, 2016, Deutsche Bank has approximately U.S.$ 847 million of mortgage repurchase demands outstanding and not subject to agreements to rescind (based on original principal balance of the loans). Against these outstanding demands, Deutsche Bank has established provisions of U.S.$ 173 million (€ 164 million) as of December 31, 2016 (for part of which Deutsche Bank is indemnified). As with provisions generally, however, it is possible that the provisions Deutsche Bank has 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 Deutsche Bank anticipates may be made, but Deutsche Bank cannot reliably estimate their timing or amount. As of December 31, 2016, Deutsche Bank has completed repurchases, obtained agreements to rescind or otherwise settled claims on loans with an original principal balance of approximately U.S.$ 8.8 billion. In connection with those repurchases, agreements and settlements, Deutsche Bank has obtained releases for potential claims on approximately U.S.$ 98.1 billion of loans sold by it as described above.

From 2005 through 2008, Deutsche Bank or its 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, Deutsche Bank has received subpoenas and requests for information from certain regulators and government entities concerning its activities regarding the origination, purchase, securitization, sale valuation and/or trading of mortgage loans, RMBS, commercial mortgage-backed securities (CMBS), collateralized debt obligations (CDOs), other asset-backed securities and credit derivatives. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information. Some of these investigations are similar in nature to those that led to other financial institutions entering into settlements with members of the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force and paying significant penalties.

Discussions with the DOJ concerning a settlement of potential claims that the DOJ was considering bringing based on its investigation of Deutsche Bank's RMBS origination and securitization activities began with an initial demand of U.S.$ 14 billion on September 12, 2016. On December 23, 2016, Deutsche Bank announced that it reached a settlement-in-principle with the DOJ to resolve potential claims related to its RMBS business conducted from 2005 to 2007. The settlement became final and was announced by the DOJ on January 17, 2017. Under the settlement, Deutsche Bank paid a civil monetary penalty of U.S.$ 3.1 billion and agreed to provide U.S.$ 4.1 billion in consumer relief. Other investigations of Deutsche Bank concerning the foregoing businesses remain ongoing, and Deutsche Bank remains exposed to further action.

Deutsche Bank also has numerous pending lawsuits against it or its affiliates as issuer, underwriter and/or trustee of RMBS. Such pending RMBS litigations are in various stages and Deutsche Bank continues to defend these actions vigorously while seeking opportunities to achieve sensible out of court resolutions.

Legal and regulatory proceedings are subject to many uncertainties, and the outcome of individual matters is not predictable. The extent of Deutsche Bank's financial exposure to these matters could be material, and Deutsche Bank's reputation may suffer material harm as a result of these matters.

1.1.26 Deutsche Bank is currently involved in civil proceedings in connection with its voluntary takeover offer for the acquisition of all shares of Postbank. The extent of Deutsche Bank's financial exposure to this matter could be material, and its reputation may be harmed.

On September 12, 2010, Deutsche Bank announced the decision to make a voluntary takeover offer for the acquisition of all shares in Deutsche Postbank AG. On October 7, 2010, Deutsche Bank published the official offer document. In its takeover offer, Deutsche Bank offered Postbank shareholders consideration of € 25 for each Postbank share. The takeover offer was accepted for a total of approximately 48.2 million Postbank shares.

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 take-over offer for all shares in Deutsche Postbank AG, at the latest, in 2009. The plaintiff avers that, at the latest in 2009, the voting rights of Deutsche Post AG in Deutsche Postbank AG had to be attributed to Deutsche Bank pursuant to Section 30 of the German Takeover Act. Based thereon, the plaintiff alleges that the consideration offered by Deutsche Bank for the shares in Deutsche Postbank AG in the 2010 voluntary takeover offer needed to be raised to € 57.25 per share.

The Cologne District 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 that Deutsche Bank and Deutsche Post AG "acted in concert" in 2009. The Cologne appellate court has scheduled a further hearing for November 8, 2017.

Starting in 2014, additional former shareholders of Deutsche Postbank AG, who accepted the 2010 tender offer, brought similar claims as Effecten-Spiegel AG against Deutsche Bank which are pending with the Cologne District Court, and three of these plaintiffs applied for model case proceedings (*Musterverfahren*) under the German Capital Markets Model Case Act. The Cologne District Court has heard these follow-on matters on January 27, 2017 and announced its intention to publish a decision on April 28, 2017.

In September 2015, former shareholders of Deutsche Postbank AG filed in the Cologne District Court shareholder actions against Deutsche Postbank AG to set aside the squeeze-out resolution taken in the shareholders meeting of Deutsche Postbank AG in August 2015. Among other things, the plaintiffs allege

that Deutsche Bank AG was subject to a suspension of voting rights with respect to its shares in Postbank based on the allegation that Deutsche Bank failed to make a mandatory takeover offer at a higher price in 2009. The squeeze out is final and the proceeding itself has no reversal effect, but may result in damage payments. The claimants in this proceeding refer to legal arguments similar to those asserted in the Effecten-Spiegel proceeding described above. The Cologne District Court indicated its intention to announce a decision in the spring of 2017.

The extent of Deutsche Bank's financial exposure to this matter could be material, and its reputation may be harmed.

1.1.27 Deutsche Bank is currently involved in civil and criminal proceedings in connection with transactions with Monte dei Paschi di Siena. The extent of Deutsche Bank's financial exposure to these matters could be material, and Deutsche Bank's reputation may be harmed.

In February 2013 Banca Monte Dei Paschi Di Siena ("MPS"), issued civil proceedings in Italy against Deutsche Bank alleging that it 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. Subsequently, in July 2013, the Fondazione Monte Dei Paschi, MPS' largest shareholder, also commenced civil proceedings in Italy for damages based on substantially the same facts. In December 2013, Deutsche Bank reached an agreement with MPS to settle the civil proceedings and the transactions were unwound at a discount for MPS. The civil proceedings by the Fondazione Monte Dei Paschi, in which damages of between € 220 million and € 381 million are claimed, remain pending. The Fondazione's separate claim filed in July 2014 against their former administrators and a syndicate of 12 banks including DB S.p.A. for € 286 million has resumed before the Florence Court.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions and certain unrelated transactions entered into by MPS with other parties. Such investigation was moved in summer 2014 from Siena to the Milan Public Prosecutors as a result of a change in the alleged charges being investigated. On February 16, 2016, the Milan Public Prosecutors issued a request of committal to trial against Deutsche Bank and six current and former employees. The committal process concluded with a hearing on October 1, 2016, during which the Milan court committed all defendants in the criminal proceedings to trial. Deutsche Bank's potential exposure is for administrative liability under Italian Legislative Decree n. 231/2001 and for civil vicarious liability as an employer of current and former employees who are being criminally prosecuted. Trial commenced on December 15, 2016 and is ongoing. Deutsche Bank continues to cooperate and update its regulators. The extent of Deutsche Bank's financial exposure to these matters could be material, and Deutsche Bank's reputation may suffer material harm as a result of these matters.

1.1.28 Deutsche Bank is currently involved in a legal dispute with the German tax authorities in relation to the tax treatment of certain income received with respect to its pension plan assets. The proceeding is pending in front of the relevant lower fiscal court. Should the courts ultimately rule in favor of the German tax authorities, the outcome could have a material effect on Deutsche Bank's comprehensive income and financial condition.

Deutsche Bank sponsors a number of post-employment benefit plans on behalf of its employees. In Germany, the pension assets that fund the obligations under these pension plans are held by Benefit Trust GmbH. The German tax authorities are challenging the tax treatment of certain income received by Benefit Trust GmbH in the years 2010 to 2013 with respect to its pension plan assets. For the year 2010 Benefit Trust GmbH paid the amount of tax and interest assessed of € 160 million to the tax authorities and is seeking a refund of the amounts paid in litigation with the relevant lower fiscal court. For 2011 to 2013 the matter is stayed pending the outcome of the 2010 tax litigation. The amount of tax and interest under dispute for years 2011 to 2013, which also has been paid to the tax authorities, amounts to € 456 million. Any decision by the lower fiscal court is potentially subject to appeal by either party and thus a resolution of the matter may not take place for a number of years. An ultimate decision by the courts that is unfavorable to Deutsche Bank could materially and adversely affect its comprehensive income and financial condition.

1.1.29 Guilty pleas by or convictions of Deutsche Bank or its affiliates in criminal proceedings may have consequences that have adverse effects on certain of Deutsche Bank's businesses.

Deutsche Bank and its affiliates have been and are subjects of criminal proceedings or investigations. In particular, as part of the resolution of the investigation of the DOJ into misconduct relating to interbank offered rates, Deutsche Bank's subsidiary DB Group Services (UK) Ltd. entered into a plea agreement with the DOJ, pursuant to which the company pled guilty to one count of wire fraud. Also, in connection with the KOSPI Index unwind matters, Deutsche Bank's subsidiary Deutsche Securities Korea Co. was

convicted of vicarious corporate criminal liability in respect of spot/futures linked market manipulation by its employees. Deutsche Bank and its subsidiaries are also subjects of other criminal proceedings or investigations.

Guilty pleas or convictions against Deutsche Bank or its affiliates could lead to Deutsche Bank's ineligibility to use an important trading exemption under ERISA. In particular, such guilty pleas or convictions could cause Deutsche Bank's affiliates to no longer qualify as a "qualified professional asset manager" ("QPAM") under the QPAM Prohibited Transaction Exemption, which exemption is relied on to provide asset management services to certain pension plans in connection with certain asset management strategies. Loss of QPAM status could cause customers who rely on such status (whether because they are legally required to do so or because Deutsche Bank has agreed contractually with them to maintain such status) to cease to do business or refrain from doing business with Deutsche Bank and could negatively impact Deutsche Bank's reputation more generally. In addition, other clients may mistakenly see the loss as a signal that Deutsche Bank is somehow no longer approved by the U.S. Department of Labor (DOL), the agency responsible for ERISA, and cease to do business or refrain from doing business with Deutsche Bank for that reason. This could have a material adverse effect on Deutsche Bank's results of operations, particularly those of its asset management business in the United States. Deutsche Bank has filed an application with the DOL for exemptive relief permitting it to retain its QPAM status despite both the guilty plea of DB Group Services (UK) Ltd. and the conviction of Deutsche Securities Korea Co. The DOL has granted Deutsche Bank a temporary QPAM exemption, effective through the earlier of April 23, 2017 or the effective date of a permanent QPAM exemption, if granted to Deutsche Bank by the DOL, covering both the guilty plea and the conviction. Deutsche Bank has provided additional information to the DOL in support of its QPAM application which is still pending with the DOL. It is unclear whether the QPAM application will be approved, and a denial, and thus loss of QPAM status, could occur, with the potential for the adverse effects described above.

1.1.30 In addition to Deutsche Bank's traditional banking businesses of deposit-taking and lending, it also engages in nontraditional credit businesses in which credit is extended in transactions that include, for example, its holding of securities of third parties or its engaging in complex derivative transactions. These nontraditional credit businesses materially increase Deutsche Bank's exposure to credit risk.

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

In particular, much of the business Deutsche Bank conducts through its Global Markets corporate division 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 Deutsche Bank ; 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 Deutsche Bank due to bankruptcy, political and economic events, lack of liquidity, operational failure or other reasons.

Many of Deutsche Bank's derivative transactions are individually negotiated and non-standardized, which can make exiting, transferring or settling the position difficult. Certain credit derivatives require that Deutsche Bank deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, Deutsche Bank does not hold, and may not be able to obtain, the underlying security, loan or other obligation. This could cause Deutsche Bank to forfeit the payments otherwise due to it or result in settlement delays, which could damage its reputation and ability to transact future business, as well as impose increased costs on it. 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 Deutsche Bank engages, and compliance with such provisions may impose substantial costs on it.

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

1.1.31 A substantial proportion of the assets and liabilities on Deutsche Bank's balance sheet comprise financial instruments that it carries at fair value, with changes in fair value recognized in the income statement. As a result of such changes, Deutsche Bank has incurred losses in the past, and may incur further losses in the future.

A substantial proportion of the assets and liabilities on Deutsche Bank's balance sheet comprise financial instruments that it carries 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 Deutsche Bank believes 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 Deutsche Bank's financial instruments, requiring Deutsche Bank to record losses.

Deutsche Bank's exposure and related changes in fair value are reported net of any fair value gains it may record in connection with hedging transactions related to the underlying assets. However, Deutsche Bank 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 its hedging counterparties. Such declines may be independent of the fair values of the underlying hedged assets or liabilities and may result in future losses.

1.1.32 Deutsche Bank's risk management policies, procedures and methods leave Deutsche Bank exposed to unidentified or unanticipated risks, which could lead to material losses.

Deutsche Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends 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 Deutsche Bank's risk exposure in all economic market environments or against all types of risk, including risks that it fails to identify or anticipate. Some of Deutsche Bank's quantitative tools and metrics for managing risk are based upon its use of observed historical market behavior. Deutsche Bank applies statistical and other tools to these observations to arrive at quantifications of its 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, Deutsche Bank's risk management tools and metrics failed to predict some of the losses Deutsche Bank experienced, particularly in 2008, and may in the future fail to predict important risk exposures. In addition, Deutsche Bank's 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 Deutsche Bank did not anticipate or correctly evaluate in its statistical models. This has limited and could continue to limit Deutsche Bank's ability to manage its risks especially in light of geopolitical developments, many of the outcomes of which are currently unforeseeable. Deutsche Bank's losses thus have been and may in the future be significantly greater than the historical measures indicate.

In addition, Deutsche Bank's more qualitative approach to managing those risks not taken into account by its quantitative methods could also prove insufficient, exposing it to material unanticipated losses. Also, if existing or potential customers or counterparties believe Deutsche Bank's risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with Deutsche Bank. This could harm Deutsche Bank's reputation as well as its revenues and profits.

1.1.33 Operational risks, which may arise from errors in the performance of Deutsche Bank's processes, the conduct of Deutsche Bank's employees, instability, malfunction or outage of Deutsche Bank's IT system and infrastructure, or loss of business continuity, or comparable issues with respect to Deutsche Bank's vendors, may disrupt Deutsche Bank's businesses and lead to material losses.

Deutsche Bank faces 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 Deutsche Bank's derivative contracts, which are not always confirmed with the counterparties on a timely basis. For so long as the transaction remains unconfirmed, Deutsche Bank is 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, Deutsche Bank's businesses are highly dependent on its ability to process manually or through its 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, Deutsche Bank's 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, Deutsche Bank could suffer financial loss, a disruption of its businesses, liability to clients, regulatory intervention or reputational damage.

Deutsche Bank is also dependent on its employees to conduct its business in accordance with applicable laws, regulations and generally accepted business standards. If its employees do not conduct its business in this manner, Deutsche Bank may be exposed to material losses. Furthermore, if an employee's misconduct reflects fraudulent intent, Deutsche Bank could also be exposed to reputational damage. Deutsche Bank categorizes 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.

Deutsche Bank in particular faces the risk of loss events due to the instability, malfunction or outage of its IT system and IT infrastructure. Such losses could materially affect Deutsche Bank's 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 Deutsche Bank's 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. Deutsche Bank operates in many geographic locations and is frequently subject to the occurrence of events outside of its control. Despite the contingency plans Deutsche Bank has in place, its ability to conduct business in any of these locations may be adversely impacted by a disruption to the infrastructure that supports its business, whether as a result of, for example, events that affect its third party vendors or the community or public infrastructure in which it operates. Any number of events could cause such a disruption including deliberate acts such as sabotage, terrorist activities, bomb threats, strikes, riots and assaults on Deutsche 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 Deutsche Bank's business and financial position.

Services provided by third-party vendors bear comparable risks as if they were performed by Deutsche Bank, and Deutsche Bank is ultimately responsible for the services. Deutsche Bank is dependent on its vendors to conduct its business services in accordance with applicable laws, regulations and generally accepted business standards. If its vendors do not conduct its business in this manner, Deutsche Bank may be exposed to material losses and could be subject to regulatory action. Furthermore, if a vendor's misconduct reflects fraudulent intent, Deutsche Bank could also be exposed to reputational damage.

1.1.34 Deutsche Bank's 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 Deutsche Bank's reputation and lead to regulatory penalties and financial losses.

Among the operational risks Deutsche Bank faces is the risk of breaches of the security of its 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 Deutsche Bank's clients' data and the integrity of Deutsche Bank's systems. Deutsche Bank devotes significant resources toward the protection of its computer systems against such breaches. To address the evolving cyber threat risk, Deutsche Bank has expended significant resources to modify and enhance its 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 Deutsche Bank's global footprint and the volume of transactions it processes, certain errors or actions may be repeated or compounded before they are discovered and rectified.

Deutsche Bank 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 Deutsche Bank's 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 Deutsche Bank's technology environment. Although Deutsche Bank has 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 Deutsche Bank may not be able to effectively anticipate and prevent all such attacks. A successful attack could have a significant negative impact on Deutsche Bank, including as a result of disclosure or misappropriation of client or proprietary information, damage to computer systems, financial losses, additional costs to Deutsche Bank (such as for investigation and reestablishing services), reputational damage, customer dissatisfaction and potential regulatory or litigation exposure.

1.1.35 The size of Deutsche Bank's clearing operations exposes Deutsche Bank to a heightened risk of material losses should these operations fail to function properly.

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

1.1.36 Deutsche Bank may have difficulty in identifying and executing acquisitions, and both making acquisitions and avoiding them could materially harm Deutsche Bank's results of operations and its share price.

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

1.1.37 Intense competition, in Deutsche Bank's home market of Germany as well as in international markets, could materially adversely impact Deutsche Bank's revenues and profitability.

Competition is intense in all of Deutsche Bank's primary business areas, in Germany as well as in international markets. If Deutsche Bank is unable to respond to the competitive environment in these markets with attractive product and service offerings that are profitable for it, it may lose market share in important areas of its business or incur losses on some or all of its 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 Deutsche Bank.

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 Deutsche Bank's competitors and has hastened the globalization of the securities and other financial services markets. As a

result, Deutsche Bank must compete with financial institutions that may be larger and better capitalized than it is and that may have a stronger position in local markets. Also, governmental action in response to the global financial crisis may place Deutsche Bank at a competitive disadvantage.

In addition to Deutsche Bank's traditional competitors such as other universal banks and financial services firms, an emerging group of future competitors in the form of start-ups and technology firms are showing an increasing interest in banking services and products. These new competitors could increase competition in both core products, e.g., payments, basic accounts and loans and investment advisory, as well as in new products, e.g., peer to peer lending and equity crowd funding.

1.1.38 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 Deutsche Bank or investing in Deutsche Bank's securities, harm Deutsche Bank's reputation or result in regulatory action which could materially and adversely affect Deutsche Bank's business.

Deutsche Bank engages or has 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. Deutsche Bank's U.S. subsidiaries, branch offices, and employees are and Deutsche Bank's non-U.S. subsidiaries, branch offices, and employees may become subject to those prohibitions and other regulations. Deutsche Bank is a German bank and its 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, Deutsche Bank further developed its policies and procedures with the aim of ensuring compliance with regulatory requirements extending to other geographic areas regardless of jurisdiction. However, should its policies prove to have been ineffective, Deutsche Bank may be subject to regulatory action that could materially and adversely affect its business. By 2007, Deutsche Bank's Management Board decided that Deutsche Bank 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 Deutsche Bank's business with counterparties in Cuba. Of these, Iran, Sudan and Syria are currently designated as state sponsors of terrorism by the U.S. State Department.

Deutsche Bank had a representative office in Tehran, Iran, which it discontinued at December 31, 2007. Deutsche Bank's 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 Deutsche Bank is legally obligated to fulfil its contractual obligations. Deutsche Bank do not believe its business activities with Iranian counterparties are material to its overall business, with the outstanding loans to Iranian borrowers representing substantially less than 0.01 % of its total assets as of December 31, 2016 and the revenues from all such activities representing less than 0.01 % of its total revenues for the year ended December 31, 2016.

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.

Following the occurrence on January 16, 2016 of "Implementation Day" of the Joint Comprehensive Plan of Action between the "P5+1" parties and Iran, pursuant to which Iran agreed to limits on its nuclear program and the P5+1 parties agreed to provide certain sanctions relief, secondary sanctions targeting Iran have been narrowed but not eliminated. Following the Implementation Day, Deutsche Bank engages in new activities with respect to Iran, but only to a limited extent. Deutsche Bank executes cash payments in

Euro from or to Iran on behalf of its own non-Iranian clients with enhanced due diligence. In principle, Deutsche Bank remains restrictive towards any new trade finance activities and does not plan to engage in loan arrangements with Iranian counterparties.

Deutsche Bank does not believe it has 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 Deutsche Bank could be material. It is also possible that primary and secondary sanctions imposed by the U.S. and other jurisdictions could be expanded in the future, particularly if the Joint Comprehensive Plan of Action with Iran is not considered to be effective. Proposals for expanded sanctions are discussed on a continuing basis in the U.S. 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) Deutsche Bank has disclosed certain information regarding its 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".

Deutsche Bank is 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, as well as claims resulting from letters of credit, and it represented substantially less than 0.01 % of Deutsche Bank's assets as of December 31, 2016. The transactions served to finance commercial products such as machinery as well as medical products.

Deutsche Bank is 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 Deutsche Bank's being unable to gain or retain entities subject to such prohibitions as customers or as investors in its securities. In addition, Deutsche Bank's reputation may suffer due to its association with such countries. Such a result could have significant adverse effects on Deutsche Bank's business or the price of its securities. It is also possible that new direct or indirect secondary sanctions could be imposed by the United States or other jurisdictions without warning as a result of geopolitical developments.

1.2 Risks Related to the Offering and the New Shares

1.2.1 Deutsche Bank AG's share price has been and may remain volatile.

The Company's share price has been volatile in the past. This was partially due to the high volatility in the securities markets in general and for the shares of banks in particular, especially in connection with the global financial crisis, the European sovereign debt crisis and other developments that have influenced the net assets, financial condition and results of operations of Deutsche Bank. In addition, factors that may influence and have already to a certain extent influenced the share price of the Company include, investors' opinions regarding the prospects for the success of Deutsche Bank's strategy; current or potential future legal disputes, changes in the legal system or regulatory measures affecting Deutsche Bank or the industries in which Deutsche Bank maintains material loan exposures; failure to meet estimates by analysts; expectations of the market in regard to the development of the value and adequate capitalization of banks in general; investors' estimates and the actual further development of banks in general; public declarations of insolvencies or similar restructuring measures and investigations of the accounting practices of other banks and the volatility of the market in general. For example, Deutsche Bank has over the last year, as well as in the past, experienced steep declines in the price of its shares.

1.2.2 The holdings of shareholders who do not participate in the Offering will be significantly diluted, i.e., the value of their shares and their control rights will be negatively impacted.

Subscription rights for New Shares will expire if they are not exercised by and including April 6, 2017, i.e., the expiry of the subscription period. If a shareholder does not exercise the subscription rights granted to it, its percentage shareholding in Deutsche Bank will decline and its voting rights will be diluted. This dilution will be proportional to the percentage rate by which the share capital of the Company is increased and to the extent to which the shareholder does not participate in the capital increase.

1.2.3 The holdings of shareholders may be significantly diluted by future capital increases.

In order to meet its need for capital, the Company may issue in the future shares or convertible bonds or warrants, for example to finance its business operations or to satisfy regulatory capital requirements. The future issuance of shares, or the exercise of conversion or option rights on shares of the Company, may

dilute shareholders' voting rights or their percentage ownership in the Company if the new shares are issued without granting subscription rights or similar rights or to the extent such rights are not exercised.

1.2.4 If the Offering is not consummated or if Deutsche Bank AG's share price declines sharply, the subscription rights will expire or become worthless.

The New Shares will be subscribed by the Underwriters with the undertaking to offer such shares (except for a fractional amount) to the shareholders for subscription. The underwriting of the New Shares will be made on the basis of an Underwriting Agreement, from which the Underwriters may withdraw under certain conditions. If the Underwriting Agreement is terminated prior to registration of the implementation of the capital increase with the Commercial Register, the Offering will not take place and the subscription rights will expire and become worthless. Under these circumstances investors will not be entitled to delivery of shares of the Company. Any investors engaging in short selling transactions bear the risk of being unable to meet their obligation to deliver New Shares. The agents brokering the subscription rights transactions will not reverse such short selling transactions. Investors who purchased subscription rights via a stock exchange will accordingly suffer a loss. If the Underwriters withdraw from the Underwriting Agreement after the implementation of the capital increase is registered with the Commercial Register, the shareholders who exercised their subscription rights may acquire New Shares at the subscription price.

Furthermore, the value of the subscription rights largely depends on the quoted market price of the shares of the Company. A decline in share price will, therefore, have an adverse impact on the value of the subscription rights.

1.2.5 It is not certain that subscription rights trading will develop, and the subscription rights may be subject to greater quoted market price fluctuations than the shares of Deutsche Bank AG.

The Company intends to provide for the subscription rights to be traded during the period from March 21, 2017 until April 4, 2017 on the regulated market (XETRA and XETRA Frankfurt Specialist) of the Frankfurt Stock Exchange. Subscription rights are also expected to be traded on the New York Stock Exchange. The Company does not intend to apply for subscription rights trading on any other stock exchange. The Company cannot assure that active subscription rights trading on a stock exchange will develop during this period nor that there will be sufficient liquidity in subscription rights trading for the subscription rights during this period. The development of the quoted market price of the Company's shares is one of the factors influencing the price of the subscription rights, which, however, may also be subject to considerably stronger price fluctuations than the shares.

1.2.6 Deutsche Bank AG may not pay dividends in future fiscal years, be it because it does not generate any balance sheet profit available for distribution, or for other reasons.

A dividend may only be distributed if the Company has recognized a balance sheet profit available for distribution in its audited annual non-consolidated financial statements prepared under the German Commercial Code (*Handelsgesetzbuch* – HGB). Deutsche Bank AG's earnings situation may not remain positive on a sustained basis or may deteriorate. This may result in the Company's being unable to distribute dividends in future fiscal years, or Deutsche Bank AG may be required to retain the distributable profits to support its capital base and recognize them in the reserves rather than distributing them. Furthermore, if the Bank fails to meet the regulatory capital adequacy requirements under CRR/CRD 4 (including individually imposed capital requirements (so-called "Pillar 2" requirements) and the combined buffer requirement), Deutsche Bank AG may be prohibited from making, and Deutsche Bank AG's regulators may suspend or limit, the payment of dividends. In addition, the ECB expects banks to meet "Pillar 2" guidance. If Deutsche Bank AG operates or expects to operate below "Pillar 2" guidance, the ECB will review the reasons why the Bank's capital level has fallen or is expected to fall and may take appropriate and proportionate measures in connection with such shortfall. Any such measures might impact on Deutsche Bank AG's willingness or ability to pay dividends.

2. GENERAL INFORMATION

2.1 Documents Incorporated by Reference

The following information has been incorporated in this Prospectus by reference to the English language annual financial reports of Deutsche Bank Group for fiscal years 2014 and 2015. On Deutsche Bank's website, under https://www.db.com/ir/en/annual-reports.htm, the Group's English language annual financial report for 2014 is publicly available under the title "Financial Report 2014" and the Group's English language annual financial report for 2015 is publicly available under the title "Annual Report 2015". This Prospectus must be read together with the following pages of Deutsche Bank's Financial Report 2014 and Annual Report 2015, which are deemed to be included in, and to form part of, this Prospectus:

This Prospectus	Annual Report 2015
Page F-1:	
Consolidated Financial Statements (IFRS) of Deutsche Bank AG for the Fiscal Year ended December 31, 2015 (audited)	
Consolidated Statement of Income	Page 245
Consolidated Statement of Comprehensive Income	Page 246
Consolidated Balance Sheet	Page 247
Consolidated Statement of Changes in Equity	Pages 248 to 249
Consolidated Statement of Cashflows	Page 250
Notes to the Consolidated Financial Statements	Pages 251 to 414
Excerpt from the Management Report	Pages 48 to 178[1]
Independent Auditor's Report	Pages 415 to 416
	Financial Report 2014
Page F-1:	
Consolidated Financial Statements (IFRS) of Deutsche Bank AG for the Fiscal Year ended December 31, 2014 (audited)	
Consolidated Statement of Income	Page 313
Consolidated Statement of Comprehensive Income	Page 314
Consolidated Balance Sheet	Page 315
Consolidated Statement of Changes in Equity	Pages 316 to 317
Consolidated Statement of Cashflows	Page 318
Notes to the Consolidated Financial Statements	Pages 319 to 478
Excerpt from the Management Report	Pages 24 to 243[1]
Independent Auditor's Report	Pages 480 to 481

1 Only the information identified by brackets in the margins is deemed to be included in, and to form a part of, this Prospectus, as only these parts form an integral part of the notes to the consolidated financial statements. Those parts of the Group's 2015 and 2014 management reports that are not marked by brackets in the margins are not incorporated by reference into, and do not form part of, this Prospectus.

2.2 Persons Responsible

Deutsche Bank Aktiengesellschaft, Frankfurt am Main, and Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Goldman Sachs International, BNP PARIBAS, COMMERZBANK Aktiengesellschaft, HSBC Trinkaus & Burkhardt AG, Morgan Stanley & Co. International plc, UniCredit Bank AG, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, ING Bank N.V., Mediobanca Banca di Credito Finanziario S.p.A., NATIXIS, Raiffeisen Centrobank AG, RBC Europe Limited and Société Générale (together the Joint Bookrunners), as well as ABN AMRO Bank N.V., Bankhaus Lampe KG, Banque Internationale à Luxembourg, société anonyme, CaixaBank, S.A., Erste Group Bank AG, ICBC Standard Bank PLC, KBC Securities NV, Macquarie Capital (Europe) Limited, Mizuho International plc, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and SMBC Nikko Capital Markets Limited (together the Co-Lead Managers, and together with the Joint Bookrunners, the Underwriters) assume responsibility for the contents of this Prospectus pursuant to Section 5(4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and declare that to their knowledge the information contained in this Prospectus is correct and that no material information has been omitted, and, having taken all reasonable care that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import. Notwithstanding Section 16 of the German Securities Prospectus Act, neither Deutsche Bank AG nor the Underwriters are under any obligation by law to update the Prospectus.

2.3 Subject Matter of the Prospectus

For purposes of the public offerings in Germany and the United Kingdom and the admission to trading on the regulated market of the Frankfurt Stock Exchange with the simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and the admission to the regulated markets of the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart, this Prospectus relates to 687,500,000 new, no par value ordinary registered shares of Deutsche Bank AG (the New Shares), each with a notional value of € 2.56 per share in the share capital and with the same dividend rights as each other outstanding share of the Company, from the capital increase against cash contributions from authorized capital resolved by the Company's Management Board on March 19, 2017, with approval of the Supervisory Board's Chairman's Committee, to which such competence was delegated, of the same day.

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC (the "Prospectus Directive"), and has been filed with and approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, or the "BaFin") pursuant to Section 13 of the German Securities Prospectus Act. Following its approval by the BaFin, a copy of the Prospectus together with a certificate of approval will be notified and delivered to the Financial Conduct Authority ("FCA") in the United Kingdom pursuant to Section 18 of the German Securities Prospectus Act (implementing Article 18 of the Prospectus Directive), such that the Prospectus may be used as an approved prospectus to offer securities to the public in the United Kingdom for the purpose of Section 85 the Financial Services and Markets Act 2000, as amended ("FSMA") and the Prospectus Directive.

Investors who are resident in the United States of America (the "United States") should take note of the separate prospectus and the prospectus supplement pursuant to which the offering of the New Shares will be made in the United States. The prospectus supplement for the offering in the United States will be filed with the U.S. Securities and Exchange Commission ("SEC") on or about March 20, 2017 and describe the terms of the offering in the United States.

The New Shares will be offered to the Company's shareholders in Canada in a rights offering pursuant to a Canadian offering memorandum and only by persons permitted to sell New Shares in Canada and only to Canadian shareholders to whom they are permitted to sell New Shares.

2.4 Forward-Looking Statements

This Prospectus contains certain forward-looking statements. In this Prospectus, forward-looking statements include, among others, statements relating to:

- the potential development and impact on Deutsche Bank of economic and business conditions and the legal and regulatory environment to which the Group is subject;
- the implementation of the Deutsche Bank's strategic initiatives and other responses there to;
- the development of aspects of Deutsche Bank's results of operations;
- Deutsche Bank's expectations of the impact of risks that affect its business, including the risks of losses on the Group's trading processes and credit exposures; and
- other statements relating to Deutsche Bank's future business development and economic performance.

Forward-looking statements are statements that do not relate to historical facts or events and contain forward-looking expressions. Expressions such as "will", "anticipates", "aims", "expects", "foresees", "projects", "intends", "plans", "targets" may indicate forward-looking statements. The information in this Prospectus regarding intentions, beliefs, or current expectations of the Company regarding its future financial condition and results of operation, plans, liquidity, business outlooks, growth, strategy and profitability, as well as the economic conditions in which the Company operates constitute forward-looking statements.

By their very nature, forward-looking statements involve risks and uncertainties, both general and specific. The Company bases these statements on its current plans, estimates, projections and expectations and they relate to events and are based on current assumptions, which may not occur in the future. These forward-looking statements may not be indicative of future performance; the actual outcome of Deutsche Bank AG's or the Deutsche Bank Group's financial condition and results of operations, and the development of economic conditions, may differ materially from, in particular, be more negative than, those conditions expressly or implicitly assumed or described in such statements. Even if the actual results of the Company or, as applicable, the Deutsche Bank Group, including the financial condition, results of operations and

economic conditions, develop in line with the forward-looking statements contained in this Prospectus, there can be no assurance that this will be the case in the future. Accordingly, prospective investors are strongly advised to read the following sections of this Prospectus: "*Summary*", "*1. Risk Factors*", "*10. Business*", "*12. Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*13. Risk Management*" and "*25. Recent Developments and Outlook*". These sections include more detailed descriptions of factors that might have an impact on Deutsche Bank's business and the markets in which Deutsche Bank operates.

Neither the Company nor the Underwriters assume any obligation to update such forward-looking statements or to adapt them to future events or developments to the extent that it is not legally required to do so.

2.5 Third Party and Market Information

This Prospectus contains industry and customer-related data as well as calculations sourced from industry reports published by third parties, market research reports, publicly available information and commercial publications of third parties. These publications generally state that the information they contain has originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on assumptions. Such information has not been independently verified by the Company and the Company assumes no responsibility for the accuracy of any such information.

In particular, third party data was used to define the markets described in this Prospectus and to determine their size. In this process, the categories applied by the respective sources were also used as a basis. These categories generally do not correspond to the categories used by Deutsche Bank in determining its financial and other data. As a result, the ability to compare external data with the Deutsche Bank's financial and other data is limited, including with respect to the statements relating to Deutsche Bank's market shares. Many of Deutsche Bank's customers maintain customer relationships with several banks. For this reason, persons whom Deutsche Bank counts as its customers may also be included in other financial institutions' market share calculations. Calculations of market shares or other similar data on the basis of customer numbers may therefore result in multiple institutions' including the same customer in their respective data.

In this Prospectus, the following sources of third party information are cited:

- Dealogic, Analysis of deal data as of 31 Dec 2016 from Dealogic's proprietary database (accessible only through application; contact: http://www.dealogic.com/contact-us/) ("Dealogic").

Where information in this Prospectus has been sourced from a third party, the Company confirms that this information has been accurately reproduced and that, to the extent the Company is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors should nevertheless consider this information carefully.

This Prospectus also contains estimates of economic, financial, market and other data and information that is based on the analyses of Deutsche Bank's research department ("Deutsche Bank Research"), which is responsible for macroeconomic analysis within the Deutsche Bank Group. Deutsche Bank Research analyzes relevant trends for the Company in financial markets, the economy and society based on its many years of experience of providing such analyses and its research on structural and long-term economic issues. The economic, market and other data and information that are based on the analysis of Deutsche Bank Research contained in this Prospectus have not been checked or verified externally. The Company nevertheless believes that such data and information are reliable. The Company and the Underwriters give no warranty for the accuracy of the Company's estimates and the information derived therefrom. They may differ from estimates made by Deutsche Bank's competitors or from future studies conducted by economic research institutes or other independent sources.

Information contained on any Internet website mentioned in the Prospectus is not incorporated by reference in the Prospectus and is therefore not part of the Prospectus, except as set forth in section "*2.1 Documents Incorporated by Reference*".

2.6 Note Regarding Currency and Financial Information

The amounts in this Prospectus stated in "€" or "Euro" refer to the legal currency of Germany since January 1, 1999.

The amounts in this Prospectus stated in "$", "U.S. $" or "USD" refer to the legal currency of the United States of America, the amounts in "£" and "GBP" refer to the legal currency of the United Kingdom, the

amounts in "RMB" refer to the legal currency of the People's Republic of China, the amounts in "Yen" or "JPY" refer to the legal currency of Japan and the amounts in "CAD" or "Canadian dollar" refer to the legal currency of Canada.

If not otherwise stated, the financial data contained in this Prospectus is taken from the audited consolidated financial statements of the Company prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as adopted by the EU (hereinafter referred to as "IFRS") as of and for the fiscal years ended December 31, 2016, 2015 and 2014, the audited non-consolidated financial statements of the Company prepared in accordance with the German Commercial Code (*Handelsgesetzbuch* – HGB) and the Regulation on Accounting by Credit Institutions and Financial Services Institutions (*Kreditinstituts-Rechnungslegungsverordnung*) as of and for the fiscal year ended December 31, 2016. The audited non-consolidated financial statements of the Company prepared in accordance with the German Commercial Code (HGB) as of and for the fiscal year ended December 31, 2016 and the audited consolidated financial statements of the Company prepared in accordance with IFRS as of and for the fiscal year ended December 31, 2016, together with the respective auditor's reports, are also contained in section "*23. Financial Statements*" of this Prospectus. The consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2014, together with their respective auditor's reports, are incorporated into this Prospectus, see section "*2.1 Documents Incorporated by Reference*".

Financial data labeled "audited" in this Prospectus were taken from the audited financial statements described above. Any financial data referred to as "unaudited" in this Prospectus means that the financial data was not "audited" and has been taken or derived from the Company's accounting records.

Individual figures (including percentages) stated in this Prospectus have been rounded using the common commercial method (*kaufmännische Rundung*). The sum totals or interim totals contained in the tables may possibly differ from the non-rounded figures contained elsewhere in this Prospectus due to this rounding. Furthermore, figures that have been rounded may possibly not exactly add up to the interim totals or sum totals contained in the tables or stated elsewhere in this Prospectus.

2.7 Non-GAAP Financial Measures

This Prospectus contains certain financial measures that are not recognized under generally accepted accounting principles ("GAAP"). Non-GAAP financial measures are measures of the Group's historical or future performance, financial position or cash flows that contain adjustments that exclude or include amounts that are included or excluded, as the case may be, from the most directly comparable measure calculated and presented in accordance with IFRS in the Group's financial statements.

2.7.1 Return on Equity Ratios

The Group reports a post-tax return on average shareholders' equity and a post-tax return on average tangible shareholders' equity, each of which is a non-GAAP financial measure.

The post-tax returns on average shareholders' equity and average tangible shareholders' equity are calculated as net income (loss) attributable to Deutsche Bank shareholders as a percentage of average shareholders' equity and average tangible shareholders' equity, respectively. Net income (loss) attributable to Deutsche Bank shareholders is a non-GAAP financial measure and is defined as net income (loss) excluding post-tax income (loss) attributable to noncontrolling interests. For the Group, it reflects the reported effective tax rate, which was (67) % for the full year 2016, (11) % for 2015 and 46 % for 2014. For the segments, the applied tax rate was 35 % for all respective periods.

At the Group level, tangible shareholders' equity is shareholders' equity as reported in the Consolidated Balance Sheet excluding goodwill and other intangible assets. Tangible shareholders' equity for the segments is calculated by deducting goodwill and other intangible assets from shareholders' equity as allocated to the segments, as described within the section "Measurement of Segment Profit and Loss" in Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section "*23. Financial Statements*" of this Prospectus. Shareholders' equity and tangible shareholders' equity are presented on an average basis.

The Group believes that a presentation of average tangible shareholders' equity makes comparisons to its competitors easier, and refers to this measure in the return on equity ratios presented by the Group. However, average tangible shareholders' equity is not a measure provided for in IFRS, and the Group's ratios based on this measure should not be compared to other companies' ratios without considering differences in the calculations.

The reconciliation of the aforementioned ratios is set forth in the table below:

(unaudited) in € m. (unless stated otherwise)	2016							
	Global Markets	**Corporate & Investment Banking**	**Private, Wealth & Commercial Clients**	**Deutsche Asset Management**	**Postbank**	**Non-Core Operations Unit**	**Consoli-dation & Adjustments and Other**	**Total**
Income (loss) before income taxes (IBIT)[1]	**16**	**1,691**	**1,068**	**(204)**	**367**	**(3,207)**	**(541)**	**(810)**
Income tax expense	0	0	0	0	0	0	0	(546)[1]
Net income (loss)	11	1,106	698	(133)	240	(2,097)	(1,180)	(1,356)[1]
Net income (loss) attributable to noncontrolling interests	0	0	0	0	0	0	(45)	(45)[1]
Net income attributable to DB shareholders and additional equity components	11	1,106	698	(133)	240	(2,097)	(1,226)	(1,402)[1]
Average shareholders' equity[1]	**24,695**	**12,076**	**9,008**	**6,221**	**6,006**	**4,037**	**38**	**62,082**
Add (deduct):								
Average goodwill and other intangible assets	(1,805)	(1,199)	(1,611)	(4,599)	(329)	(448)	114	(9,876)
Average tangible shareholders' equity	**22,890**	**10,877**	**7,397**	**1,622**	**5,677**	**3,590**	**152**	**52,206**
Post-tax return on average shareholders' equity[2]	0 %	9 %	8 %	(2) %	4 %	N/M	N/M	(2) %
Post-tax return on average tangible shareholders' equity[2]	0 %	10 %	9 %	(8) %	4 %	N/M	N/M	(3) %

N/M – Not meaningful

1 Audited.

2 The post-tax return on average shareholders' equity and average tangible shareholders' equity, at the Group level, reflects the reported effective tax rate for the Group.

(unaudited) in € m. (unless stated otherwise)	2015							
	Global Markets	**Corporate & Investment Banking**	**Private, Wealth & Commercial Clients**	**Deutsche Asset Management**	**Postbank**	**Non-Core Operations Unit**	**Consoli-dation & Adjustments and Other**	**Total**
Income (loss) before income taxes (IBIT)[1]	**(1,817)**	**1,439**	**(774)**	**684**	**(2,596)**	**(2,264)**	**(770)**	**(6,097)**
Income tax expense	0	0	0	0	0	0	0	(675)[1]
Net income (loss)	(1,174)	930	(500)	442	(1,677)	(1,463)	(3,331)	(6,772)[1]
Net income (loss) attributable to noncontrolling interests	0	0	0	0	0	0	(21)	(21)[1]
Net income attributable to DB shareholders and additional equity components	(1,174)	930	(500)	442	(1,677)	(1,463)	(3,353)	(6,794)[1]
Average shareholders' equity[1]	**24,675**	**12,483**	**10,265**	**5,719**	**7,798**	**6,755**	**1,361**	**69,055**
Add (deduct): Average goodwill and other intangible assets	(2,160)	(1,336)	(2,301)	(4,797)	(2,247)	(585)	(482)	(13,909)
Average tangible shareholders' equity	**22,515**	**11,146**	**7,964**	**922**	**5,551**	**6,170**	**879**	**55,146**
Post-tax return on average shareholders' equity[2]	(5) %	7 %	(5) %	8 %	(22) %	N/M	N/M	(10) %
Post-tax return on average tangible shareholders' equity[2]	(5) %	8 %	(6) %	48 %	(30) %	N/M	N/M	(12) %

N/M – Not meaningful

1 Audited.

2 The post-tax return on average shareholders' equity and average tangible shareholders' equity, at the Group level, reflects the reported effective tax rate for the Group.

(unaudited) in € m. (unless stated otherwise)	2014							
	Global Markets	**Corporate & Investment Banking**	**Private, Wealth & Commercial Clients**	**Deutsche Asset Management**	**Postbank**	**Non-Core Operations Unit**	**Consoli-dation & Adjustments and Other**	**Total**
Income (loss) before income taxes (IBIT)[1]	**1,843**	**2,306**	**1,070**	**674**	**(123)**	**(2,419)**	**(236)**	**3,116**
Income tax expense	0	0	0	0	0	0	0	(1,425)[1]
Net income (loss)	1,198	1,499	696	438	(80)	(1,572)	(488)	1,691[1]
Net income (loss) attributable to noncontrolling interests	0	0	0	0	0	0	(28)	(28)[1]
Net income attributable to DB shareholders and additional equity components	1,198	1,499	696	438	(80)	(1,572)	(516)	1,663[1]
Average shareholders' equity[1]	**20,569**	**10,512**	**9,183**	**5,144**	**8,134**	**7,724**	**143**	**61,410**
Add (deduct):								
Average goodwill and other intangible assets	(1,880)	(1,093)	(2,094)	(4,485)	(2,808)	(600)	(1,339)	(14,299)
Average tangible shareholders' equity	**18,690**	**9,419**	**7,089**	**658**	**5,326**	**7,124**	**(1,196)**	**47,111**
Post-tax return on average shareholders' equity[2]	6 %	14 %	8 %	9 %	(1) %	N/M	N/M	3 %
Post-tax return on average tangible shareholders' equity[2]	6 %	16 %	10 %	67 %	(2) %	N/M	N/M	4 %

N/M – Not meaningful

1 Audited.

2 The post-tax return on average shareholders' equity and average tangible shareholders' equity, at the Group level, reflects the reported effective tax rate for the Group.

2.7.2 Adjusted Costs

Adjusted costs is one of the key performance indicators outlined in Deutsche Bank's targets orginally announced in October 2015. Adjusted costs is a non-GAAP financial measure most directly comparable to the IFRS financial measure noninterest expenses. Adjusted costs is calculated by adjusting noninterest expenses under IFRS for (i) impairment of goodwill and other intangible assets, (ii) litigation, (iii) policyholder benefits and claims and (iv) restructuring and severances. Policyholder benefits and claims arose from the Abbey Life Assurance business which was sold in late 2016 and so will not occur in future periods. The Group believes that a presentation of noninterest expenses excluding the impact of these items provides a more meaningful depiction of the costs associated with Deutsche Bank's operating businesses.

(unaudited) in € m.	December 31, 2016 Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Noninterest expenses	**9,084**	**5,119**	**6,394**	**3,223**	**2,815**	**2,701**	**106**	**29,442**
Impairment of goodwill and other intangible assets	285	–	–	1,021	–	(49)	–	1,256
Litigation	591	17	(1)	(0)	58	1,750	(18)	2,397
Policyholder benefits and claims	–	–	–	374	–	–	–	374
Restructuring and Severance	191	192	177	69	29	23	1	681
Adjusted costs	**8,017**	**4,910**	**6,219**	**1,759**	**2,729**	**977**	**123**	**24,734**

(unaudited) in € m.	December 31, 2015 Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Noninterest expenses	**12,599**	**6,266**	**7,983**	**2,336**	**5,497**	**3,006**	**980**	**38,667**
Impairment of goodwill and other intangible assets	1,568	600	1,011	–	2,597	–	–	5,776
Litigation	2,603	329	41	1	14	1,849	380	5,218
Policyholder benefits and claims	–	–	–	256	–	–	–	256
Restructuring and Severance	166	88	595	8	83	25	–	965
Adjusted costs	**8,262**	**5,249**	**6,336**	**2,071**	**2,802**	**1,132**	**600**	**26,451**

2.7.3 Book Value and Tangible Book Value per Basic Share Outstanding

Book value per basic share outstanding and tangible book value per basic share outstanding are non-GAAP financial measures that are used and relied upon by investors and industry analysts as capital adequacy metrics. Book value per basic share outstanding represents the Bank's total shareholders' equity divided by the number of basic shares outstanding at period-end. Tangible book value represents the Bank's total shareholders' equity less goodwill and other intangible assets. Tangible book value per basic share outstanding is computed by dividing tangible book value by period-end basic shares outstanding.

2.7.3.1 Tangible Book Value

(audited)	**Year ended December 31,**			**2016 increase (decrease) from 2015**		**2015 increase (decrease) from 2014**	
in € m. (unless stated otherwise)	**2016**	**2015**	**2014**	**in € m.**	**in %**	**in € m.**	**in %**
Total shareholders' equity (Book value)	59,833	62,678	68,351	(2,845)	(5)	(5,673)	(8)
Goodwill and other intangible assets	(8,982)	(10,078)	(14,951)	1,096	(11)	4,873	(33)
Tangible shareholders' equity (Tangible book value)[1]	50,851	52,600	53,400	(1,749)	(3)	(800)	(1)

1 Unaudited.

2.7.3.2 Basic Shares Outstanding

(unaudited) in m. (unless stated otherwise)	**Year ended December 31,**			**2016 increase (decrease) from 2015**		**2015 increase (decrease) from 2014**	
	2016	**2015**	**2014**	**in m.**	**in %**	**in m.**	**in %**
Number of shares	1,379.3	1,379.3	1,379.3	0	0	0	0
Shares outstanding:							
Treasury shares	(0.2)	(0.4)	(0.3)	0.2	(45.8)	(0.1)	44.1
Vested share awards	20.8	8.9	6.8	11.9	133.7	2.1	31.6
Basic shares outstanding	1,399.9	1,387.8	1,385.8	12.1	0.9	2.0	0.1
Book value per basic share outstanding in €	42.74	45.16	49.32	(2.42)	(5.4)	(4.16)	(8.4)
Tangible book value per basic share outstanding in €	36.33	37.90	38.53	(1.57)	(4.1)	(0.63)	(1.6)

2.7.4 CRR/CRD 4 Solvency Measures

Deutsche Bank's regulatory assets, exposures, risk-weighted assets, capital and ratios thereof were calculated for regulatory purposes and are set forth throughout this Prospectus under CRR/CRD 4. CRR/CRD 4 provides for "transitional" (or "phase-in") 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. 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. The transitional rules relate, e.g., to the risk weighting of certain categories of assets. Unless otherwise noted, Deutsche Bank's CRR/CRD 4 solvency measures as of December 31, 2016, December 31, 2015 and December 31, 2014 set forth in this Prospectus reflect these transitional rules.

Deutsche Bank also sets forth in this Prospectus such CRR/CRD 4 measures on a "fully loaded" basis, reflecting full application of the final CRR/CRD 4 framework without consideration of the transitional provisions under CRR/CRD 4, except as described below.

The transitional rules include rules permitting the grandfathering of equity investments at a risk-weight of 100 % instead of a risk weight between 190 % and 370 % determined based on Article 155 CRR that would apply under the CRR/CRD 4 fully loaded rules. Despite the grandfathering rule for equity investments not applying under the full application of the final CRR/CRD 4 framework, Deutsche Bank continues to apply it in Deutsche Bank's CRR/CRD 4 fully loaded methodology for a limited subset of equity positions, based on its intention to mitigate the impact of the expiration of the grandfathering rule through sales of the underlying assets or other measures prior to its expiration at end of 2017. Deutsche Bank is closely monitoring the market and potential impacts from illiquid markets or other similar difficulties which could make it unfeasible to exit these positions.

As of December 31, 2016, Deutsche Bank's portfolio of transactions for which it applied the equity investment grandfathering rule in calculating its fully loaded RWA consisted of 15 transactions amounting to € 220 million in exposures. Had Deutsche Bank not applied the grandfathering rule for these transactions, their fully loaded RWA would have been no more than € 816 million, and thus the Group fully loaded RWA would have been no more than € 358.1 billion as of December 31, 2016, rather than the Group fully loaded RWA of € 357.5 billion that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule. Also, had Deutsche Bank calculated its fully loaded CET 1 capital ratio, Tier 1 capital ratio and Total capital ratio as of December 31, 2016 using fully loaded RWAs without application of the grandfathering rule, such capital ratios would have (due to rounding) remained unchanged at the 11.8 %, 13.1 % and 16.6 %, respectively, that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule.

As of December 31, 2015, Deutsche Bank's portfolio of transactions for which it applied the equity investment grandfathering rule in calculating its fully loaded RWA amounted to € 1.5 billion in exposures. Had Deutsche Bank not applied the grandfathering rule for these transactions, their fully loaded RWA would have been no more than € 5.4 billion, and thus the Group fully loaded RWA would have been no more than € 400.7 billion as of December 31, 2015, rather than the Group fully loaded RWA of € 396.7 billion that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule. Also, had Deutsche Bank calculated its fully loaded CET 1 capital ratio, Tier 1 capital ratio and Total capital ratio as of December 31, 2015 using fully loaded RWAs without application of the grandfathering rule, such capital ratios would have been 11.0 %, 12.1 % and 15.2 %, respectively, instead of the 11.1 %, 12.3 % and 15.4 %, respectively, that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule.

As the final implementation of CRR/CRD 4 may differ from Deutsche Bank's expectations, and Deutsche Bank's competitors' assumptions and estimates regarding such implementation may vary, Deutsche Bank's fully loaded CRR/CRD 4 measures may not be comparable with similarly labeled measures used by Deutsche Bank's competitors.

Deutsche Bank believes that these "fully loaded" CRR/CRD 4 calculations provide useful information to investors as they reflect Deutsche Bank's progress against the new regulatory capital standards and as many of Deutsche Bank's competitors have been describing CRR/CRD 4 calculations on a "fully loaded" basis.

For descriptions of these fully loaded CRR/CRD 4 measures and the differences from the most directly comparable measures under the CRR/CRD 4 transitional rules, please refer to section "*13.5.1. Capital and Leverage Ratio*", in particular the subsections "*13.5.1.4. Development of Regulatory Capital*" and "*13.5.1.5. Development of Risk-Weighted Assets*" thereof, and section "*13.5.2. Leverage Ratio*" of this Prospectus.

2.7.5 Non-GAAP Financial Measures / CRR/CRD 4 Measures and Forward-Looking Statements

When used with respect to future periods, Deutsche Bank's non-GAAP financial measures are also forward-looking statements. Deutsche Bank cannot predict or quantify the levels of the most directly comparable financial measures under IFRS that would correspond to these non-GAAP financial measures for future periods. This is because neither the magnitude of such IFRS financial measures, nor the magnitude of the adjustments to be used to calculate the related non-GAAP financial measures from such IFRS 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 financial measure.

When used with respect to future periods, Deutsche Bank's fully loaded CRR/CRD 4 measures are also forward-looking statements. Deutsche Bank cannot predict or quantify the levels of the most directly comparable transitional CRR/CRD 4 measures that would correspond to these fully loaded CRR/CRD 4 measures for future periods. In managing Deutsche Bank's business with the aim of achieving targets based on fully loaded CRR/CRD 4 measures, the relation between the fully loaded and transitional measures will depend upon, among other things, management action taken in light of future business, economic and other conditions.

2.8 Statutory Auditors

The independent auditors of the Company are KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMG"), Klingelhöferstraße 18, 10785 Berlin, Germany. The non-consolidated financial statements prepared in accordance with the German Commercial Code (HGB) as of and for the fiscal year ended December 31, 2016 and the consolidated financial statements prepared in accordance with IFRS as of and for the fiscal years ended December 31, 2016, 2015 and 2014 have been audited by KPMG, and an unqualified auditor's report has been issued in each case. KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

2.9 Documents on Display

For the period during which this Prospectus remains valid, printed copies of the following documents are available for inspection during regular business hours at the Company's offices at Taunusanlage 12, 60325 Frankfurt am Main, Germany:

- the Articles of Association of the Company;
- the audited HGB non-consolidated financial statements of Deutsche Bank AG as of and for the fiscal year ended December 31, 2016; and
- the audited IFRS consolidated financial statements of Deutsche Bank AG as of and for the fiscal years ended December 31, 2016, 2015 and 2014, respectively.

In addition, these documents are available on the investor relations website of Deutsche Bank (www.db.com/ir).

3. THE OFFERING

3.1 Subject Matter of the Offering

The subject matter of the Offering are 687,500,000 new, no par value ordinary registered shares of Deutsche Bank AG (the "New Shares"), each with a notional value of € 2.56 per share in the share capital and with the same dividend rights as each other outstanding share of the Company.

The New Shares will result from the capital increase against cash contributions from authorized capital resolved by the Management Board on March 19, 2017 and approved by the Supervisory Board's Chairman's Committee, to which such competence was delegated, on the same date. Exercising the authorizations pursuant to Section 4 para. 5 and 6 of the Articles of Association of Deutsche Bank AG (authorized capital), the Management Board of Deutsche Bank AG resolved on March 19, 2017, and the Supervisory Board's Chairman's Committee, to which such competence was delegated, approved on the same date, to increase the share capital from € 3,530,939,215.36 by € 1,760,000,000 to € 5,290,939,215.36 by issuing 687,500,000 New Shares against cash contributions at a subscription price of € 11.65 per New Share. The shareholders will be granted indirect subscription rights in this process. The New Shares will be offered to shareholders at a subscription ratio of 2 : 1, i.e. one New Share may be acquired at the subscription price for every two existing shares. The subscription rights of the shareholders are excluded in regard to a fractional amount of up to 500,000 New Shares, with the final number of New Shares for which subscription rights have been excluded to be based on the number of own shares exceeding 4,273,131 at close of trading on the evening of March 20, 2017 (equivalent to the number of shares booked with Clearstream Bank AG on the evening of March 22, 2017).

Based on the Underwriting Agreement entered into on March 5, 2017, the Underwriters have agreed, subject to certain conditions, to subscribe for the New Shares and to offer such shares (excluding such shares for which subscription rights have been excluded to avoid fractions) in public offerings in Germany, the United Kingdom and the United States to the Company's shareholders in connection with an indirect subscription right at the subscription ratio and at the subscription price per New Share of € 11.65 (the "Subscription Offer"). In Canada the New Shares will be offered only under a Canadian offering memorandum and only by persons permitted to sell New Shares in Canada and only to Canadian shareholders to whom they are permitted to sell New Shares. Any New Shares remaining unsubscribed in connection with the Subscription Offer, as well as the fractional amount excluded from the subscription rights of the shareholders, will be offered for sale in a public offering in the United States and in private placements to investors in Germany and in certain other jurisdictions (excluding Japan).

Under certain circumstances, the Offering may be terminated, see also section "*3.3 Subscription Offer*" under *"Important Notices"*.

3.2 Scheduled Timetable

The scheduled timetable for the Offering is as follows:

March 20, 2017	Approval of the Prospectus by the BaFin; notification of the Prospectus to the competent regulatory authority in the United Kingdom; publication of the Prospectus on the Internet website of Deutsche Bank AG (www.db.com/ir).
	Publication of the Subscription Offer in the German Federal Gazette (*Bundesanzeiger*).
	Credit by the depositary banks of the subscription rights to the depositary accounts of the shareholders of Deutsche Bank AG as of (the evening of) March 20, 2017.
March 21, 2017	Publication of the Subscription Offer in the Frankfurter Allgemeine Zeitung and the Börsen-Zeitung.
	Start of the Subscription Period and subscription rights trading on the Frankfurt Stock Exchange and the New York Stock Exchange.
March 31, 2017	End of subscription rights trading on the New York Stock Exchange.
April 4, 2017	End of subscription rights trading on the Frankfurt Stock Exchange.
On or about April 5, 2017	Expected registration of the implementation of the capital increase from authorized capital with the Commercial Register.
	Expected delivery of global share certificate evidencing the New Shares to Clearstream.

	Expected admission decision by the Frankfurt Stock Exchange and the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart.
April 6, 2017	End of Subscription Period; latest possible date for payment of the subscription price.
On or about April 7, 2017	Delivery of the subscribed New Shares to be held in collective safe custody and inclusion of the New Shares in the existing listing at the Frankfurt Stock Exchange and the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart and at the New York Stock Exchange.
On or about April 11, 2017	Delivery of the New Shares that were not subscribed during the Subscription Period or excluded from the subscription rights and sold to investors in the United States and in private placements.

This Prospectus will be published on the Internet website of Deutsche Bank AG (www.db.com/ir). Printed copies of the Prospectus will be available for distribution free-of-charge at Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, during regular business hours.

3.3 Subscription Offer

An English translation of the German language Subscription Offer expected to be published on March 20, 2017 in the German Federal Gazette (*Bundesanzeiger*) and on March 21, 2017 in the Frankfurter Allgemeine Zeitung and the Börsen-Zeitung is reproduced below:

"Deutsche Bank Aktiengesellschaft
Frankfurt am Main

ISIN DE0005140008 /WKN 514 000

Subscription Offer

On March 19, 2017, the Management Board of Deutsche Bank Aktiengesellschaft resolved, with approval of the Supervisory Board's Chairman's Committee, to which such competence was delegated, on the same date, to exercise the authorizations pursuant to Section 4 para. 5 and 6 of the Articles of Association of Deutsche Bank Aktiengesellschaft (Authorized Capital) and to increase the share capital from € 3,530,939,215.36 by € 1,760,000,000.00 to € 5,290,939,215.36 by issuing 687,500,000 new, no par value ordinary registered shares (the "New Shares") against cash contributions. Except for a fractional amount of shares, in respect of which the shareholders' subscription right is excluded, the New Shares will be offered for subscription at the subscription price stated below. The New Shares carry the same dividend rights as all other outstanding shares of Deutsche Bank Aktiengesellschaft, including full dividend rights for the fiscal year 2016.

In connection with the capital increase, the shareholders of Deutsche Bank Aktiengesellschaft will be granted the statutory subscription right in the form of an indirect subscription right pursuant to Section 186(5) of the German Stock Corporation Act (Aktiengesetz – AktG). The subscription right of the shareholders is excluded for a fractional amount of up to 500,000 shares. The final number of New Shares for which the subscription right of the shareholders have actually been excluded will be determined on the basis of the subscription ratio (2 : 1) and the number of own shares held at close of trading on the evening of March 20, 2017 (equivalent to the number of own shares booked with Clearstream Bank AG on the evening of March 22, 2017) and exceeding the number 4,273,131.

Based on an underwriting agreement dated March 5, 2017 ("Underwriting Agreement"), the members of a syndicate of 30 financial institutions (the "Underwriters") led by Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Goldman Sachs International, BNP PARIBAS, COMMERZBANK Aktiengesellschaft, HSBC Trinkaus & Burkhardt AG, Morgan Stanley & Co. International plc and UniCredit Bank AG have agreed, under certain conditions, (i) to subscribe and acquire the New Shares and (ii) to offer the New Shares excluding the share fractional amount to the shareholders in connection with an indirect subscription right during the subscription period at the subscription ratio and at the subscription price per New Share ("Subscription Offer"). The implementation of the capital increase is scheduled to be registered with the Commercial Register of the Local Court of Frankfurt am Main on or about April 5, 2017.

The depositary banks will credit to the depositary accounts of Deutsche Bank Aktiengesellschaft's shareholders the subscription rights (ISIN DE000A2E4184, WKN A2E 418) relating to the existing shares of Deutsche Bank Aktiengesellschaft (ISIN DE0005140008, WKN 514 000) as of the evening of March 20, 2017. On March 23, 2017, Clearstream Banking AG will automatically credit the subscription rights to the depositary banks.

We kindly request our shareholders to exercise their subscription rights to the New Shares during the period

from and including March 21, 2017 up to and including April 6, 2017

through their depositary bank at one of the subscription agents referred to below during ordinary business hours. Subscription rights that are not exercised during this period will expire and become worthless. No compensation will be awarded for subscription rights that will not be exercised.

Subscription agents are the German branches of:

Deutsche Bank Aktiengesellschaft.

Pursuant to the subscription ratio of 2 : 1, one New Share may be acquired at the subscription price for every two existing shares of Deutsche Bank Aktiengesellschaft. The exercise of the subscription rights is subject to the registration of the implementation of the capital increase with the Commercial Register and is also subject to the further restrictions described in the section "Important Notices".

Subscription Price

The subscription price for each New Share subscribed amounts to € 11.65. The subscription price has to be paid at the latest on the final day of the subscription period (April 6, 2017). The depositary banks will charge customary fees for the subscription.

Subscription Rights Trading

In connection with the offering of the New Shares, the subscription rights will be traded on the stock exchange. The subscription rights (ISIN DE000A2E4184) for the New Shares will be traded during the period from March 21, 2017 up to and including April 4, 2017 on the regulated market (XETRA and XETRA Frankfurt Specialist) of the Frankfurt Stock Exchange. The subscription rights will also be traded on the New York Stock Exchange. Deutsche Bank Aktiengesellschaft does not intend to apply for subscription rights trading on any other stock exchange. The subscription agents are prepared to act as brokers in the buying and selling of subscription rights on the stock exchange, if possible. No compensation will be awarded for any subscription rights not exercised. Upon expiration of the subscription period, the unexercised subscription rights will expire and become worthless.

As of March 21, 2017, the existing shares of Deutsche Bank Aktiengesellschaft (ISIN DE0005140008) will be quoted "ex-rights" on the regulated markets of the Frankfurt Stock Exchange and of the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart, and the New York Stock Exchange.

Credit Suisse Securities (Europe) Limited may take appropriate measures to provide liquidity for an orderly subscription rights trading, including, in particular, the buying and selling of subscription rights for New Shares. There is, however, no corresponding obligation to do so. In this respect, Credit Suisse Securities (Europe) Limited reserves the right to enter into hedging transactions in shares of the Company or corresponding derivatives.

Important Notices

Before making a decision to exercise, acquire or sell any subscription rights, or to acquire any shares, shareholders and investors are advised to carefully read the securities prospectus dated March 20, 2017 (the "Prospectus") which is available on the Internet website of Deutsche Bank Aktiengesellschaft (www.db.com/ir).

Under certain conditions, the Underwriters are entitled to withdraw from the Underwriting Agreement or to postpone the implementation of the Subscription Offer. These conditions include material adverse changes in the financial condition or results of operations of Deutsche Bank Aktiengesellschaft (other than as disclosed in this Prospectus) and its subsidiaries, significant restrictions on stock exchange trading or commercial banking activities, the outbreak or escalation of hostilities, the declaration of a state of national emergency by the Federal Republic of Germany, the United Kingdom or the United States of America or other catastrophes or crises involving the Federal Republic of Germany, the United Kingdom or the United States of America and having or expected to have material adverse impacts on financial markets. The Underwriters' obligation will also end if the implementation of the capital increase has not been registered by April 7, 2017, 12.00 a.m. (midnight) CEST, with the Commercial Register of the Local Court of Frankfurt am Main, and the Company and the Underwriters fail to agree on a later date. A right of withdrawal also exists if the New Shares are not admitted to trading by or on April 7, 2017.

In the event of a withdrawal from the Underwriting Agreement prior to registration of the implementation of the capital increase with the Commercial Register, the subscription rights of the shareholders will expire without compensation. An unwinding of trading transactions relating to subscription rights by the agents brokering the subscription rights transactions will not take place in such a case, so that investors who purchased subscription rights via a stock exchange would suffer a loss. If the Underwriters withdraw from the Underwriting Agreement following registration of the implementation of the capital increase with the Commercial Register, the shareholders who have exercised their subscription rights may acquire New Shares at the subscription price.

In the event of a withdrawal by the Underwriters from the Underwriting Agreement after the Subscription Offer has been completed, which is also possible following delivery, settlement and the listing of the New Shares subscribed for in the Offering, such withdrawal would only apply to New Shares that were not subscribed for. Share purchase agreements for unsubscribed New Shares are thus subject to reservations. If short-selling has occurred as of the time of cancellation of booking of the shares, it is solely the seller of such New Shares who bears the risk of being unable to meet its obligation to deliver New Shares.

Sale of Unsubscribed New Shares

The New Shares remaining unsubscribed in the Subscription Offer and the share fractional amount excluded from the subscription right of the shareholders will be offered for sale in a public offering in the United States and in private placements to investors in the Federal Republic of Germany and certain other jurisdictions (excluding Japan).

Share Certificates and Delivery of the New Shares

The New Shares (ISIN DE0005140008) will be represented by a global share certificate deposited with Clearstream Banking AG and with the sub-agent specified under the global share structure of Deutsche Bank Aktiengesellschaft for the United States of America. According to the Articles of Association, the shareholders shall not be entitled to share certificates, dividend or renewal coupons, provided these are not required to be granted pursuant to the rules of a stock exchange by which the shares have been admitted to trading. The New Shares are vested with the same rights as all other shares of Deutsche Bank Aktiengesellschaft and are not vested with any additional rights or benefits. The New Shares acquired pursuant to this Subscription Offer are expected to be delivered on or about April 7, 2017, and the New Shares acquired in private placements are expected to be delivered after the conclusion of the private placements on or about April 11, 2017, in each case by crediting the New Shares to the collective custodial account, unless the subscription period has been extended.

Stock Exchange Admission and Trading of the New Shares

Applications for admission of the New Shares to the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and to the regulated market of the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart are expected to be filed on March 21, 2017. The admission decisions are expected on April 5, 2017. The start of trading and inclusion of the New Shares in the existing listing on the German stock exchanges is expected on or about April 7, 2017. The inclusion of the New Shares in the existing listing on the New York Stock Exchange is expected at the same time.

Publication of the Prospectus

In connection with the Subscription Offer, a securities prospectus dated March 20, 2017 (the "Prospectus") has been published on the Internet website of Deutsche Bank Aktiengesellschaft (www.db.com/ir). Printed copies of the Prospectus will be available for distribution free-of-charge at Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, during regular business hours.

Selling Restrictions

This document does not constitute an offering for the sale of securities in the United States of America ("United States"). The subscription rights and the New Shares may not be offered or sold in the United States without being registered or exempted from the registration requirement. Deutsche Bank Aktiengesellschaft has filed a registration statement with the U.S. Securities and Exchange Commission ("SEC") to register the subscription rights and the New Shares or a portion of the subscription rights and the New Shares in the United States. The public offering of the subscription rights and the New Shares in the United States is based on a prospectus available from Deutsche Bank Aktiengesellschaft or on the SEC website and containing detailed information about Deutsche Bank Aktiengesellschaft, its administrative and executive bodies, and financial information about Deutsche Bank Aktiengesellschaft.

Any issue, offering and sale of the subscription rights and New Shares in Canada will be made only under a Canadian offering memorandum. New Shares may be offered and sold in Canada only by persons permitted to sell New Shares in Canada and only to Canadian shareholders to whom they are permitted to sell New Shares. The Canadian offering memorandum will consist of the U.S. prospectus and additional prescribed Canadian disclosure. In connection with the issue of the subscription rights and sale of New Shares to existing shareholders in Canada, Deutsche Bank Aktiengesellschaft is required to file a written notice, a certificate, and the Canadian offering memorandum with the Canadian securities regulatory authorities and make the Canadian offering memorandum available to shareholders in Canada in order for subscription rights to be issued to shareholders in Canada under an exemption from the requirement to file a prospectus with the Canadian securities regulatory authorities.

The acceptance of this offer outside the Federal Republic of Germany may be subject to restrictions. Persons who intend to accept this offer outside the Federal Republic of Germany are requested to inform themselves of and comply with the restrictions that exist outside the Federal Republic of Germany.

Stabilization

In connection with the offering of the New Shares, Credit Suisse Securities (Europe) Limited will be acting as the stabilization manager, and it (or one of its affiliates) may take stabilization measures aimed at supporting the market price of the shares of Deutsche Bank Aktiengesellschaft in order to offset any existing selling pressure in such shares (stabilization measures).

The stabilization manager has no obligation to undertake stabilization measures. Accordingly, it cannot be guaranteed that stabilization measures will be taken at all. If stabilization measures are taken, they may be discontinued at any time without prior announcement.

Such stabilization measures may be taken on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) or the New York Stock Exchange as from the date of the publication of the Subscription Offer and must cease at the latest on the 30th calendar day following expiration of the subscription period, expected to be May 6, 2017 (stabilization period).

Stabilization measures may result in a (quoted) market price of the shares of Deutsche Bank Aktiengesellschaft that is higher than would be the case in the absence of such measures. Furthermore, the (quoted) market price may temporarily reach a level that is not sustainable.

During the stabilization period, Credit Suisse Securities (Europe) Limited will ensure adequate public disclosure of the details of all stabilization transactions no later than the end of the seventh daily market session following the date of execution of such transactions. Within one week of the end of the stabilization period, Credit Suisse Securities (Europe) Limited will ensure adequate public disclosure as to whether or not stabilization was undertaken, the date on which stabilization started and last occurred, the price range within which stabilization was carried out, specifically for each of the dates during which stabilization transactions were carried out and the trading venue(s) on which the stabilization transactions were carried out, where applicable.

Frankfurt am Main, March 2017

Deutsche Bank Aktiengesellschaft

The Management Board"

3.4 Subscription Price

The subscription price per subscribed New Share ("Subscription Price") amounts to € 11.65.

3.5 Allotment of Subscription Rights

Each existing share of the Company (ISIN DE0005140008, WKN 514000) entitles to one subscription right, except for own shares held by the Company and the fractional amount for which subscription rights have been excluded. As of the evening of March 20, 2017, the depositary banks will credit the subscription rights to the shareholders' depositary accounts. As of March 21, 2017, the existing shares of Deutsche Bank AG will be quoted "ex-rights" on the regulated markets of the Frankfurt Stock Exchange and of the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart, as well as on the New York Stock Exchange. On March 23, 2017, Clearstream Banking AG will automatically credit the subscription rights to the depositary banks.

Holders of existing shares through Clearstream Banking AG that are credited to The Depository Trust Company will neither be allotted nor be permitted to exercise their subscription rights through Clearstream Banking AG. Such holders should refer to the U.S. prospectus for information regarding the allocation and exercise of their subscription rights, see section "*3.11 Selling Restrictions*".

3.6 Exercise of Subscription Rights

Pursuant to the subscription ratio of 2 : 1, one New Share may be acquired at the Subscription Price for every two existing shares of Deutsche Bank AG. Subscription rights must be exercised during the period from and including March 21, 2017 up to and including April 6, 2017 at one of the subscription agents. Instructions by investors regarding the exercise of subscription rights have to be addressed to their respective depositary banks. Investors are recommended to follow the respective instructions by their depositary banks.

3.7 Sale of Subscription Rights

The subscription rights are freely transferable. To the extent the terms and conditions of the depositary banks provide so, these banks will attempt to sell the subscription rights at the best possible price, unless the shareholder entitled to the subscription issues an instruction regarding the exercise of its subscription rights.

3.8 Subscription Rights Remaining Unexercised

Subscription rights remaining unexercised will expire and become worthless.

3.9 Underwriters and Underwriting Agreement

The banks underwriting the Offering are Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Goldman Sachs International, BNP PARIBAS, COMMERZBANK Aktiengesellschaft, HSBC Trinkaus & Burkhardt AG, Morgan Stanley & Co. International plc, UniCredit Bank AG, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, ING Bank N.V., Mediobanca Banca di Credito Finanziario S.p.A., NATIXIS, Raiffeisen Centrobank AG, RBC Europe Limited and Société Générale (together the Joint Bookrunners) and ABN AMRO Bank N.V., Bankhaus Lampe KG, Banque Internationale à Luxembourg, société anonyme, CaixaBank, S.A., Erste Group Bank AG, ICBC Standard Bank PLC, KBC Securities NV, Macquarie Capital (Europe) Limited, Mizuho International plc, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and SMBC Nikko Capital Markets Limited (together the Co-Lead Managers, and together with the Joint Bookrunners, the Underwriters). The Company and the Underwriters entered into an Underwriting Agreement dated March 5, 2017 pursuant to which the Underwriters have agreed, under certain conditions, to underwrite and acquire all of the New Shares and offer them (excluding a fractional amount) to the shareholders of the Company for subscription.

The following table presents the legal names and registered addresses of the Underwriters as well as the percentage of New Shares underwritten by the respective Underwriter pursuant to the Underwriting Agreement:

Underwriter	Percentage of New Shares
Credit Suisse Securities (Europe) Limited, One Cabot Square, London E14 4QJ, United Kingdom	8.28%
Barclays Bank PLC, 1 Churchill Place, London E14 5HP, United Kingdom	8.28%
Goldman Sachs International, Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom	8.28%
BNP PARIBAS, 16 boulevard des Italiens, 75009 Paris, France	6.09%
COMMERZBANK Aktiengesellschaft, Kaiserstrasse 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany	6.09%
HSBC Trinkaus & Burkhardt AG, Königsallee 21/23, 40212 Dusseldorf, Germany	6.09%
Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom	6.09%
UniCredit Bank AG, Arabellastrasse 12, 81925 Munich, Germany	6.09%
Banca IMI S.p.A., Largo Mattioli, 3, 20121 Milano, Italy	3.28%
Banco Bilbao Vizcaya Argentaria, S.A., Plaza de San Nicolás 4, 48005 Bilbao, Vizcaya, Spain	3.28%
Banco Santander, S.A., Paseo de Pereda 9-12, Santander, Spain	3.28%
Crédit Agricole Corporate and Investment Bank, 12 place des Etats-Unis, 92120 Montrouge, France	3.28%
ING Bank N.V., Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands	3.28%
Mediobanca Banca di Credito Finanziario S.p.A., Piazzetta Enrico Cuccia, 1, 20121 Milano, Italy	3.28%
NATIXIS, 30 avenue Pierre Mendès France, 75013 Paris, France	3.28%
Raiffeisen Centrobank AG, Tegetthoffstrasse 1, 1010 Vienna, Austria	3.28%
RBC Europe Limited, Riverbank House, 2 Swan Lane, London EC4R 3BF, United Kingdom	3.28%
Société Générale, 29 boulevard Haussmann, 75009 Paris, France	3.28%
ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082PP Amsterdam, The Netherlands	1.24%
Bankhaus Lampe KG, Alter Markt 3, 33602 Bielefeld, Germany	0.80%

Underwriter	Percentage of New Shares
Banque Internationale à Luxembourg, société anonyme, 69, route d'Esch, L-2953 Luxembourg, Grand Duchy of Luxembourg	0.80%
CaixaBank, S.A., Av. Diagonal 621, Barcelona 08028, Spain	0.80%
Erste Group Bank AG, Am Belvedere 1, 1100 Vienna, Austria	1.00%
ICBC Standard Bank PLC, 20 Gresham Street, London EC2V 7JE, United Kingdom	1.24%
KBC Securities NV, Havenlaan 12, B-1080 Brussels, Belgium	1.00%
Macquarie Capital (Europe) Limited, Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom	1.24%
Mizuho International plc, Mizuho House, 30 Old Bailey, London EC4M 7AU, United Kingdom	1.24%
Nordea Bank AB (publ), SE-105 71 Stockholm, Sweden	1.00%
Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, 111 47 Stockholm, Sweden	0.80%
SMBC Nikko Capital Markets Limited, One New Change, London EC4M 9AF, United Kingdom	0.80%

Any shares remaining unsubscribed in the Subscription Offer and the fractional amount excluded from the subscription right will be offered by the Underwriters in a public offering in the United States and in private placements to investors in Germany and certain other jurisdictions (excluding Japan) for purchase, and will be sold at the best possible price.

Pursuant to the terms and conditions of the Underwriting Agreement, Deutsche Bank AG is required to pay an underwriting and management commission in the maximum amount of approximately € 141 million to the Underwriters. In the Underwriting Agreement, the Company has agreed to indemnify the Underwriters against certain liabilities.

The Underwriting Agreement also provides that the obligations of the Underwriters are subject to the satisfaction of certain conditions, including, for example, the receipt of a customary confirmation and legal opinions satisfactory to the requirements of the Underwriters.

For further information about the right available to the Underwriters to withdraw from the Underwriting Agreement see section "*3.3 Subscription Offer*" under "*Important Notices*".

3.10 Lock-up Agreement

During the period commencing on March 5, 2017 and ending six months after the first day of trading of the New Shares on the Frankfurt Stock Exchange, the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart and the New York Stock Exchange, without the prior written consent of Credit Suisse Securities (Europe) Limited, which consent may not be unreasonably withheld or delayed, the Company will not, to the extent permitted by German corporate law (*im Rahmen des aktienrechtlich Zulässigen*):

(i) exercise an authorization pursuant to its Articles of Association to increase its capital;

(ii) submit a proposal for a capital increase or the issuance of financial instruments convertible into shares of the Company or with option rights for shares of the Company to any meeting of the shareholders for resolution (except for authorizations pursuant to Section 202 or Section 221(2) of the German Stock Corporation Act and the creation of a related conditional capital);

(iii) offer, pledge, allot, issue (unless being required by applicable law), sell, contract to sell, sell any option to purchase or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to a third party, in whole or in part, the economic risk of ownership of shares in its capital, whether any such transaction described above is to be settled by delivery of shares in its capital or such other securities, in cash or otherwise.

The foregoing restrictions will not apply to (i) the New Shares to be sold under the Underwriting Agreement, (ii) contingent capital instruments (including the CRR/CRD 4 Additional Tier 1 ("AT1") securities) issued or to be issued by the Company (aa) mandatorily or voluntarily convertible into shares of the Company, or (bb) being combined with any option, right or warrant to purchase any existing share or new share, or (cc) granting any participation rights (*Genussrechte*), or (dd) other instruments related to or combining any such instruments described under (aa) – (cc), in each case irrespective of whether or not subscription rights will be granted to the shareholders of the Company, (iii) for the purpose of issuing or otherwise distributing or allocating shares of the Company or options for shares of the Company or other instruments related to shares of the Company to directors (including members of the Management Board or Supervisory Board) or employees of the Company or any of its subsidiaries under a customary directors' (including members of the Management Board or Supervisory Board) and/or employees' stock option, share

participation or other employee incentive plan or otherwise related to equity compensation of directors (including members of the Management Board or Supervisory Board) or employees of the Company, (iv) sales of treasury shares (or derivative transactions related thereto) carried out in a manner consistent with the Company's normal treasury activity, (v) hedging, market making and brokerage activities in the ordinary course of the Company's or any of its affiliates trading activities, and (vi) transactions by the Company or any of its affiliates in execution of customer orders.

3.11 Selling Restrictions

This document does not constitute an offering for the sale of securities in the United States. Securities may not be offered or sold in the United States without being registered or exempted from the registration requirement. Deutsche Bank AG has filed a registration statement with the SEC to register the securities or a portion of the securities in the United States. The public offering of the securities in the United States is based on a separate prospectus and a prospectus supplement available from Deutsche Bank AG or on the SEC website and containing detailed information about Deutsche Bank AG, its administrative and executive bodies, and financial information about Deutsche Bank AG.

The acceptance of the subscription offer outside Germany may be subject to restrictions. Persons who intend to accept the subscription offer outside Germany are requested to inform themselves of and comply with the restrictions that exist outside Germany.

Sales in the United Kingdom are also subject to restrictions. Each of the Underwriters has severally represented, warranted and agreed to the Company in the form of an independent guarantee and irrespective of negligence that in relation to the United Kingdom:

(i) it has only communicated and caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any New Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Shares in, from or otherwise involving the United Kingdom.

In the Underwriting Agreement, the Underwriters have also represented and warranted that in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC) (each a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in the Relevant Member State, it has not made and will not make an offer of the New Shares to the public in that Relevant Member State other than in Germany and the United Kingdom, except that it may make an offer of New Shares in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(i) to any qualified investor as defined in the Prospectus Directive, or

(ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer (as set forth in clauses (i) to (ii)) of New Shares shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this restriction, the expression an "offer to the public" in relation to any New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Shares so as to enable an investor to decide to purchase or subscribe to any New Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

Any issue, offering and sale of subscription rights and New Shares in Canada will be made only under a Canadian offering memorandum. New Shares may be offered and sold in Canada only by persons permitted to sell New Shares in Canada and only to Canadian shareholders to whom they are permitted so sell New Shares. The Canadian offering memorandum will consist of the U.S. prospectus and additional prescribed Canadian disclosure. In connection with the issue of the subscription rights and sale of New Shares to existing shareholders in Canada, the Company is required to file a written notice, a certificate, and the Canadian offering memorandum with the Canadian securities regulatory authorities and make the Canadian offering memorandum available to shareholders in Canada in order for subscription rights to be issued to shareholders in Canada under an exemption from the requirement to file a prospectus with the Canadian securities regulatory authorities.

3.12 Stabilization

In connection with the offering of the New Shares, Credit Suisse Securities (Europe) Limited will be acting as the stabilization manager and it (or one of its affiliates) may take stabilization measures aimed at supporting the market price of the shares of Deutsche Bank AG in order to offset any existing selling pressure in such shares (stabilization measures).

The stabilization manager has no obligation to undertake stabilization measures. Accordingly, it cannot be guaranteed that stabilization measures will be taken at all. If stabilization measures are taken, they may be discontinued at any time without prior announcement.

Such stabilization measures may be taken on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) or the New York Stock Exchange as from the date of the publication of the Subscription Offer and must cease at the latest on the 30th calendar day following expiration of the subscription period, expected to be May 6, 2017 (stabilization period).

Stabilization measures may result in a (quoted) market price of the shares of the Company that is higher than would be the case in the absence of such measures. Furthermore, the (quoted) market price may temporarily reach a level that is not sustainable.

During the stabilization period, Credit Suisse Securities (Europe) Limited will ensure adequate public disclosure of the details of all stabilization transactions no later than the end of the seventh daily market session following the date of execution of such transactions. Within one week of the end of the stabilization period Credit Suisse Securities (Europe) Limited will ensure adequate public disclosure as to whether or not stabilization was undertaken, the date on which stabilization started and last occurred, the price range within which stabilization was carried out, specifically for each of the dates during which stabilization transactions were carried out and the trading venue(s) on which the stabilization transactions were carried out, where applicable.

3.13 Interests of Persons Participating in the Offering

In connection with the Offering, the Underwriters have a contractual relationship with the Company. On successful completion of the Offering, the Underwriters will receive a commission from the Company.

The Underwriters or certain of their respective affiliates have performed, and are likely to perform in the future, certain advisory or other services for Deutsche Bank, for which they have received, and are likely to receive in the future, customary fees and expenses. The Company has also performed, and is likely to perform in the future, certain advisory or other services for the Underwriters or their respective affiliates, for which it has received, and is likely to receive in the future, customary fees and expenses. The Company and the Underwriters and, as the case may be, their affiliates have also acted as counterparties to other transactions amongst themselves as well as involving third parties in the area of banking and finance such as underwriting or lending business or trading or derivatives transactions. The Company expects that Deutsche Bank and the Underwriters or their affiliates may also in the future have business relationships as described above. The Company therefore assumes that each of the Underwriters has an interest in the successful completion of the transaction.

In addition, certain of the Underwriters or their affiliates may, solely with respect to transactions outside the United States, enter into financing arrangements with investors in connection with which such investors may from time to time acquire, hold or dispose of the subscription rights or the New Shares.

If the Underwriters and their affiliated companies, acting as investors on their own account, are shareholders in the Company, they can receive subscription rights in connection with the subscription offer and acquire New Shares by exercising these subscription rights. Moreover, they can acquire any New Shares not purchased as part of the subscription offer and hold, buy or sell subscription rights, New Shares or other securities of the Company for their own account. They can also offer and/or sell such securities by means not associated with the Offering. The Underwriters do not intend to disclose the extent of such investments or transactions, unless they are obligated to do so for legal or regulatory reasons. The Underwriters may be obligated to undertake transactions in the New Shares, subscription rights or Company shares for their clients. The Company therefore assumes that the Underwriters have an interest in the successful completion of the transaction as a whole.

4. REASONS FOR THE OFFERING AND USE OF PROCEEDS

4.1 Proceeds and Costs of the Offering

Provided that all of the New Shares are subscribed at the Offer Price, the gross proceeds from the Offering before expenses, commissions or fees will amount to € 8,009 million. The Company expects to incur underwriting and management commissions and other Offering-related expenses of up to an aggregate maximum of approximately € 148 million (after tax: € 136 million), which includes the underwriting and management commission of the Underwriters in a maximum amount of approximately € 141 million. The net proceeds before tax received by the Company will therefore presumably total approximately € 7,861 million (after tax: € 7,873 million).

4.2 Reasons for the Offering and Use of Proceeds

Deutsche Bank intends to use the net proceeds of the Offering to further strengthen its regulatory capital base and also to provide a buffer against future regulatory uncertainty and challenges ahead not currently foreseen by Deutsche Bank. Deutsche Bank also plans to use a portion of the proceeds to pursue focused investments in order to take advantage of opportunities which it perceives to be available or to become available across its business. No specific allocations of the proceeds have been determined by Deutsche Bank at the date of this Prospectus. For further information on Deutsche Bank's strategy and plans reflecting completion of the Offering, see section "*10.2 Business Strategy*".

5. INFORMATION ABOUT THE OFFERED NEW SHARES

5.1 Form, Voting Rights

All shares of the Company including the New Shares are no par value ordinary registered shares, each share representing a notional share in the share capital of the Company in the amount of € 2.56. Each share confers one vote at the general shareholders' meeting of the Company. The voting rights are not restricted.

5.2 Dividend Rights, Participation in Liquidation Proceeds

The New Shares carry the same dividend rights as all other outstanding shares of the Company, including full dividend rights for the fiscal year 2016. The New Shares will be entitled to a share of any liquidation proceeds at the ratio of their notional share in the share capital.

5.3 Stock Exchange Admission, Certificate, Delivery

The applications for admission of the New Shares to the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and for admission to the regulated market of the stock exchanges of Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart is expected to be filed on March 21, 2017. The decision of the stock exchanges regarding the admission of the New Shares to trading is expected on or about April 5, 2017. The start of trading and the inclusion of the New Shares in the existing listing on the German stock exchanges is expected on or about April 7, 2017. The start of trading of the New Shares on the New York Stock Exchange is also expected on or about April 7, 2017.

The New Shares will be available to the purchasers as co-ownership interests in a global certificate deposited in collective safe custody with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, on or about April 7, 2017 and with the sub-agent specified under the global share structure of Deutsche Bank AG for the United States. The rights of the shareholders to certificates representing their New Shares are excluded.

The New Shares shall be delivered to a collective safe custody account. If the Subscription Period is not extended, the New Shares subscribed in connection with the Subscription Offer are expected to be delivered on or about April 7, 2017, and the New Shares purchased in the private placements are expected to be delivered upon completion of the private placements, expected on or about April 11, 2017, in each case by way of book-entry by Clearstream Banking AG, if and to the extent the Underwriting Agreement is not terminated early (for further details regarding the possible early termination of the Underwriting Agreement see section "*3.3 Subscription Offer*" under "*Important Notices*").

5.4 Transferability, Selling Restrictions

The transferability of the shares of the Company is restricted neither by law nor by the Articles of Association of the Company. There are no legal restrictions on their ability to be traded, except for the restrictions referred to in section "*3.11 Selling Restrictions*".

5.5 ISIN /WKN /Common Code

International Securities Identification Number (ISIN)	New Shares:	DE0005140008
	Subscription rights:	DE000A2E4184
German Securities Identification Number(WKN)	New Shares:	514000
	Subscription rights:	A2E 418
Trading Symbol	DBK	(German stock exchanges)
	DB	(New York Stock Exchange)

5.6 Notices

Pursuant to the Articles of Association, Company notices are to be published in the German Federal Gazette (*Bundesanzeiger*). Notices regarding the shares of the Company are also published in the German Federal Gazette.

Notices concerning stock market announcements are published in the German Federal Gazette.

5.7 Paying and Registration Agent

The paying and registration agent for the shares of the Company is Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

6. DILUTION

The rights of the shareholders to subscribe for the New Shares from the capital increase, excluding the share fractional amount, ensure that each shareholder exercising its subscription rights will continue to hold its original, nearly unchanged percentage share in the share capital of the Company. The shareholder's percentage ownership in the Company's share capital and its voting rights will be diluted by 33.3 % if such shareholder does not exercise any of its subscription rights. If the economic value of the subscription rights is not taken into account, a capital dilution for the shareholder of € 10.62 per share would result.

The book value of the shareholders' equity of Deutsche Bank, which corresponds to the line item "Total shareholders' equity" recorded in the consolidated balance sheet prepared in accordance with IFRS as of December 31, 2016, was € 59,833 million and therefore € 43.38 per share of the Company, calculated on the basis of 1,379,273,131 issued shares of the Company as of December 31, 2016.

Based on the foregoing, following the implementation of the capital increase from € 3,530,939,215.36 by € 1,760,000,000 to € 5,290,939,215.36 by issuing 687,500,000 New Shares against cash contributions in connection with this Offering, which is expected to be registered in the Commercial Register of the Company on or about April 5, 2017, and at a subscription or, as the case may be, placement price of € 11.65 per New Share, and following the deduction of the estimated expenses, commissions and fees of the Offering in the maximum amount of € 136 million after tax, the book value of the shareholders' equity of Deutsche Bank, which corresponds to the line item "Total shareholders' equity" recorded in the consolidated balance sheet under IFRS as of December 31, 2016, would have been € 67,706 million or € 32.76 per share (consolidated financial statements, calculated on the basis of the number of 2,066,773,131 shares of the Company issued after the implementation of the capital increase in connection with the Offering).

This corresponds to a dilution in net equity of the Company by € 10.62 or 24.5 % per share for the previous shareholders. For purchasers of New Shares, this results in an indirect accretion of € 21.11 or 181.2 % per share, as the adjusted shareholders' equity of the Company per share exceeds the assumed subscription or, as the case may be, placement price of € 11.65 per New Share by this amount or this percentage.

7. CAPITALIZATION AND INDEBTEDNESS

The following tables provide an overview of the capitalization, net financial liabilities and irrevocable lending commitments and contingent liabilities of the Deutsche Bank Group under IFRS on the basis of the consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016. The capitalization of the Deutsche Bank Group will change after the completion of the Offering. For details regarding the proceeds from the Offering and their intended use, see section "4. Reasons for the Offering and Use of Proceeds". The information in the following tables should be read in conjunction with the consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016 and the related notes, which are included in the "23. Financial Statements" section of this Prospectus.

7.1 Capitalization

The following table provides, on the basis of the consolidated financial statements of the Company as of and for fiscal year ended December 31, 2016, an overview of the capitalization of the Deutsche Bank Group prior to the Offering and after completion of the Offering. The information in the right-hand column is based on the assumption of a complete placement of the New Shares at the Subscription Price of € 11.65 and that the Company will receive net proceeds after tax from the Offering in the aggregate amount of € 7,873 million.

in € m.	December 31, 2016 (prior to the Offering)	December 31, 2016 (after completion of the Offering)
	(unaudited, unless stated otherwise)	*(unaudited)*
Liabilities[1]	838,879	838,879
Current liabilities[2]	708,148	708,148
of which secured[3]	77,252	77,252
of which unsecured	630,896	630,896
of which guaranteed	0	0
of which unguaranteed	708,148	708,148
Non-current liabilities[4]	130,731	130,731
of which secured[3]	61,478	61,478
of which unsecured	69,253	69,253
of which guaranteed[5]	820	820
of which unguaranteed	129,911	129,911
Subordinated liabilities	7,762	7,762
Trust preferred securities	6,373[7]	6,373
Other liabilities[6]	672,713	672,713
Total of liabilities, subordinated liabilities, trust preferred securities and other liabilities	**1,525,727**[6][7]	**1,525,727**
Common shares (no par value), nominal value of € 2.56	3,531	5,291
Additional paid-in capital	33,765	39,878
Retained earnings	18,987	18,987
Common shares in treasury, at cost	0[7]	0
Equity classified as obligation to purchase common shares	0[7]	0
Accumulated other comprehensive income (loss), net of tax	3,550[7]	3,550
Total shareholders' equity	**59,833**	**67,706**
Additional equity components	4,669	4,669
Non-controlling interests	316[7]	316
Total equity	**64,819**	**72,692**
Total of liabilities, subordinated liabilities, trust preferred securities, other liabilities and equity	**1,590,546**	**1,598,418**

1 Total of (i) current liabilities and (ii) non-current liabilities.

2 Total of (i) deposits with maturities of up to one year, (ii) central bank funds purchased and securities sold under repurchase agreements, as well as securities loaned, each with maturities of up to one year, (iii) short-term borrowings, (iv) financial liabilities designated at fair value through profit or loss with maturities of up to one year, and (v) senior long-term debt with maturities of up to one year.

3 The Group pledges assets primarily for repurchase, securities borrowing agreements, mainly financial assets at fair value through profit or loss and loans. In addition, the Group pledges collateral against other borrowing arrangements and for margining purpose on OTC derivative liabilities.

4 Total of (i) deposits with maturities of more than one year, (ii) central bank funds purchased and securities sold under repurchase agreements, as well as securities loaned, each with maturities of more than one year, and (iii) financial liabilities designated at fair value through profit or loss with maturities of more than one year, (iv) senior long-term debt with maturity of more than one year.

5 This consists of debt of a subsidiary of Deutsche Postbank AG which is guaranteed by the German government.

6 Includes for the main part negative market values from derivative financial instruments of € 489 billion.

7 Audited.

7.2 Net Financial Liabilities

The following table provides, on the basis of the consolidated financial statements of the Company as of December 31, 2016, an overview of the net financial liabilities of the Deutsche Bank Group prior to the Offering and after the assumed completion of the Offering. The information in the right-hand column is based on the assumption that all New Shares offered at the Subscription Price of € 11.65 will be placed and that the Company will receive net proceeds after tax from the Offering in the aggregate amount of € 7,873 million.

in € m.	December 31, 2016 (prior to the Offering)	December 31, 2016 (after completion of the Offering)
	(unaudited, unless stated otherwise)	*(unaudited)*
Liquidity[1]	**338,290**	**346,163**
Cash and central bank balances	181,364	189,237[12]
Trading securities	156,926[13]	156,926
Current financial receivables[2]	**965,669**	**965,669**
Current financial liabilities and debt[3]	**879,795**	**879,795**
Current financial liabilities[4]	831,544	831,544
Current portion of non-current financial debt[5]	30,956	30,956
Other current financial debt[6]	17,295	17,295
Net current financial indebtedness[7]	**(424,164)**	**(432,037)**
Non-current financial liabilities and debt[8]	**181,393**	**181,393**
Non-current financial liabilities[9]	33,660	33,660
Non-current financial debt[10]	147,734	147,734
Total net financial indebtedness[11]	**(242,771)**	**(250,644)**

1 Total of (i) Cash and central bank balances, and (ii) trading securities.

2 Total of (i) Interbank balances (w/o central banks) with maturities of up to one year, (ii) Securities purchased under resale agreements, as well as securities borrowed, each with maturities of up to one year, (iii) financial assets at fair value through profit and loss with maturities of up to one year (excluding securities in the trading portfolio), (iv) claims arising from loans with maturities of up to one year, (v) financial claims with maturities of up to one year (recognized as other assets), and (vi) financial assets available for sale with maturities of up to one year.

3 Total of (i) current financial liabilities, (ii) current portion of non-current debt, and (iii) other current financial debt.

4 Total of (i) deposits with maturities of up to one year, (ii) central bank funds purchased and securities sold under repurchase agreements, as well as securities loaned, each with maturities of up to one year, (iii) financial liabilities at fair value with maturities of up to one year, and (iv) financial liabilities with maturities of up to one year (recognized as other liabilities).

5 Total of (i) long-term debt with maturities of up to one year, and (ii) hybrid capital instruments with maturities of up to one year.

6 Other short-term borrowings.

7 Total of (i) liquidity, (ii) current financial receivables, and (iii) current financial liabilities and debt. This position is negative as the liquidity and the current financial receivables exceed the current financial liabilities and debt.

8 Total of (i) non-current financial liabilities, and (ii) non-current financial debt.

9 Total of (i) deposits with maturities of more than one year, (ii) central bank funds purchased and securities sold under repurchase agreements, as well as securities loaned, each with maturities of more than one year, and (iii) financial liabilities at fair value with maturities of more than one year.

10 Total of (i) long-term debt with maturities of more than one year, and (ii) hybrid capital instruments with maturities of more than one year.

11 Total of (i) net current financial indebtedness, and (ii) non-current financial liabilities and debt. This position is negative, as the liquidity and the current financial receivables exceed the current financial liabilities and debt and the non-current financial liabilities and debt.

12 Net of the tax impact on the estimated costs of the Offering.

13 Audited.

7.3 Commitments and Contingent Liabilities

In the normal course of business, the Group regularly enters into irrevocable lending commitments, including fronting commitments as well as contingent liabilities consisting of financial and performance guarantees, standby letters of credit and indemnity agreements on behalf of its customers. Under these contracts the Group is required to perform under an obligation agreement or to make payments to the beneficiary based on third party's failure to meet its obligations. For these instruments it is not known to the Group in detail if, when and to what extent claims will be made. In the event that the Group has to pay out cash in respect of its fronting commitments, the Group would immediately seek reimbursement from the other syndicate lenders. The Group considers all the above instruments in monitoring the credit exposure and may require collateral to mitigate inherent credit risk. If the credit risk monitoring provides sufficient perception about a loss from an expected claim, a provision is established and recorded on the balance sheet.

The following table shows the Group's irrevocable lending commitments and lending related contingent liabilities without considering collateral or provisions. It shows the maximum potential utilization of the Group in case all these liabilities entered into must be fulfilled. The table therefore does not show the expected future cash flows from these liabilities as many of them will expire without being drawn and arising claims will be honored by the customers or can be recovered from proceeds of arranged collateral.

in € m.	**December 31, 2016**
	(audited)
Irrevocable lending commitments	166,063
Contingent liabilities	52,341
Total	**218,404**

7.4 Working Capital Statement

The Company believes that the Deutsche Bank Group has sufficient working capital to meet its payment obligations for at least the next twelve months.

8. GENERAL INFORMATION ABOUT DEUTSCHE BANK

8.1 Corporate Name, Registered Office, Registration and Incorporation of the Company

The Company's corporate name is Deutsche Bank Aktiengesellschaft. The Company is registered in the Commercial Register of the District Court Frankfurt am Main under registration number HRB 30000.

Deutsche Bank AG is a credit institution and a stock corporation incorporated under the laws of Germany. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main, Germany, (telephone: +49-69-910-00).

8.2 History and Development

Deutsche Bank 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 had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the Local Court Frankfurt am Main on May 2, 1957.

8.3 Fiscal Year

The fiscal year of the Bank is the calendar year.

8.4 Objectives of the Company

The Company is a credit institution (*Kreditinstitut*) within the meaning of Section 1(1) of the German Banking Act (*Kreditwesengesetz* – KWG). The purpose of the Company as set forth in Section 2 of its Articles of Association is the transaction of banking business of every kind, the provision of financial and other services, and the promotion of the international economic relations. The Company may realize these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Company is entitled to transact all business and to take all steps which appear likely to promote the object of the Company, in particular to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

8.5 Group Structure and Principal Investments

Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, installment financing companies, research and consultancy companies and other domestic and foreign companies.

The following table presents an overview of the significant subsidiaries, determined by quantitative and qualitative criteria, which are held by the Company, both directly and indirectly. The Company owns 100 % of the equity and voting rights in these subsidiaries. These subsidiaries are included in Deutsche Bank's consolidated financial statements for the fiscal year ended December 31, 2016. Their principal countries of operation are the same as their countries of incorporation.

Name of Subsidiary	Registered office	Share of capital held	Voting rights
DB USA Corporation[1]	Delaware, United States	100%	100%
Deutsche Bank Americas Holding Corporation[2]	Delaware, United States	100%	100%
German American Capital Corporation[3]	Delaware, United States	100%	100%
DB U.S. Financial Markets Holding Corporation[4]	Delaware, United States	100%	100%
Deutsche Bank Securities Inc.[5]	Delaware, United States	100%	100%
DB Structured Products Inc.[6]	Delaware, United States	100%	100%
Deutsche Bank Trust Corporation[7]	New York, United States	100%	100%
Deutsche Bank Trust Company Americas[8]	New York, United States	100%	100%
Deutsche Bank Luxembourg S.A.[9]	Luxembourg	100%	100%
Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft[10]	Frankfurt am Main, Germany	100%	100%
DB Beteiligungs-Holding GmbH[11]	Frankfurt am Main, Germany	100%	100%
DB Finanz-Holding GmbH[11]	Frankfurt am Main, Germany	100%	100%
Deutsche Postbank AG[12]	Bonn, Germany	100%	100%
DWS Holding & Service GmbH[13]	Frankfurt am Main, Germany	100%	100%

1 DB USA Corporation is the top-level holding company for Deutsche Bank's 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 company's primary business model comprises loan business with international clients (Corporate & Investment Banking), where the bank acts globally as lending office and as risk transfer hub for the credit portfolio of Deutsche Bank Group, as well as structured finance activities covering long-term infrastructure projects and high quality investment goods (Global Markets). Furthermore, the bank offers tailor-made solutions with a wide range of products and services to their Wealth Management clients.
10 The company serves private individuals, affluent clients as well as small and medium sized corporate clients with banking products.
11 DB Beteiligungs-Holding GmbH holds 100% of the equity and voting rights in DB Finanz-Holding GmbH. DB Finanz-Holding GmbH holds the majority stake in Deutsche Postbank AG (remainder is held at Deutsche Bank AG) and in DWS Holding & Service GmbH.
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. Minority interests of below 1 % exist.

For further information on the subsidiaries of Deutsche Bank AG, see Note 47 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section "*23. Financial Statements*" of this Prospectus.

8.6 Publications

In accordance with its Articles of Association, all notifications shall be published by the Company in the German Federal Gazette (*Bundesanzeiger*). Notifications to the holders of the Company's listed securities may also be made by way of data teletransmission.

8.7 Credit Ratings

Deutsche Bank AG is rated by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), Fitch Ratings Limited ("Fitch"), and DBRS, Inc. ("DBRS"). Standard & Poor's and Fitch are established in the European Union and have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended, on credit rating agencies ("CRA Regulation"). With respect to Moody's and DBRS, the credit ratings are endorsed by their offices in the UK (Moody's Investors Service Ltd. and DBRS Ratings Limited, respectively) in accordance with Article 4(3) of the CRA Regulation.

At the date of this Prospectus, Deutsche Bank AG's credit ratings are as follows[(1)]:

	Counterparty risk	Senior unsecured	Deposits	Short-term rating
Moody's[(2)]	A3 (cr)	Baa2	A3	P-2
Standard & Poor's[(3)]	–	BBB+	–	A-2
Fitch[(4)]	A (dcr)	A-	A	F1
DBRS[(5)]	A (high)	A (low)	–	R-1 (low)

1 Where a dash (-) appears above, it means that that rating agency does not publish a particular credit rating in that category for Deutsche Bank.
2 Moody's defines "A" rated obligations as those that are upper medium-grade, which are subject to low credit risk. "Baa" rated obligations are defined as those that are judged to be medium-grade and subject to moderate credit risk, and as such, may possess certain speculative characteristics. The numerical modifier "2" indicates a ranking in the middle of the category and the numerical modifier "3" indicates a ranking at the lower end of the category. The modifier "cr" denotes "counterparty risk"; Moody's counterparty risk assessment considers an issuer's ability to avoid defaulting on certain senior bank operating obligations and other contractual commitments, including payment obligations on covered bonds. The "P-2" short-term rating refers to "issuers that have a strong ability to repay short-term debt obligations".
3 Standard & Poor's defines its "BBB" rating as exhibiting adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial

commitment on the obligation. The modifier "+" indicates a ranking in the higher end of the "BBB" category. An "A-2" short-term rating is defined as an obligation that is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

4 Fitch defines its "A" rating as reflecting high credit quality. Fitch uses the "A" rating to denote expectations of low default risk. According to Fitch, "A" ratings indicate a strong capacity of an obligor to make payments on financial commitments. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than the capacity of obligors with higher ratings. The modifier "-" indicates a ranking in the lower end of the "A" category. The modifier "dcr" refers to derivative credit rating, which reflects only Fitch's opinion on a bank's relative vulnerability to default, due to an inability to pay, on any derivative contract with third-party, non-government counterparties. Short-term stays on derivatives at the outset of a resolution process would not be considered a default. The "F1" short-term rating indicates the strongest intrinsic capacity for timely payment of financial commitments.

5 DBRS defines "A" ratings as reflecting good credit quality, with still substantial protection of principal and interest; issuers in this category are more susceptible to adverse economic conditions and have greater cyclical tendencies than issuers in the categories "AAA" and "AA". All rating categories by DBRS other than "AAA" and "D" also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category. DBRS's counterparty ratings (which it refers to as "Critical Obligations Ratings") are designed to address the risk of default of particular obligations (including derivatives, payment and collection services, covered bonds and certain liquidity lines and contingent liabilities). For DBRS, these obligations have a higher probability of being excluded from bail-in than other senior unsecured obligations. The short-term rating "R-1 (low)" denotes good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial; however, overall strength is not as favorable as higher rating categories, and may be vulnerable to future events. Qualifying negative factors are considered manageable.

Each rating reflects the view of the rating agency only at the time it gave Deutsche Bank the rating. The rating agencies can change their ratings at any time if they believe that circumstances so warrant. Potential investors in the Company's shares should not view these credit ratings as recommendations to buy, hold or sell securities of Deutsche Bank.

9. DIVIDEND POLICY AND EARNINGS PER SHARE

9.1 Dividend Policy

Consistent with its updated strategy, Deutsche Bank AG does not intend to pay more than the minimum dividend required by German law for the fiscal years until and including 2016. Accordingly, the Management Board intends to propose to the annual General Meeting in May 2017 to resolve the payment of a dividend per share of € 0.19 out of the distributable profit for 2016, reflecting the pay out of the distributable profit carried forward from 2015 of approximately € 165 million and a dividend per share of € 0.11 from the remaining distributable profit for 2016. For the fiscal year 2017, the Management Board intends to propose at least a minimum dividend per share of € 0.11 (paid after the annual General Meeting in 2018). Historically, however, Deutsche Bank AG has paid dividends at higher levels, including dividends per share of € 0.75 for 2014, and intends to pay competitive dividends above the minimum amount no later than for 2018 (paid after the annual General Meeting in 2019). However, the Company cannot assure investors that it will pay dividends as for 2014 or previous years, or at any other level, or at all, in any future period. If the Company is not profitable, it may not pay dividends at all. Furthermore, if Deutsche Bank AG fails to meet the regulatory capital adequacy requirements under CRR/CRD 4 (including individually imposed capital requirements (so-called "Pillar 2" requirements) and the combined buffer requirement), it may be prohibited from making, and the European Central Bank or the BaFin may suspend or limit, the payment of dividends. In addition, the ECB expects banks to meet "Pillar 2" guidance. If Deutsche Bank AG operates or expects to operate below "Pillar 2" guidance, the ECB will review the reasons why the Bank's capital level has fallen or is expected to fall and may take appropriate and proportionate measures in connection with such shortfall. Any such measures might impact on Deutsche Bank AG's willingness or ability to pay dividends. For further information on regulatory capital adequacy requirements and the powers of Deutsche Bank AG's regulators to suspend dividend payments, see sections "*18.5 Capital Adequacy Requirements*" and "*18.10 Investigative and Enforcement Powers*".

Under German law, the dividends paid by Deutsche Bank AG are based on the non-consolidated results of Deutsche Bank AG as prepared in accordance with German accounting rules. In connection with the determination of the balance sheet profits available for distribution, the annual net profit/loss is adjusted by profit/loss carry-forwards from the previous year and allocations to and withdrawals from reserves. Certain reserves are required by law and must be deducted when calculating the amount of balance sheet profits available for distribution. The remaining amount is then allocated to other revenue reserves (or retained earnings) or to balance sheet profits (or distributable profits). Up to one-half of this remainder may be allocated to other revenue reserves, and at least one-half must be allocated to balance sheet profits. In addition, distributable profits are subject to legal restrictions on the payment of dividends (commonly referred to as dividend blocking provisions) set forth in the German Commercial Code (HGB). For example, pursuant to section 268(8) of the German Commercial Code, profits may be distributed only to the extent that following the distribution, the amount of disposable reserves, adjusted by profit/loss carry-forwards, would cover the amounts of self-developed intangible assets, deferred tax assets and unrealized gain as recognized on the balance sheet. The full amount of the balance sheet profits available for distribution, subject to the application of dividend blocking provisions, is distributed if the Company's annual General Meeting so resolves. The annual General Meeting may resolve a non-cash distribution instead of or in addition to a cash dividend. Insofar as the Company has issued participatory certificates (*Genussscheine*) and the respective conditions of participatory certificates accord the holders of the participatory certificates a claim to distribution from the distributable profits, the right of the shareholders to this portion of the distributable profits is reduced. Should the annual General Meeting resolve to carry forward profits or to allocate profits to the reserves, pursuant to German corporate law, shareholders may contest the resolution of the General Meeting if such carrying forward or allocation is not, on the basis of a reasonable commercial assessment, deemed necessary to ensure the viability or economic resilience of the Company and the shareholders do not receive a minimum dividend in the amount equal to 4 % of the share capital. On these grounds, shareholders of the Company challenged the resolution of the 2016 annual General Meeting not to pay a dividend for 2015. Consistent with its updated strategy, the Management Board intends to propose to the annual General Meeting in May 2017 to resolve the payment of a dividend of approximately € 400 million, reflecting the pay out of the distributable profit carried forward from 2015 of approximately € 165 million and a dividend per share of € 0.11 from the remaining distributable profit for 2016. For more information on the shareholder challenge referred to above, see section "*10.8.2.13 Contestation of the General Meeting's Resolution Not to Pay a Dividend for the 2015 Fiscal Year*".

The non-consolidated financial statements of the Company as of December 31, 2016 are contained in section "*23. Financial Statements*" of this Prospectus. Contrary to the consolidated financial statements which were prepared in accordance with IFRS, these non-consolidated financial statements have been prepared in accordance with the German Commercial Code (HGB). There are differences between HGB and

IFRS accounting standards. Neither German law nor the Company's Articles of Association provide for a special procedure for the exercise of dividend rights by shareholders not resident in Germany.

The Company declares dividends, if any, at the annual General Meeting and pays them once a year. Dividends approved at a General Meeting are payable on the third business day after that meeting, unless a later date has been determined at that meeting or by the Articles of Association. Under German law, dividend claims are generally subject to a three-year statute of limitations. In the event of such a limitation, the dividend claim becomes unenforceable and the dividend remains with the Company. In accordance with the German Stock Corporation Act (*Aktiengesetz*), the record date for determining which holders of the Company's 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 the Company issues a new class of shares, its Articles of Association permit it to declare a different dividend entitlement for the new class of shares. For information on German tax aspects with respect to dividend payments, see section "*21.2.1 Taxation of Dividends*".

9.2 Earnings per Share

The following table shows the Group's earnings per common share on a consolidated basis (IFRS) for the fiscal years ended December 31, 2016, 2015 and 2014 (audited) as well as the annual dividends per share paid for the fiscal years 2016, 2015 and 2014:

	Year ended December 31,		
in €	**2016**	**2015**	**2014**
		(audited)	
Dividends per share	0.19[1]	0.00	0.75
Basic earnings per share	(1.21)[2]	(5.06)[3]	1.34[4]
Diluted earnings per share[5]	(1.21)[2]	(5.06)[3]	1.31[4]

1 The Company's General Meeting scheduled for May 18, 2017 will resolve on the distribution of dividends out of the distributable profit for the 2016 fiscal year. The Management Board intends to propose the payment of a dividend per share of € 0.19, corresponding to a total amount of approximately € 400 million and reflecting the payout of the distributable profit carried forward from 2015 of approximately € 165 million and a dividend per share of € 0.11 from the remaining profit for 2016.

2 Earnings were adjusted by € 276 million net of tax for the coupons paid on Additional Tier 1 Notes in April 2016.

3 Earnings were adjusted by € 228 million net of tax for the coupons paid on Additional Tier 1 Notes in April 2015.

4 The number of average basic and diluted shares outstanding has been adjusted for all periods before June 2014 in order to reflect the effect of the bonus component of subscription rights issued in June 2014 in connection with the capital increase. For further detail see Note 11 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, contained in section "*23. Financial Statements*" of this Prospectus.

5 Diluted earnings per share assumes the conversion into common shares of outstanding securities or other contracts to issue common stock, such as share options, convertible debt, unvested deferred share awards and forward contracts. For 2016 and 2015, there was no dilutive effect as the Group reported a net loss for both years. For further detail see Note 11 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, contained in section "*23. Financial Statements*" of this Prospectus.

Dividends distributed in the past are not a suitable basis for drawing any conclusions in regard to future dividend payments.

10. BUSINESS

10.1 Overview

Headquartered in Frankfurt am Main, Germany, Deutsche Bank believes itself to be the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of € 1,591 billion as of December 31, 2016. As of that date, Deutsche Bank employed 99,744 people on a full-time equivalent basis and operated in 62 countries out of 2,656 branches worldwide, of which 67 % were in Germany. Deutsche Bank offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

As of the date of this Prospectus, Deutsche Bank is organized into the following five corporate divisions:

- Global Markets (GM)
- Corporate & Investment Banking (CIB)
- Private, Wealth and Commercial Clients (PW&CC)
- Deutsche Asset Management (Deutsche AM)
- Postbank

For the fiscal years 2014, 2015 and 2016, Deutsche Bank also reported results of its former corporate division, the Non-Core Operations Unit (NCOU), which ceased to exist as a standalone corporate division from 2017 onwards.

Following a comprehensive strategic review, Deutsche Bank realigned its organizational structure with effect from the first quarter of 2016. Deutsche Bank created the new Global Markets (GM) corporate division to include the sales and trading related activities of Deutsche Bank's former Corporate Banking & Securities ("CB&S") corporate division. The new Corporate & Investment Banking (CIB) corporate division was created to combine the corporate finance businesses of Deutsche Bank's former CB&S and Global Transaction Banking corporate divisions. Within the Private, Wealth and Commercial Clients (PW&CC) corporate division, Deutsche Bank combined its German and international private and commercial clients businesses that had formerly been included in the Private & Business Clients ("PBC") corporate division with the wealth management activities that had formerly been included in the Deutsche Asset & Wealth Management ("DeAWM") corporate division. Deutsche Asset Management ("Deutsche AM") contains the asset management activities previously included in Deutsche Bank's former DeAWM segment and focuses on providing investment solutions to institutions and intermediaries that serve individual clients. To reflect the planned deconsolidation of Postbank as formulated in Deutsche Bank's strategy, Deutsche Bank also began to present Postbank as a separate corporate division, which combines both core and non-core components of Postbank's business that were previously recorded in the Non-Core Operations Unit corporate division.

The five corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank has a regional management function that covers regional responsibilities worldwide. Prior periods presented throughout this Prospectus have been restated in order to reflect Deutsche Bank's new segmental structure that was announced at the end of 2015.

Deutsche Bank has 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.

The following table presents total net revenues (before provisions for credit losses) by geographic area for the years ended December 31, 2016, 2015 and 2014, respectively. The information presented for GM, CIB, PW&CC, Deutsche AM, PB and the NCOU has been classified based primarily on the location of the office in which the revenues are recorded. The information for Consolidation & Adjustments ("C&A") is presented on a global level only, as management responsibility for C&A is held centrally. For a reconciliation between the results of the business segments for the fiscal years ended December 31, 2016, 2015 and 2014, which are based on management reporting methods, and the consolidated financial statements, see sections "*12.3.2.3.7 Consolidation & Adjustments*" and "*12.3.3.2.7 Consolidation & Adjustments*".

(audited)	**Year ended December 31,**		
in € m.	**2016**	**2015**	**2014**
Germany:			
GM	533	444	538
CIB	1,391	1,498	1,595
PW&CC	4,198	4,162	4,513
Deutsche AM	888	963	906
PB	3,366	3,113	3,259
NCOU	221	105	132
Total Germany	**10,597**	**10,284**	**10,942**
United Kingdom:			
GM	3,411	4,114	2,739
CIB	888	1,192	998
PW&CC	83	77	76
Deutsche AM	836	748	679
PB	0	(0)	(0)
NCOU	(322)	(73)	8
Total United Kingdom	**4,896**	**6,059**	**4,498**
Rest of Europe, Middle East and Africa:			
GM	261	305	550
CIB	1,278	1,337	1,275
PW&CC	2,360	2,110	2,317
Deutsche AM	502	407	351
PB	0	0	0
NCOU	23	9	2
Total Rest of Europe, Middle East and Africa	**4,425**	**4,167**	**4,494**
Americas (primarily United States):			
GM	3,140	3,526	4,176
CIB	2,803	2,696	2,565
PW&CC	624	691	588
Deutsche AM	578	727	538
PB	0	0	(21)
NCOU	(305)	754	345
Total Americas	**6,840**	**8,394**	**8,192**
Asia/Pacific:			
GM	1,945	2,469	2,067
CIB	1,122	1,323	1,234
PW&CC	451	469	375
Deutsche AM	216	176	169
PB	0	(0)	0
NCOU	1	(0)	2
Total Asia/Pacific	**3,736**	**4,436**	**3,847**
C&A	(479)	184	(26)
Consolidated net revenues(1)	**30,014**	**33,525**	**31,949**

1 Consolidated net revenues comprise interest and similar income, interest expenses and total non-interest income (including net commission and fee income). Revenues are attributed to countries based on the location in which the Group's booking office is located. The location of a transaction on the Group's books is sometimes different from the location of the headquarters or other offices of a customer and different from the location of the Group's personnel who entered into or facilitated the transaction. Where the Group records a transaction involving its staff and customers and other third parties in different locations frequently depends on other considerations, such as the nature of the transaction, regulatory considerations and transaction processing considerations.

10.1.1 Global Markets

The Global Markets (GM) business offers financial products worldwide, including trading and hedging services to institutions and corporate clients, and combines sales, trading and structuring of a wide range of

financial markets' products, including bonds, equities and equity-linked products, exchange-traded and over-the-counter derivatives, foreign exchange, money market instruments, and structured products.

10.1.2 Corporate & Investment Banking

Corporate & Investment Banking (CIB) brings together Deutsche Bank's commercial banking, corporate finance, and transaction banking expertise under one common corporate division. It consists of Deutsche Bank's Corporate Finance and Global Transaction Banking ("GTB") businesses. CIB advises and executes on the multiple financial requirements of sophisticated corporate and institutional clients.

10.1.3 Private, Wealth and Commercial Clients

The Private, Wealth & Commercial Clients (PW&CC) corporate division combines Deutsche Bank's expertise in private and commercial banking as well as in wealth management solutions. PW&CC offers high-quality advice and a wide range of financial services in both Deutsche Bank's home market in Germany and internationally. Its objective is to be an advisory bank with a global network, strong expertise in capital markets and financing solutions and cutting-edge digital services.

10.1.4 Deutsche Asset Management

With over € 700 billion of invested assets as of December 31, 2016, Deutsche Asset Management (Deutsche AM) believes itself to be one of the world's leading investment management organizations, bringing access to the world's financial markets and delivering solutions to clients around the globe. Deutsche AM aims to provide sustainable financial futures for all its clients: individual investors and the institutions that serve them.

10.1.5 Postbank

Postbank is a German financial service provider for retail, business and corporate clients as well as for other financial service providers. As a multi-channel bank, Postbank provides its products in its German-wide network of branches, through mobile sales agents, direct banking (online and mobile) and call centers as well as in third party sales through agents. The company also offers postal and parcel services in its branches in cooperation with Deutsche Post DHL AG. Postbank's focus of business activities are on retail banking and corporate banking (transaction banking and financing) in Germany.

10.1.6 Non-Core Operations Unit

In the second half of 2012, the Non-Core Operations Unit (NCOU) was established as the then fifth pillar of Deutsche Bank's business structure. Its aim was to help Deutsche Bank reduce risks associated with capital-intensive assets that are not core to the strategy, thereby reducing capital demand. Deutsche Bank's objectives in setting up the NCOU were to improve external transparency of its 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 successfully executed its strategic de-risking target and reduced the portfolio in size to achieve the 2016 year-end target of less than € 10 billion risk-weighted assets (RWA). As a result, the NCOU ceased to exist as a standalone corporate division from 2017 onwards.

10.1.7 Management Structure

The Company's management board (the "Management Board") has structured the Group as a matrix organization, comprising (i) corporate divisions, (ii) infrastructure functions and (iii) a regional management function.

Pursuant to the German Stock Corporation Act the Management Board is responsible for the executive management of Deutsche Bank. Its members are appointed and removed by the Supervisory Board, which is a separate corporate body. The Management Board focuses on, among other topics, strategic management, corporate governance, resource allocation, risk management and risk control, and is assisted by functional committees. For more information on the Company's Management Board, see section "*15. Management and Employees*".

Within each corporate division and region, coordination and management functions are handled by operating committees and executive committees, which help ensure that the implementation of the strategy of individual business divisions and the plans for the development of infrastructure areas are aligned to Deutsche Bank's global business objectives.

10.2 Business Strategy

10.2.1 Overview of Deutsche Bank

Deutsche Bank is a leading European bank with a global reach supported by a strong home base in Germany, Europe's largest economy. Deutsche Bank serves the real economy needs of its corporate, institutional, asset management and private clients, providing services in transaction banking, corporate finance and capital markets, asset management, wealth management and retail banking.

Deutsche Bank's franchise remained strong across its core businesses despite a challenging environment in 2016. It was a top three investment bank in Europe, the Middle East and Africa (EMEA) on the basis of investment banking fees according to Dealogic; a top-five global transaction bank on the basis of publicly reported revenues; a top-six global sales & trading franchise and the number one franchise among European banks based on publicly reported sales & trading revenues; a leading asset manager that is the second largest provider of exchange traded products and exchange traded funds in Europe and the largest retail asset management presence in Germany based on publicly reported assets under management; the largest private and commercial bank in Germany with over 20 million clients; and the number one wealth manager in Germany based on assets under management.

10.2.2 Update on Deutsche Bank's Progress in 2016

Deutsche Bank outlined a multi-year strategy in October 2015 to build on the core strengths of its business model and client franchise. The four key goals were to be: simpler and more efficient, less risky, better capitalized and better run with more disciplined execution.

In 2016, Deutsche Bank made material progress towards its goals in what proved to be an unexpectedly challenging market environment. Major achievements in 2016 included:

- A reduction of Deutsche Bank's adjusted costs[(1)] by 7 % (by 5 % excluding the effect of changes in exchange rates) in 2016 to € 24.7 billion.
- The completion, on schedule, of the accelerated wind down of the Non-Core Operations Unit, which was then closed at the start of 2017.
- The settlement or resolution of over two dozen major litigation matters, including some of Deutsche Bank's most significant litigation matters such as the settlement with the U.S. Department of Justice (DOJ) relating to U.S. residential mortgage-backed securities (RMBS).
- The completion of key strategic disposals, including the sale of Deutsche Bank's stake in the Hua Xia Bank and the sales of Abbey Life and the U.S. Private Client Services.
- All previously announced country exits completed or on track for completion in 2017.
- The transformation of the German retail business including branch reductions is well on track.
- The strengthening of Deutsche Bank's CET1 ratio to 11.8 % on a fully loaded basis and 13.4 % on a phase-in basis at year end 2016, increases of 70 basis points and 20 basis points respectively from December 31, 2015. The strengthening of the CET1 ratios largely reflected managed reductions in risk-weighted assets (RWA) over the course of 2016.
- Substantial investment in Deutsche Bank's control functions, including the ongoing implementation of a more comprehensive Know-Your-Client (KYC) process and an off-boarding process for higher risk clients.
- The replacement or reassignment of approximately 70 % of top management to drive improved execution of Deutsche Bank's strategy.

Global Markets (GM) has completed the reshaping of the Securitized Trading business (ahead of the targeted timeline), substantially completed its targeted leverage reduction in Agency RMBS, strengthened Know-Your-Client (KYC) processes and controls, ceased active coverage of approximately 3,800 clients identified as high risk/low potential, completed most of its country optimization strategy in 2016 (ahead of schedule), and remains on target to complete the remainder on time. GM has also completed the exit of its residual presence in South Korea, Russia and Brazil.

Corporate & Investment Banking (CIB) has sharpened its focus on priority clients and banker productivity to optimize returns across the CIB business. Despite a challenging macroeconomic environment in the eurozone, CIB remained a top 3 investment bank in EMEA and continued to be involved in some of the

1 Deutsche Bank defines "adjusted costs" as total noninterest expense excluding impairment of goodwill and other intangible assets, litigation, restructuring and severance, and policyholder benefits and claims (until the disposition of Abbey Life). To exclude the effect of changes in exchange rates, 2015 adjusted costs were recalculated using 2016 monthly average exchange rates.

largest deals. CIB also continued to deliver resilient Transaction Banking results in a challenging market environment with prolonged low interest rates, a volatile geo-political backdrop, and its implications for global trade. A new global head was recently appointed to lead the Global Transaction Banking business.

The Deutsche Asset Management (Deutsche AM) franchise continues to perform very well amidst some challenging and volatile market conditions. Deutsche AM recently completed the sale of the Abbey Life unit to Phoenix Life Holdings. This improved Deutsche Bank's CET1 ratio by approximately 10 basis points. Deutsche Bank also hired and appointed a new head of Asset Management, Nicolas Moreau, to drive the future growth of the Deutsche AM business going forward.

The Private, Wealth & Commercial Clients (PW&CC) franchise is closing branches and reducing staff in the German retail business. PCC International branch closures are ahead of plan. PW&CC has also made significant progress on digitization initiatives, including the opening of the Digital Factory in Frankfurt in September 2016.

As per 2016 targets, the former corporate division NCOU successfully executed its de-risking strategy and achieved its 2016 year-end target risk weighted assets (RWA) of less than € 10 billion. At the end of 2016, NCOU had € 9.2 billion RWA and € 7.9 billion leverage exposure, down from € 32.9 billion RWA and € 36.6 billion leverage exposure at the end of 2015. The residual NCOU assets have been transferred back to respective divisions they originally came from, as of the start of 2017.

In addition to the difficult operating environment in 2016 driven in large part by macroeconomic and geopolitical uncertainty, Deutsche Bank also faced substantial challenges specific to Deutsche Bank itself. These challenges arose from adverse speculation about Deutsche Bank's financial health. This led to concerns among some clients and counterparties and negatively affected revenues in 2016. That was particularly the case in the late third and early fourth quarters around the purported size of a settlement with the DOJ in respect of the RMBS matter and its potential impact on Deutsche Bank.

10.2.3 Overview of New Strategic Measures

The macroeconomic, geopolitical, and regulatory outlook has changed substantially since Deutsche Bank launched its strategy in 2015. As a result of these changes in the operating environment and the substantial challenges specific to Deutsche Bank in 2016, Deutsche Bank undertook an updated planning process and strategic review in late 2016 and early 2017.

This review has now been completed. Its fundamental conclusion is that Deutsche Bank's core business model of being a global bank, which serves a range of institutional, corporate and private clients combined with a strong home base in Germany with a resilient corporate, institutional, asset management and private client franchise, remains the foundation of Deutsche Bank's strength and long-term growth prospects.

Nonetheless, Deutsche Bank's management decided to undertake a number of new steps to further strengthen Deutsche Bank and place it in a better position to pursue growth opportunities. These actions include:

- Substantially strengthened capitalization through a capital increase, expected to result in net proceeds of approximately € 8 billion, which is expected to result in a CRR/CRD 4 fully loaded Common Equity Tier 1 capital ratio (fully loaded CET 1 ratio) of approximately 14 % and a CRR/CRD 4 fully loaded leverage ratio of approximately 4 % as of December 31, 2016, assuming completion of the capital increase.
- Up to € 2 billion of incremental capital creation targeted through the planned initial public offering (IPO) of a minority stake in the Deutsche Asset Management division (Deutsche AM), and from additional business disposals with an identified RWA of approximately € 10 billion and leverage exposure of approximately € 30 billion, the majority of which Deutsche Bank plans to complete over the next 18 months.
- Reorganization of Deutsche Bank's business divisions into three distinct units, with the goals of strengthening the businesses of each, enhancing client coverage, improving market share and driving efficiencies and growth:
  - The new Corporate & Investment Bank (CIB) that combines Deutsche Bank's markets, advisory, financing and transaction banking businesses.
  - Private & Commercial Bank (PCB) that combines Postbank and Deutsche Bank's existing private, commercial and wealth management businesses.
  - An operationally segregated Deutsche Asset Management (Deutsche AM).
- The integration of Postbank and PCB's German business with the goal of creating a market leading retail presence in Germany, driving greater efficiency through scale and better earnings and funding stability for Deutsche Bank.

- The establishment of a cost reduction program targeting to achieve adjusted costs of approximately € 22 billion in 2018 and approximately € 21 billion by 2021, which would include the impact of retaining Postbank's adjusted costs (€ 2.7 billion in 2016).
- Separately managing identified legacy asset portfolios with approximately € 20 billion of RWA and approximately € 60 billion leverage exposure targeted to be reduced to approximately € 12 billion of RWA and approximately € 30 billion leverage exposure, respectively, by 2020.
- The incurrence of restructuring and severance costs of approximately € 2 billion, the majority of which is expected to be incurred in 2017 to 2019.
- Targeting a competitive dividend payout ratio for the financial year 2018 and thereafter with an intention that Deutsche Bank's Management Board will recommend at the annual General Meeting in May 2017 to pay a dividend of € 0.19 per share out of distributable profit for 2016. The dividend to be paid out of Deutsche Bank AG's distributable profit for 2016 contains a component reflecting the distributable profit carried forward from 2015 of approximately € 165 million and a dividend of € 0.11 per share out of the remaining distributable profit for 2016. Overall, Deutsche Bank expects to pay out a total dividend of approximately € 400 million in 2017.
- Targeting a Post-Tax Return on Average Tangible Equity (RoTE) of approximately 10 % in a normalized operating environment.

The fundamental goal of these additional strategic measures is to make Deutsche Bank a stronger, safer bank that is well positioned to pursue growth opportunities through its strong global client franchise. Deutsche Bank's management believes Deutsche Bank will be able to achieve this by:

- having capital levels the sufficiency of which are beyond question,
- having a leading CIB franchise with the scale and strength to successfully compete and grow globally,
- occupying the number one private and commercial banking position in its home market of Germany,
- giving its world class Deutsche AM division operational segregation that can support accelerated growth,
- reducing the size of Deutsche Bank's corporate center and cost base in part through more front to back alignment and shifting large portions of infrastructure functions to the business divisions, and
- shifting Deutsche Bank's earnings and business mix more towards stable businesses.

10.2.4 Impact of the Proposed Capital Raise

The proposed capital raise aims to make Deutsche Bank much stronger from a capital perspective with an intention to remain comfortably above 13 % on a fully-loaded CET1 basis. The immediate impact of the capital raise, assuming it raises net proceeds of € 8 billion, but excluding any additional capital impact resulting from the planned IPO of a minority stake in Deutsche AM or the additional portfolio of asset disposals, will be:

- Phase-in CET1 Ratio:
  - An increase from 13.4 % as reported on December 31, 2016 to 15.7 % as of that date assuming completion of the capital raise.
  - An improvement in the CET1 ratio under the phase-in rules effective January 1, 2017 from 12.6 % to 14.9 % as of that date assuming completion of the capital raise.

Fully loaded CET1 Ratio would increase from 11.8 % as reported on December 31, 2016 to 14.1 % as of that date assuming completion of the capital raise.

Fully loaded leverage ratio would improve from 3.5 % as of December 31, 2016 to 4.1 % as of the same date assuming completion of the capital raise.

10.2.5 New Financial Targets

Deutsche Bank has adopted new financial targets that replace the targets announced in October 2015. The new targets are:

- Adjusted costs of € 22 billion by 2018, and € 21 billion by 2021, which includes the adjusted costs of Postbank.
- Post-tax RoTE of approximately 10 % in a normalized operating environment.
- CET1 Ratio comfortably above 13 % on a fully loaded basis.

- Leverage Ratio of 4.5 %. The 2016 leverage ratio reflecting the impact of the proposed capital raise is 4.1 %, which Deutsche Bank aims to increase to 4.5 % over time.
- Targeting a competitive dividend payout ratio for the financial year 2018 and thereafter.

Deutsche Bank's plan for 2017 is based on assumed foreign exchange rates of EUR/USD 1.01 and EUR/GBP 0.88.

10.2.6 New Business Division Structure

Effective in 2017, Deutsche Bank plans to have three business divisions going forward: the new CIB, PCB and Deutsche AM. CIB will combine the existing Corporate & Investment Banking and Global Markets divisions. PCB will consist of private and commercial banking, including Postbank, and wealth management. Deutsche Asset Management will be more operationally segregated with a minority stake traded on the public markets, assuming the planned IPO is successfully undertaken, while Deutsche Bank retains a majority stake.

Geographically, Germany will remain Deutsche Bank's anchor – its home market where Deutsche Bank intends not only to maintain, but to further expand its leading position in all three of its business divisions. PCB will be primarily focused in Germany, with wealth management businesses around the world. Given the global nature of Deutsche Bank's core corporate clients, Deutsche Bank intends to retain CIB capabilities across Germany and EMEA (ex-Germany), the United States and Canada, and in Asia Pacific (APAC). While Deutsche Bank intends to have a global institutional client footprint, it expects to be primarily focused on Germany and EMEA (ex-Germany) where its competitive franchise is strongest. Deutsche Bank also intends to maintain a strong but more focused U.S. footprint. Deutsche AM intends to retain its core focus in Germany and EMEA (ex-Germany), with selective capabilities in the United States and APAC.

Fundamentally, Deutsche Bank intends to retain its global capabilities, but plans to focus those capabilities where Deutsche Bank's management believes its franchise is the strongest, the growth potential the largest, and the potential risk adjusted returns the highest. Deutsche Bank's management believes that the reorganization of the business divisions will be critical to achieve this.

10.2.6.1 Strategy in Corporate & Investment Bank

Deutsche Bank's current CIB division primarily serves corporate clients, infrastructure and private equity, governments and financial institutions in treasury and financing solutions, leveraged lending, advisory and corporate finance (including debt and equity issuance), risk management and transaction banking.

The current Global Markets division operates alongside CIB and primarily serves large institutional clients (asset managers, pension funds, banks) in key capital markets areas including foreign exchange, rates, money markets, and credit. The two divisions currently work jointly to serve clients when appropriate.

Deutsche Bank will merge the existing CIB and GM divisions into a new division to be called Corporate & Investment Bank (CIB). Assuming the combination of net revenues for 2016, CIB would have had revenues of € 16.8 billion and would have been the largest division in Deutsche Bank.

The combined CIB division is intended to promote a more seamless and aligned offering of products to clients, meaningfully enhance cross selling opportunities, ensure better client rationalization with resources being focused on higher return relationships, and achieve greater cost and asset efficiencies to drive improved returns. CIB's franchise is intended to be primarily a corporate-client led business, while retaining a focused institutional client business.

Deutsche Bank believes there to be a substantial opportunity to capture market share from clients through the reorganized CIB. Currently, two-thirds of Deutsche Bank's large corporate clients in the newly combined CIB division have a relationship with just one part of CIB (markets, corporate finance or transaction banking). Integrating CIB and GM should support more efficient and seamless client coverage and product offering, better rationalization of clients and the ability to direct resources to the highest return relationships, and ultimately increase Deutsche Bank's share of clients' "wallet" (amounts they spend on banking products).

As part of the new focus of CIB, Deutsche Bank will separately manage a portfolio of legacy assets within the division. These assets are both residual NCOU assets that were transferred to the relevant divisions at the beginning of 2017 and other assets deemed non-strategic, reflecting in part the result of the reshaping of GM's business portfolio (primarily derivatives in Rates and Credit). The legacy asset portfolio at year-end 2016 accounted for approximately € 20 billion of RWA (€ 36 billion including associated operational risk RWA), and approximately € 60 billion of leverage exposure. Deutsche Bank estimates that these legacy

assets represent an approximate 200 basis point reduction of the return on equity of CIB per annum. While many of these legacy assets are long dated, Deutsche Bank will seek to accelerate their wind down when economic to do so.

Over time, to improve its asset efficiency and returns, CIB expects that approximately 65 % of its RWA will be eventually deployed to support corporate clients (versus 55 % on the basis of a combined division at year-end 2016), and 35 % to institutional clients, excluding any remaining legacy asset portfolio. Despite the increased focus on corporate clients, Deutsche Bank remains committed to its institutional capabilities as they are critical to the success of CIB, and Deutsche Bank has no intention to exit any whole business lines offered in the current GM division.

CIB also intends to target further cost efficiencies. The combination of the current CIB and GM is intended to support accelerated front-to-back office optimization and the rationalization of support staff, which Deutsche Bank expects to result in a reduction in CIB's adjusted costs by approximately € 0.7 billion.

Through the above measures, and Deutsche Bank's strengthened capital position, Deutsche Bank's management believes that CIB will be better placed to grow globally and intends to pursue a number of objectives to achieve this:

- In Origination and Advisory, Deutsche Bank intends to regain its number one position in EMEA as measured by revenues and to strengthen its franchise globally, with particular emphasis on deepening strategic client relationships to drive M&A and equity capital market mandates. Additionally, Deutsche Bank intends to grow its leading debt capital markets franchise with an emphasis on Financial Institutions, and Sovereign, Supranational and Agency clients.
- In Transaction Banking, Deutsche Bank intends to continue to capitalize on the its top five position by improved cross selling of cash management on the back of its strong trade finance franchise and by continuing to drive improved cost income ratios through infrastructure investments.
- In Financing, Deutsche Bank intends to maintain its leading Credit Financing & Solutions franchise with particular emphasis in Asset Backed Securities, Commercial Real Estate, and the Transport, Infrastructure and Energy sector.
- In Debt Sales & Trading, Deutsche Bank intends to occupy a top-five position globally and a top-three position in EMEA. Of particular focus will be deepening strategic partnerships in Rates with insurance and pension clients and continuing to invest in cutting edge technology with the goal of becoming the top provider of foreign exchange payments and treasury solutions services.
- In Equity Sales & Trading, Deutsche Bank is targeting to be an international equity franchise ranked amongst the top ten competitors by reported revenues with leading Prime and Investment Solution platforms through enhancing its liquidity and collateral management product offerings, and selectively gaining share in equity trading and derivatives.

For risks relating to this strategic measure, see section "*1.1.13. Deutsche Bank announced the next phase of its strategy in April 2015, gave further details on it in October 2015 and announced an update in March 2017. If Deutsche Bank is unable to implement its strategic plans successfully, Deutsche Bank may be unable to achieve its financial objectives, or Deutsche Bank may incur losses or low profitability or erosions of its capital base, and Deutsche Bank's financial condition, results of operations and share price may be materially and adversely affected*", section "*1.1.14. As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to reconfigure its Global Markets, Corporate Finance and Transaction Banking businesses into a single, corporate client-led Corporate & Investment Banking division to position itself for growth through increased cross-selling opportunities for its higher return corporate clients. Clients may choose not to expand their businesses or portfolios with Deutsche Bank, thereby negatively influencing its ability to capitalize on these opportunities*" and section "*1.1.17. Deutsche Bank may have difficulties selling companies, businesses or assets at favorable prices or at all and may experience material losses from these assets and other investments irrespective of market developments*" of this Prospectus.

10.2.6.2 Strategy in Private & Commercial Bank (PCB)

Deutsche Bank has decided that it will retain Postbank and combine it with its existing German operations over the next three to five years. This is a shift from the prior strategy and reflects a number of evolving factors.

Deutsche Bank believes that good opportunities exist in PCB in Germany despite the challenging environment from low interest rates and high competition. In particular, Deutsche Bank believes that growth in small and midsized German corporate clients and private banking clients will continue. These two client segments represent a majority of the identified fee pool in Germany and both are client segments

that Deutsche Bank believes it is well positioned to serve. In the more standard retail banking segment where fee pools are expected to be flat, Deutsche Bank will respond with continued efficiency efforts and market share gains through digitization.

Additional factors that contributed to the decision to retain and integrate Postbank include:

- A lower targeted leverage ratio, which Deutsche Bank initially set at 5% when it announced its strategy in 2015. This reflects changes in the expected regulatory requirements and market expectations for leverage ratios of European banks. Deutsche Bank has set 4.5% as its new leverage ratio target.
- The positive impact on the business model of retaining a large and stable business with a substantial deposit base.
- Revised view on the possible degree of integration of Postbank and resulting scale and incremental synergies.
- Future growth opportunities Deutsche Bank has identified, reflecting both a potential improvement in the macroeconomic outlook, but more importantly the changing dynamics in private and commercial banking in Germany. The likelihood of eventual industry consolidation is growing in German retail banking as well as the continued positive opportunities presented by digitalization.

The integration of Postbank will create Germany's largest private and commercial bank with over 20 million clients.

PCB intends to continue to operate with two distinct brands in Germany. By building one joint banking platform for all clients, the Deutsche Bank brand will remain focused on affluent, wealth management and commercial clients. Both franchises significantly improved their starting position in the last two years. Postbank, in particular, will offer a highly standardized and digitized banking service to retail clients. Deutsche Bank expects its ongoing digital efforts not only to support efficiency goals, but also create an opportunity to gain market share among the Millennials client segment.

PCB intends to continue to execute its ongoing strategic initiatives including:

- Continued transformation of its private & commercial clients business, including cost reduction programs.
- The current branch rationalization efforts (additional 180 branches are scheduled to close in Germany by the end of 2017).
- Ongoing efforts to automate key processes and ongoing investment into digitalization.
- Investment in and expansion of the wealth management business.

In terms of products, PCB will focus on three key offerings: current account & transaction banking, lending products (which continue to serve as an anchor product) and distinct and tailor-made investment and insurance advice to its private clients. All of these come with a comprehensive digital offering as well as onsite branch advice to provide a full omni-channel banking experience.

A critical part of the PCB restructuring is the planned integration of Postbank. This integration is intended to more readily facilitate rationalization of central functions, improved efficiency across technology platforms and infrastructure and more efficient investment in areas including digitalization, distribution channels, and regulatory change.

Deutsche Bank estimates that the planned restructuring in PCB will produce an estimated € 0.9 billion of annual synergies by 2022. The total cost of the planned restructuring measures is estimated to be € 1.9 billion, with restructuring and severance costs estimated to be approximately € 1.0 billion by 2022 and the remainder related to IT and other costs. By the end of 2018, Deutsche Bank expects to finalize the existing transformation programs, which it anticipates will result in cost reductions of € 0.4 billion. PCB is targeting a cost income ratio of below 65 % following completion of this restructuring.

For risks relating to this strategic measure, see section "*1.1.13. Deutsche Bank announced the next phase of its strategy in April 2015, gave further details on it in October 2015 and announced an update in March 2017. If Deutsche Bank is unable to implement its strategic plans successfully, Deutsche Bank may be unable to achieve its financial objectives, or Deutsche Bank may incur losses or low profitability or erosions of its capital base, and Deutsche Bank's financial condition, results of operations and share price may be materially and adversely affected*" and section "*1.1.15. As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to retain and combine Deutsche Postbank AG (together with its subsidiaries, "Postbank") with its existing retail and commercial operations, after earlier having announced its intention to dispose of Postbank. Deutsche Bank may face difficulties integrating Postbank into the Group following the completion of operational separability from the Group. Consequently, the cost savings and other benefits Deutsche Bank expects to realize may only come at a higher cost than anticipated, or may not be realized at all*" of this Prospectus.

10.2.6.3 Strategy in Deutsche Asset Management

Deutsche AM is a core business for Deutsche Bank that has generated stable income and relatively higher returns on equity than many other businesses by earning recurring, fee-based revenues. It has a market-leading position as the largest retail asset manager in Germany and the number four retail asset manager in Europe, the number two position in Europe and number six position globally in passive/ETFs, all based on publicly disclosed assets under management. Deutsche AM also has a strong track record in the Alternatives business, particularly in infrastructure.

Deutsche Bank believes that Deutsche AM's growth potential has been constrained by its full ownership by Deutsche Bank. Reputational issues in Deutsche Bank have affected Deutsche AM as did wider market concerns around Deutsche Bank's capital strength in late 2016. Additionally, resourcing limitations as Deutsche Bank has pursued its restructuring efforts further constrained Deutsche AM.

Deutsche AM's growth prospects are rooted in core strengths of passive/ETFs and active multi-asset solutions as well as alternative investments, including real estate and infrastructure. Deutsche Bank believes that allowing Deutsche AM to operate with more operational segregation can enhance its ability to pursue growth opportunities globally and gain market share.

Deutsche Bank believes that Deutsche AM remains under-valued in the current corporate structure. Deutsche Bank expects that a separate Deutsche AM operating company will permit its value to be enhanced over time while also positioning the business for future growth. An operationally segregated asset management business should also reduce the impact of any idiosyncratic impacts linked to the Deutsche Bank group, place the business on a more level competitive footing in the market, enhance its market profile, and make it easier for Deutsche AM to attract and retain talent through a separate compensation model with its own equity to fund and reward business growth.

Deutsche Bank intends to sell a minority stake in Deutsche AM through an IPO. In preparation for this transaction, all asset management and supporting activity will be aligned to the Deutsche AM division. Going forward, the division is expected to have sufficient flexibility to better manage the resourcing and cost profile of the business and build a scale-efficient platform.

Deutsche AM has already completed its feasibility assessment of the separation alternatives and the target legal entity structure required to prepare the unit for an IPO. Deutsche Bank intends to complete the IPO over the next 24 months, subject to market conditions.

For risks relating to this strategic measure, see section "*1.1.13. Deutsche Bank announced the next phase of its strategy in April 2015, gave further details on it in October 2015 and announced an update in March 2017. If Deutsche Bank is unable to implement its strategic plans successfully, Deutsche Bank may be unable to achieve its financial objectives, or Deutsche Bank may incur losses or low profitability or erosions of its capital base, and Deutsche Bank's financial condition, results of operations and share price may be materially and adversely affected*" and section "*1.1.16. As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to create an operationally segregated Asset Management division through a partial initial public offer (IPO). If economic or market conditions, or the financial position, results of operations and business prospects of Deutsche AM, are unfavorable, or if regulatory approvals are not obtained or would be available only on disadvantageous terms, Deutsche Bank may not be able to sell a stake in Deutsche AM at a favorable price or timing, or at all. Additionally, Deutsche Bank may not be able to capitalize on the expected benefits that it believes an operationally segregated Deutsche AM can offer*" of this Prospectus.

10.3 The Competitive Environment

10.3.1 Competitor Landscape

10.3.1.1 Market Context

During the course of 2016, the economic environment stabilized or improved in many countries, despite the heightened political uncertainty that characterized the year. Central banks continued to play a key role in this recovery by continuing to support the global economy with loose monetary policies, while political uncertainty came in particular from the outcome of the U.K. referendum on EU membership and the U.S. presidential election.

The Eurozone economy in 2016 surpassed its average rate of annual growth in the years since the inception of the Euro in 2016. The monetary policy stance of the European Central Bank ("ECB") remained very expansionary, as reflected in negative interest rates and asset purchases ranging from € 60 to 85 billion per month. In December 2016, the ECB extended this asset purchase program until the end of 2017, but with a reduction in purchases to a maximum volume of € 60 billion per month, starting from April 2017. This implies a prolonged low interest rate environment in 2017, which continues to create a fundamental challenge for the European financial services sector.

The economic outlook for Europe as a whole also remains challenging. Deutsche Bank expects that the upcoming elections and related political uncertainty may hold European growth back in the first six months of 2017. Assuming that further political risks do not materialize, Deutsche Bank expects Eurozone GDP growth to accelerate in the second half of 2017 owing to a stronger U.S. economy, the fiscal stimulus, and the expansionary monetary policy of the ECB.

Deutsche Bank believes that Brexit remains a key threat to EU growth. The U.K. is on course to trigger Article 50 in March, which may result in tense U.K.-EU negotiations for 15 to 18 months, with a deadline of 24 months from the date of invoking Article 50. The outcome of the negotiations or the potential consequences of the lack of an agreement at the end of the 24 month period, remains highly uncertain. Deutsche Bank anticipates that this is likely to create significant market volatility during 2017 through 2019.

In the U.S., economic growth in 2016 was, according to Deutsche Bank Research, the weakest since 2009. The outlook for 2017 has improved following the U.S. presidential election, owing to the likelihood of economic stimulus from a combination of tax cuts, deregulation and infrastructure investments. Deutsche Bank believes such measures could increase growth strongly in the second half of 2017 and the first half of 2018. Deutsche Bank expects two further rate hikes by the Federal Reserve in 2017, following the 25 basis points increase in December 2016. Further, there is uncertainty around potential changes to the Dodd-Frank Act, which the U.S. government is seeking to review. Market expectations indicate a possibility of lighter-touch banking regulation, but this is still in a very nascent stage.

In emerging markets, growth remained weak in 2016, according to Deutsche Bank Research, but reached what Deutsche Bank believes to be its cyclically lowest levels. Deutsche Bank believes the prospects for emerging markets will improve selectively in 2017 due to stronger global growth and better asset valuations. The uncertainty around U.S. foreign policy may create a divergence among emerging markets, which stand to benefit or lose from changes to geo-political alliances and their impact on trade flows.

In China, the growth slowdown continued in 2016, according to Deutsche Bank Research, and the outlook remains uncertain. Deutsche Bank believes that the Chinese government faces a policy dilemma in 2017. China may be able to achieve its 6.5% growth target by implementing strong fiscal easing in 2017, but this would require further credit expansion, which could reignite the risk of a property bubble and capital outflows. Deutsche Bank expects that the Chinese government will likely continue tightening capital controls. On monetary policy, Deutsche Bank does not expect a rate cut in 2017, but the People's Bank of China may loosen credit supply to mitigate a slowdown in the property sector.

In Japan, Deutsche Bank expects the economic recovery to continue in 2017, driven by private consumption and the modest support from the announced tax reform proposals.

10.3.1.2 Competitive Landscape

Deutsche Bank competes with a spectrum of competitors that includes 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. Some of the competitors have a global footprint, while others have a regional, product or niche client footprint. Deutsche Bank competes on a number of factors, including the quality of client relationships, transaction execution, products and services, innovation, reputation and price.

In Deutsche Bank's home market of Germany, the retail banking market remains fragmented and the 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, and increased activity levels from foreign players.

The European banking industry continues to be challenged by weak economic growth and a low rates environment. which keep interest margins under pressure. Also, several European banks have had to focus on resolving legacy litigation and run complex restructurings, while delivering on sizeable regulatory requirements. While good progress has been made on all fronts, this has also led to management distraction and the loss of market share to U.S. competitors.

The uncertainty around the outcome and timing of key regulations also continues to complicate this picture. Looking forward, Deutsche Bank believes that the European banking sector will continue to be challenged by the ongoing macroeconomic and regulatory uncertainty in 2017.

Looking at the wider banking ecosystem, Deutsche Bank believes the evolution of financial technology firms remains as much an opportunity as a challenge for banks. While Deutsche Bank sees the risk of banking disruption in select product areas, particularly the unregulated segments, there is also the opportunity to selectively partner with financial technology firms and leverage their solutions to become more efficient and / or develop differentiated delivery channels for end clients.

10.3.2 Regulatory Reform

2016 saw significant progress on key aspects of the G20 regulatory agenda, including capital adequacy and bank recovery and resolution. Many other areas are still evolving however.

10.3.2.1 Overview

In 2016, elements of the core Basel 3 capital adequacy, liquidity and leverage requirements have been implemented or defined and are expected to be further implemented and defined in 2017 and beyond. In the European Union, the Capital Requirements Regulation and the Capital Requirements Directive ("CRR/CRD 4"), which implemented the Basel 3 framework, became effective on January 1, 2014, with some of the requirements, such as capital buffers, being phased in through 2019. In parallel, the Basel Committee on Banking Supervision ("BCBS") made progress on finalizing the Basel 3 framework, including changes to Standardized Approaches for credit, operational and market risk, as well as advancing work on capital floors.

In the United States, the U.S. implementation of the Basel 3 framework took effect on January 1, 2015 for Deutsche Bank Trust Corporation ("DBTC"), Deutsche Bank's U.S. bank holding company subsidiary. From July 1, 2016, the U.S. rules implementing the Basel 3 framework and related capital planning and stress testing requirements became applicable to DB USA Corporation, Deutsche Bank's U.S. intermediate holding company, which holds all of Deutsche Bank's U.S. non-branch operations – that is, excluding Deutsche Bank AG New York Branch.

On November 23, 2016, following a routine review of the CRR/CRD 4 legislative package and other major legal acts in the area of banking regulation and supervision, the European Commission published a comprehensive package of reforms to further strengthen the resilience of European Union banks. If implemented, the proposals will amend, among other laws and regulations, CRR/CRD 4, in order to incorporate various remaining elements of the regulatory framework agreed within the Basel Committee and the Financial Stability Board ("FSB") to refine and supplement Basel 3, such as more risk-sensitive capital requirements, in particular in the areas of market risk, counterparty credit risk, exposures to central counterparties, a binding leverage ratio, a binding net stable funding ratio, tighter regulation of large exposures, and a requirement for global systemically important banks ("G-SIBs"), such as Deutsche Bank, to hold certain minimum levels of capital and other instruments which are capable of bearing losses in resolution ("Total Loss-Absorbing Capacity" or "TLAC"). Other proposed measures are aimed at improving the lending capacity of banks to support the European Union economy and further facilitate the role of banks in achieving deeper and more liquid European Union capital markets. It is expected that most of the proposed amendments will start being applied in 2019 at the earliest.

10.3.2.2 Regulation of the Securities and Derivatives Markets

2016 also saw progress in the regulation of the securities and derivatives markets. A continuing key issue is the global cooperation and coordination of regulation and supervision. Important agreements were reached on cross-border harmonization, most notably the conclusion of an agreement between the European Commission (EC) and the U.S. Commodity Futures Trading Commission (CFTC) on the regulation of central counterparties (CCPs) that operate in the transatlantic market. At the same time, 2016 saw a major deviation from globally agreed approaches to the implementation of new rules, as the global timeline to commence margin requirements for non-cleared derivatives was not observed by key jurisdictions including the European Union, which deferred the application of the requirements to exchange initial and variation margins. By the first quarter of 2017, Deutsche Bank expects commencement of margin requirements in the European Union and across the Asia Pacific, where most jurisdictions (save Japan) also deferred the application of their rules. Another key area of work at the global level in 2016 was efforts to develop more granular international standards relating to the recovery and resolution of CCPs – and the publication of a legislative proposal on this issue in the European Union.

10.3.2.3 Structural Reform

2016 saw further regulatory developments in this area. In Germany, work has continued to ensure that Deutsche Bank will be compliant with the mid-2017 implementation deadline for the German Act on Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups (*Trennbankengesetz*, or the "Separation Act"). The 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. At the European Union level, the European Commission published a proposal in 2014 on structural measures to improve the resilience of European Union credit institutions. The proposal, if enacted, will impose measures similar to the Separation Act. The proposal is currently being negotiated at the European level and its impact on Deutsche Bank will depend on the outcome of such negotiations.

10.3.2.4 Risk, Capital Floors, Leverage Ratio; Stress Testing

In the U.S., DBTC also participated for the second time in the Federal Reserve Board's Comprehensive Capital Adequacy Review ("CCAR") process, an annual capital planning and stress testing exercise. At the international level, in January 2016 the BCBS published its final revised standards for market risk following the "Fundamental Review of the Trading Book", or "FRTB". The BCBS also published consultative documents on revising the standardized approach for credit risk, operational risk, constraining the use of internal models for credit risk, capital floors, and revisions to the leverage ratio. This package represents the finalization of the Basel 3 framework, and Deutsche Bank expects final rules to be agreed and published in the first half of 2017. While the Basel FRTB standards are expected to enter into force in 2019, the timing on the remainder of the BCBS proposals is yet to be established.

In July 2016, the BCBS published further changes to the capital standards for securitization exposures and in April 2016, the final standard to enhance Pillar 2 principles, and changes to the calculation of interest rate risk in the banking book (IRRBB). The changes contemplated by the FRTB and IRRBB are part of the EC proposals to change the CRR/CRD 4 legislative package published on November 23, 2016 (see above). This package furthermore includes proposals to implement the standardized approach for counterparty credit risk, leverage ratio, large exposures, Pillar III disclosures and the net stable funding ratio. Deutsche Bank expects that the European Union and U.S. regulators will propose rules implementing the revisions to credit, operational risk and capital floors in 2018. These rules could well have phased-in implementation timelines. Full compliance with the European Union rules could be required at some point between 2020 and 2025. The impact of these rules on Deutsche Bank will depend on the implementation approach and timelines.

Separate to the above, in the United States, DBTC participated for the second time in the Federal Reserve Board's Comprehensive Capital Adequacy Review ("CCAR") process, an annual capital planning and stress testing exercise. Although the Federal Reserve Board objected to DBTC's capital plan on qualitative grounds, the Federal Reserve Board confirmed that DBTC's capital ratios would significantly exceed the quantitative minimum requirements even under the supervisor's hypothetical severely adverse economic stress scenario.

10.3.2.5 Other Key Post-Crisis Reforms

Other key post-crisis reforms are still at an early stage of their phase-in or implementation, particularly where regulators have yet to develop detailed rules and regulations or determine their cross-border application.The impact of such final standards and primary legislation on banks remains unclear. Examples of such post-crisis reforms include:

- **Legislation for OTC derivatives clearing, reporting and margining** has been enacted in the European Union and in the U.S. and some requirements are already in effect. Deutsche Bank expects the cost for trading OTC derivatives across the market to increase as a result of the margin requirements as well as a rise in demand for high quality collateral. Margin rules will be phased in in Europe starting February 2017 and in most other deferred jurisdictions beginning in March 2017. While margin rules in the U.S. are already in effect for large banks, U.S. margin requirements will continue to be phased in for trades with other market participants through September 2020. Mandatory clearing of certain derivatives began in the EU and will continue to be phased in across 2017, and additional interest rate swaps will become subject to mandatory clearing in the U.S. in phases up to October 2018. The cross-border scope of certain requirements is still not fully resolved. Progress continued on the cross-border recognition of CCPs with the recognition of major U.S.-domiciled CCPs by the EU in 2016, and it is expected that additional jurisdictions will be found equivalent in 2017. The issue of equivalence of trading venues for swaps, important for trading obligations in the U.S., EU and elsewhere, was not resolved in 2016 and is expected to be an important cross-border agenda item in 2017. In addition, market liquidity in certain mandated products could be damaged by a bifurcation of markets along jurisdictional lines.
- **A framework for the recovery and resolution of central counterparties (CCPs)** is being developed at the international level. In 2016, the FSB and the Committee on Payments and Market Infrastructure (CPMI) and the International Organization of Securities Commissions (IOSCO) published joint consultations to ensure that CCPs are resilient to market stress and have certain default management processes in place. On November 28, 2016, the EC released proposals to implement this framework in the European Union with an entry into force envisaged together with the proposals published on November 23, 2016. See section *"10.1. Overview"* of this Prospectus.
- **Updated European Union rules for market structure**, pre- and post-trade transparency for equities, fixed income, currency and commodities transactions and investor protection through the (revised) Markets in Financial Instruments Directive ("MiFID 2") and Regulation ("MiFIR", together "MiFID 2/MiFIR"). 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 liquid. Originally, most requirements introduced by MiFID 2/MiFIR were provided to be applicable to Deutsche Bank starting on January 3, 2017. However, the application of MiFID 2/MiFIR has been formally delayed by one year to January 3, 2018. The updated MiFID 2/MiFIR will have a substantial impact on the way Deutsche Bank trades with clients, transparency requirements, the willingness to deploy risk capital and the way Deutsche Bank distributes products. The final rules are now being published and 2017 will see considerable resources and effort dedicated to their implementation, much of which will depend on further implementation guidance to be published by EU authorities.

- **Capital planning and stress testing** will continue to be a focus in 2017. In 2017, Deutsche Bank will file an initial capital plan for the intermediate holding company, DB USA Corporation, but DB USA Corporation will not become subject to the full CCAR process until 2018. At the EU level, the European Banking Authority (EBA) decided not to carry out an EU-wide stress test in 2017. Rather, it will perform its regular annual transparency exercise. At the international level, the BCBS has started working on global standards for stress testing as part of its work-plan.
- **Recovery and resolution** – the major jurisdictions where Deutsche Bank has significant group operations finalized implementation of the FSB's Key Attributes for Effective Resolution Regimes. In particular, the European Union Bank Recovery and Resolution Directive ("BRRD") was implemented in Germany and in the United Kingdom on January 1, 2015. The BRRD grants far-reaching powers to the competent resolution authorities to impose resolution measures upon failing banks. Such resolution measures may include a range of measures including the transfer of shares, assets or liabilities of the bank to another legal entity, the reduction, including to zero, of the nominal value of shares, the dilution of shareholders of a failing bank or the cancellation of shares outright, or the amendment, modification or variation of the terms of the bank's outstanding debt instruments, for example by way of deferral of payments or a reduction of the applicable interest rate or the temporary suspension of termination rights. Furthermore, the principal amount of a bank's capital instruments and certain eligible unsecured liabilities may be written down, including to zero, or converted into equity of the bank or a bridge institution (commonly referred to as "bail-in"). In addition, in January 2016, the European Union regulation (the "SRM Regulation") establishing the Single Resolution Mechanism ("SRM") and the Single Resolution Fund ("SRF") for banks domiciled in European Union member states participating in the Single Supervisory Mechanism ("SSM") became fully effective and created a harmonized mechanism for the application of the BRRD under responsibility of a single European resolution. With the aim of ensuring cross-border group resolution of globally active banks, the BRRD and the SRM Regulation also contain rules regarding the cooperation with non-European Union member states and recognition of non-European Union resolution proceedings. A proposed update to the BRRD was published on November 23, 2016, in order to address some operational and legal issues and to facilitate the implementation in EU law of the global standards relating to the requirement to maintain a certain minimum loss-absorbing capacity (see below).
- **Loss-absorbing capacity and MREL** – following the FSB's final term-sheet on minimum total loss-absorbing capacity (TLAC) in November 2015, several jurisdictions have started to implement the TLAC standard in their regulatory frameworks. The TLAC standard is designed to ensure that G-SIBs, such as Deutsche Bank, maintain enough capital and long-term debt instruments that can be effectively bailed-in to absorb losses and recapitalize the bank. Deutsche Bank's TLAC requirements will be determined by the EU implementation of the FSB's TLAC standard. A corresponding proposal was put forward by the EC on November 23, 2016. Also, the EC published proposals to update the BRRD and the SRM Regulation to reflect the introduction of TLAC (applicable to G-SIBs) and to amend the existing provisions (applicable to all EU banks) to maintain a minimum requirement for own funds and eligible liabilities ("MREL") in order to accommodate these to the proposed TLAC standard. Deutsche Bank also expects that it may be subject to internal TLAC requirements in other jurisdictions. For example, on December 15, 2016, the U.S. Federal Reserve Board finalized rules implementing the TLAC standard in the United States, with internal TLAC requirements that would apply to the U.S. intermediate holding companies (such as DB USA Corporation) of non-U.S. G-SIBs. Compliance with these rules, including a minimum Long Term Debt requirement and clean holding company requirements, is required by January 1, 2019.
- **Measures to further harmonize legislation in the European Union**, including revised European Union legislation on anti-money laundering, payment services and distribution of bank products, are also in the process of being developed.

Several regulatory proposals (including in connection with the implementation of existing laws) as discussed below are being contemplated which have not yet been finalized. Such proposals, depending on whether and in what form they become law, might have a material impact on Deutsche Bank's activities,

balance sheet and profitability. To the extent possible, the impact of such proposals on Deutsche Bank has been taken into account in its strategy projections and objectives. The proposals include:

- **Further structural changes**, as a result of the separation of certain business activities considered risky under the proposed European Union regulation on structural measures improving the resilience of European Union credit institutions or as a result of changes in the bank organization potentially required by the Single Resolution Board to ensure resolvability.
- **Additional direct costs as a result of financial sector specific tax and levies**, for example the European Union enhanced cooperation financial transaction tax, which is still under negotiation, and possible changes to contributions to the Single Resolution Fund or other resolution financing arrangements. A proposal to create a Eurozone deposit insurance system is also still under negotiation in the EU.
- **Additional regulation of asset management activities, with new recommendations to be proposed at the international level following consultations conducted in 2016**, such as the FSB's Proposed Policy Recommendations to Address Structural Vulnerabilities from Asset Management Activities of June 22, 2016, may also impact Deutsche Bank, even though recommendations are expected to be consistent with existing requirements with which Deutsche Bank is complying.
- **Cyber-crime and cybersecurity**, which will continue to be a focus for policymakers in 2017, with draft rules published in the U.S. in December and other jurisdictions potentially following suit.
- **Further measures to harmonize banking regulation and supervision in the European Union** – such as initiatives by the EBA and the ECB to reduce existing options and discretions and harmonize national supervisory practices under European Union legislation in connection with the CRR/CRD 4 legislative package such as ECB's TRIM project to reduce variance in internal model outcomes.

10.3.3 Climate change, environmental and social issues

Many governments, corporations and investors are extending their focus on climate change, environmental and social issues by enacting legislation, changing business models, setting business operational policies, and changing investment decision making. In 2016, the Paris Agreement, an outcome of Conference of the Parties 21 (COP 21), was officially approved. Among other things, the agreement aims at making financial flows consistent with a pathway to low greenhouse gas emissions and climate-resilient development. Implementation of the agreement will require massive financing over the next quarter century, supported by systemic reforms towards a low-carbon economy. As is the case with other sectors of the economy, financial institutions are exposed to climate change. Accordingly, Deutsche Bank seeks to demonstrate how it contributes to the mitigation of climate-related risks and support low-carbon solutions in its core businesses.

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 critically by investors, customers, environmental authorities, non-governmental organizations and others. At Deutsche Bank, such a review is conducted based on the Environmental and Social Risk Policy Framework, which was published on the corporate website in 2016. Where Deutsche Bank's own assessment of these issues so indicates, Deutsche Bank may abstain from participating in such projects.

In response to the economic, social and environmental challenges the planet faces, the United Nations ("U.N.") Sustainable Development Goals ("SDGs") define global priorities and aspirations for 2030. On January 1, 2016, the world's governments officially began implementation of this agenda at country level – the transformative plan of action based on 17 goals – to address urgent global challenges over the next 15 years. Private sector participation is needed to achieve the goals. Deutsche Bank understands that the SDGs form a useful benchmark for corporations by defining and prioritizing the most urgent challenges for mankind to improve life worldwide. Deutsche Bank expects that third-party views of the Bank will increasingly depend on contributions to the SDGs.

Additionally, Deutsche Bank sees rising public scrutiny for non-state actors to uphold human rights in their activities. Deutsche Bank follows the U.N. Guiding Principles that financial institutions, and the wider private sector, have a responsibility to respect human rights wherever they operate. Amidst global economic instability, policy uncertainty and flux within the financial sector, Deutsche Bank needs to take a proactive approach to collectively review and update processes, as an ongoing and formal part of daily business.

10.4 Corporate Divisions

10.4.1 Global Markets Corporate Division

10.4.1.1 Corporate Division Overview

At the start of 2016, Deutsche Bank split its former Corporate Banking and Securities (CB&S) corporate division into two: a new corporate division, Global Markets (GM) and its business unit Corporate Finance, which is now part of Deutsche Bank's Corporate & Investment Banking corporate division. The Global Markets business offers financial products worldwide including trading and hedging services to institutions and corporate clients.

In Global Markets, Deutsche Bank made the following significant divestitures since January 1, 2014:

In June 2015, Markit Ltd. a provider of financial information services conducted a secondary public offering. As part of this offering, Markit also re-purchased own shares from a number of selling shareholders including Deutsche Bank. Deutsche Bank offered and sold approximately 4 million of the 5.8 million shares (2.7 %) it held in Markit.

In December 2014, Deutsche Bank 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. initiated its listing on NASDAQ Stock Market via a sale of shares from existing shareholders. As part of this listing, Deutsche Bank offered and sold 5.8 million of the 11.6 million shares (5.7 %) it held in Markit.

10.4.1.2 Products and Services

The Global Markets business combines sales, trading and structuring of a wide range of financial markets' products, including bonds, equities and equity-linked products, exchange-traded and over-the-counter derivatives, foreign exchange, money market instruments, and structured products. Coverage of institutional clients is provided by the Institutional Client Group and Equity Sales, while Research provides analysis of markets, products and trading strategies for clients.

All Deutsche Bank's trading activities are covered by its risk management procedures and controls which are described in detail in section "*13. Risk Management*" of this Prospectus.

10.4.1.3 Distribution Channels and Marketing

As part of its targets originally announced in October 2015, Deutsche Bank is re-focusing and rationalizing its client coverage model so as to keep clients at the core of its business. Deutsche Bank is exiting client relationships where returns are too low or risks are too high while also strengthening its client on-boarding and know-your-customer ("KYC") procedures.

10.4.2 Corporate & Investment Banking Corporate Division

10.4.2.1 Corporate Division Overview

Corporate & Investment Banking (CIB) brings together Deutsche Bank's commercial banking, corporate finance, and transaction banking expertise under one common corporate division. It consists of Deutsche Bank's Corporate Finance and Global Transaction Banking businesses. CIB advises and executes on the multiple financial requirements of sophisticated corporate and institutional clients.

In Corporate & Investment Banking, Deutsche Bank made no significant capital expenditures or divestitures since January 1, 2014.

10.4.2.2 Products and Services

Corporate Finance is responsible for mergers and acquisitions (M&A), as well as debt and equity advisory and origination. Regional and industry-focused coverage teams ensure the delivery of the entire range of financial products and services to Deutsche Bank's corporate and institutional clients.

Advisory extends to public takeovers, defense advisory, mergers and divestitures, dual track sales processes, business portfolio reviews and acquisition searches, competitor strategies and analyses, balance sheet optimization and corporate governance.

Debt Origination brings Deutsche Bank's regional treasury suite client coverage, together with debt origination, structuring, syndication and issuance and loan portfolio products.

Equity Origination provides primary equity products including IPOs, follow-on offerings, rights issues, block trades, accelerated bookbuilding and convertible and exchangeable bonds.

With revenues of € 4.5 billion as of December 31, 2016, Global Transaction Banking (GTB) is a leading global provider of cash management, trade finance and securities services, delivering the full range of commercial banking products and services for both corporate clients and financial institutions worldwide.

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 Deutsche Bank's international network so that its 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, Deutsche Bank handles the complexities required by 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.

10.4.2.3 Distribution Channels and Marketing

As part of its targets originally announced in October 2015, CIB is re-focusing and optimizing its client coverage model to the benefit of its core clients. CIB is exiting client relationships where it considers returns to be too low or risks to be too high while also strengthening its client on-boarding and know-your-client (KYC) procedures.

Investment Banking Coverage (IBC) and Corporate Banking Coverage (CBC) have been brought together to provide integrated coverage expertise for CIB. The group delivers the most appropriate products across advisory, capital markets, risk management and transaction banking to both the C-Suite and Treasurer. The German Large Corporations (GLC) division delivers broad product and advisory expertise to Deutsche Bank's mid-market franchise with a regional footprint.

Clients include major corporates, financial institutions, financial sponsors, governments and sovereigns around the world. Deutsche Bank's industry expertise covers consumer and retail services, financial institutions, financial sponsors, healthcare, industrials, technology, media & telecoms, natural resources and real estate, and lodging and leisure.

10.4.3 Private, Wealth and Commercial Clients Corporate Division

10.4.3.1 Corporate Division Overview

The Private, Wealth & Commercial Clients (PW&CC) corporate division combines Deutsche Bank's expertise in private and commercial banking as well as in wealth management solutions. PW&CC offers high-quality advice and a wide range of financial services in both Deutsche Bank's home market in Germany and internationally. Its objective is to be an advisory bank with a global network, strong expertise in capital markets and financing solutions and cutting-edge digital services.

PW&CC comprises the following business units:

The Private & Commercial Clients Germany ("PCC Germany") business unit focuses on private and commercial clients in Germany. For small- and medium-sized corporate clients, PCC Germany offers an integrated commercial banking coverage model improving client proximity and cross-divisional collaboration by leveraging the expertise of Deutsche Bank Group.

The Private & Commercial Clients International ("PCC International") business unit provides banking and other financial services to private, commercial and corporate clients in Europe and India. In Europe, PCC International operates in five major banking markets: Italy, Spain, Belgium, Portugal and Poland.

The Wealth Management business unit serves wealth, high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals and family offices, offering its clients a broad range of traditional and alternative investment products and solutions, as well as lending and deposit products. Leveraging its global network and expertise from across Deutsche Bank, it provides capital markets expertise and international solutions tailored to the individual needs of clients. These include wealth planning over generations and international borders, discretionary portfolio management, structured risk management as well as the development of bespoke solutions for individuals or selected institutions in close collaboration with experts in Global Markets, Corporate & Investment Banking and Asset Management.

In Private, Wealth & Commercial Clients, Deutsche Bank has made the following significant capital expenditures or divestitures since January 1, 2014:

On December 28, 2015, Deutsche Bank agreed to sell its entire 19.99 % stake in Hua Xia Bank Company Limited ("Hua Xia") to PICC Property and Casualty Company Limited ("PICC Property & Casualty"). The completion of the transaction was subject to customary closing conditions and regulatory approvals, including that of the China Banking Regulatory Commission, which granted its approval for PICC Property and Casualty to acquire Deutsche Bank's stake in Hua Xia in the fourth quarter 2016.

In the fourth quarter 2015, Deutsche Bank Group announced that it entered into a definitive asset purchase agreement to sell its U.S. Private Client Services (PCS) unit to Raymond James Financial, Inc. In September 2016, the transaction was completed successfully.

In November 2015, Visa Inc. announced a definitive agreement to acquire Visa Europe Limited. As part of this acquisition Visa Europe Limited requested all its shareholders, which included several Deutsche Bank Group entities, to return their shares against consideration. Deutsche Bank returned its shares in Visa Europe Limited in January 2016 and received the cash and preferred shares consideration at closing on June 21, 2016, as well as an entitlement to a deferred cash payment including interest upon the third anniversary of the closing date.

In October 2014, Deutsche Bank 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, Deutsche Bank 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 Deutsche Bank and Zurich in 2001. The remaining 5.0 % stake was sold due to Zurich exercising a call option.

10.4.3.2 Products and Services

PW&CC provides banking and other financial services ranging from comprehensive services for retail clients, to solutions for clients in Private Banking and Wealth Management, to business and commercial client coverage.

Its PCC Germany and PCC International business units offer a similar range of products and services throughout Europe and India with some variations among countries that are driven by local market, regulatory and customer requirements. Products and services include payment and current account services, investment and insurance products, deposits as well as credit products. For small and medium-sized clients, the PCC business units additionally offer mid-cap related products provided by other divisions as part of its mid-cap joint venture within Deutsche Bank.

Deutsche Bank's Wealth Management business unit offers customized wealth management solutions and private banking services, including discretionary portfolio management and traditional and alternative investment solutions, complemented by structured risk management, wealth planning, lending and family office services.

10.4.3.3 Distribution Channels and Marketing

PW&CC follows an omni-channel approach to optimize accessibility and availability of services for its customers. The expansion of digital capabilities remains a strong focus across all Deutsche Bank's businesses.

10.4.3.3.1 PCC Germany and PCC International

- **Branches**: Within branches, the PCC business units generally offer the entire range of products and advice. The branch network is supported by customer contact centers and self-service terminals.
- **Advisory Centers**: The advisory centers in Germany represent a connection between the branches and Deutsche Bank's digital offerings to ensure a holistic service and advice for its private and commercial clients independent of branch opening hours.
- **Online and Mobile Banking**: Websites of the PCC business units offer clients a broad variety of product information and services including interactive tools, tutorials as well as rich media content. They also provide a high-performing transaction-platform for banking, brokerage and self-services, combined with a highly frequented multi-mobile offering for smartphones and tablets.

- **Financial Agents / third-party distributors**: In most countries, the PCC business units additionally provide banking products and services through self-employed financial agents as well as through third-party distributors.

10.4.3.3.2 Wealth Management

- **Global Coverage/Advisory teams**: These teams manage client relationships, provide advice and assist clients to access WM's products and services. To ensure holistic service and advice, all wealth management clients have a single point of access, with dedicated teams serving specific client groups.
- **Key Client Partners ("KCP")**: For qualified ultra-high-net-worth clients, KCPs provide tailored solutions and investment opportunities across a full range of asset classes. Capabilities include — but are not limited to — private markets, financing solutions, non-core assets, special situation alternatives and capital markets solutions.

10.4.4 Deutsche Asset Management Corporate Division

10.4.4.1 Corporate Division Overview

With over € 700 billion of invested assets as of December 31, 2016, Deutsche AM believes itself to be one of the world's leading investment management organizations, bringing access to the world's financial markets and delivering solutions to clients around the globe. Deutsche AM aims to provide sustainable financial futures for all its clients: individual investors and the institutions that serve them.

In 2016, Deutsche AM took a number of steps to become a more focused asset manager: separating from Deutsche Bank's wealth management business, transferring trading and balance sheet-reliant businesses to the Global Markets division, and exiting non-strategic businesses, including the Abbey Life business.

Deutsche Bank has made the following significant capital divestitures since January 1, 2014:

In December 2016, Deutsche Bank completed the sale of the Abbey Life business (Abbey Life Assurance Company Limited, Abbey Life Trustee Services Limited and Abbey Life Trust Securities Limited) to a subsidiary of Phoenix Group Holdings.

10.4.4.2 Products and Services

Deutsche AM's investment capabilities span both active and passive strategies and a diverse array of asset classes including equities, fixed income, liquidity, real estate, infrastructure, private equity, and sustainable investments. Deutsche AM delivers alpha and beta solutions to address the longevity, liability and liquidity needs of investors, leveraging intelligence and technology.

10.4.4.3 Distribution Channels and Marketing

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

10.4.5 Postbank Corporate Division

10.4.5.1 Corporate Division Overview

Postbank is a German financial service provider for retail, business and corporate clients as well as for other financial service providers. As a multi-channel bank, Postbank provides its products in its German-wide network of branches, through mobile sales agents, direct banking (online and mobile) and call centers as well as in third party sales through agents. The company also offers postal and parcel services in its branches in cooperation with Deutsche Post DHL AG. Postbank's focus of business activities are on retail banking and corporate banking (transaction banking and financing) in Germany. The completion of the operational separability from Deutsche Bank Group was achieved as per the end of the first half of 2016.

Postbank has made the following significant capital divestitures since January 1, 2014:

In November 2015, Visa Inc. announced a definitive agreement to acquire Visa Europe Limited. As part of this acquisition Visa Europe Limited requested all its shareholders, including Postbank, to return their shares against consideration. Postbank returned its shares in Visa Europe Limited in January 2016 and received the cash and preferred shares consideration at closing on June 21, 2016 as well as an entitlement to a deferred cash payment including interest upon the third anniversary of the closing date.

In July 2015, the shares in Postbank P.O.S. Transact GmbH were sold and the company subsequently deconsolidated.

10.4.5.2 Products and Services

In retail banking, Postbank offers its retail and business customers' standardized banking and financial service products designed to meet all basic financial needs. Its core products are current accounts, saving accounts, mortgage loans, building society contracts and consumer loans. The product range is completed by investment products (especially investment funds) and insurance products as well as postal services and further non-banking products.

In corporate banking, Postbank focuses mainly on German SMEs. Its core products are corporate loans, international commercial real estate finance, payment transaction services, factoring and leasing as well as interest rate and currency management. Corporate banking services also include client driven money market and capital market activities.

10.4.5.3 Distribution Channels and Marketing

Postbank operates a nation-wide network of branches that had 1,043 locations in Germany at the end of 2016, as well as a branch in Luxembourg. Additionally Postbank uses around 4,500 Deutsche Post DHL AG partner retail outlets, where customers can access selected Postbank financial services, as well as around 700 Postbank Finanzberatung AG advisory centers. As a multi-channel bank, Postbank offers its products in branches, through mobile sales agents, direct banking (online and mobile), call centers as well as via third-party sales through agents and cooperation partners.

- **Branches**: In addition to its German-wide branch network Postbank has begun launching new sales centers where customers can experience its entire range of products and advice as well as postal services under one roof.
- **Self-service Terminals**: These terminals support Postbank's branch network and allow clients to withdraw and transfer funds, receive account statements and make appointments with its financial advisors.
- **Mobile sales agents**: Additionally Postbank markets its retail banking products and services through self-employed financial agents.
- **Call centers**: Postbank's call centers provide clients with remote services (i.e., account information, securities brokerage).
- **Online and mobile banking**: On Postbank's websites, it offers clients a broad variety of relevant product information and services including interactive tools, tutorials and rich media content. It provides a high-performing transaction platform for banking, brokerage and self-services, combined with a highly frequented multi-mobile offering for smartphones and tablets. Moreover, Postbank further invests in improvements of seamless client friendly end-to-end process automation.

10.4.6 Non-Core Operations Unit Corporate Division

In the second half of 2012, the Non-Core Operations Unit (NCOU) was established as the then fifth pillar of Deutsche Bank's business structure. Its aim was to help Deutsche Bank reduce risks associated with capital-intensive assets that are not core to the strategy, thereby reducing capital demand. As set out in Deutsche Bank's previous strategy announcements, its objectives in setting up the NCOU were to improve external transparency of its 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 has successfully executed its de-risking target and reduced the portfolio in size to achieve the 2016 year-end target of less than € 10 billion RWA. In carrying out this mandate, the NCOU has actively focused on initiatives which delivered efficient capital contribution and de-leveraging results, thereby enabling Deutsche Bank to strengthen its fully loaded Common Equity Tier 1 ratio. As a result, the NCOU ceased to exist as a standalone corporate division from 2017 onwards.

The remaining legacy assets have a balance sheet value of approximately € 6 billion as of December 31, 2016, and will now be managed by the corresponding Core operating segments, predominantly Global Markets (GM) and Private, Wealth & Commercial Clients (PW&CC).

The NCOU division made the following significant divestitures since January 1, 2014:

In November 2016, Deutsche Bank sold its remaining 16.9% stake in Red Rock Resorts after IPO in April 2016 where Deutsche Bank sold around 3%.

In April 2016, Deutsche Bank reached an agreement to sell Maher Terminals USA LLC in Port Elizabeth, New Jersey to Macquarie Infrastructure Partners III ("MIP III"), a fund managed by Macquarie Infrastructure and Real Assets. Under the transaction, MIP III has agreed to acquire 100% of Maher Terminals USA. Following the receipt of all regulatory approvals, Deutsche Bank completed the sale in November 2016 for U.S.$ 739 million.

In April 2015, Deutsche Bank reached an agreement to sell the Fairview Container Terminal in Port of Prince Rupert, Canada (a segment of Maher Terminals) to DP World (a Dubai-based marine terminal operator) for CAD 580 million, subject to regulatory approvals. Following receipt of all regulatory approvals, Deutsche Bank completed the sale in August 2015.

On December 19, 2014, Deutsche Bank 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.

In March 2014, Deutsche Bank 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 subsequently been sold.

10.4.7 Other Significant Capital Expenditures and Divestitures

Deutsche Bank has made the following significant capital expenditures or divestitures since January 1, 2014 that are not allocated to the capital expenditures or divestitures of the corporate divisions above:

On October 26, 2016, Deutsche Bank entered into an agreement to sell its Mexican bank and broker dealer subsidiaries to InvestaBank S.A., Institución de Banca Múltiple. The transaction is a part of Deutsche Bank's targets originally announced in October 2015 and the Group's plan to rationalize its global footprint. Closing of the transaction is expected in the first half of 2017, subject to regulatory approvals and other customary conditions.

On August 26, 2016, Deutsche Bank entered into an agreement to sell Deutsche Bank S.A., its Argentine bank subsidiary, to Banco Comafi S.A.. The transaction is a part of Deutsche Bank's targets originally announced in October 2015 and reflects the Group's plan to rationalize its global footprint. Closing of the transaction is expected in the first half of 2017, subject to regulatory approvals and other customary conditions.

10.4.8 Infrastructure and Regional Management

The infrastructure functions perform control and service functions and, in particular, tasks relating to Group-wide, supra-divisional resource-planning, steering and control as well as to risk, liquidity and capital management.

The infrastructure functions are organized in the following areas of responsibility:

- Chairman: Management Board, Communications, Corporate Social Responsibility ("CSR"), Group Audit, Corporate Strategy, Research and Group Incident & Investigation Management
- Chief Financial Officer: Group Finance, Group Tax, Group Treasury, Investor Relations, Corporate M&A, Group Management Consulting, Regional Finance, Divisional Finance (including Cost Operations), Planning and Performance Management and Finance Change & Administration
- Chief Risk Officer: Credit Risk, Operational Risk, Market Risk, Liquidity Risk, Enterprise Risk, Business aligned risk management, Regional Risk management, Information & Resiliency Risk Management and Corporate Insurance
- Chief Regulatory Officer: Group Regulatory Affairs, Group Structuring, Public Affairs, Compliance and Anti-Financial Crime
- Chief Administrative Officer: Legal (including data protection), Global Governance and Human Resources (including Corporate Executive matters)
- Chief Operating Officer: Group Technology and Operations, Digital Transformation, Corporate Services, Chief Information Security Office and Chief Data Officer

Regional Management has the task to protect the Group's integrity and reputation and to coordinate and align local activity and strategic development across the Group's businesses, infrastructure and legal entities.

All expenses and revenues incurred within the infrastructure and regional management areas are fully allocated to Deutsche Bank's five corporate divisions.

10.5 Property and Equipment

As of December 31, 2016, Deutsche Bank operated in 62 countries out of 2,656 branches around the world, of which 67 % were in Germany. Deutsche Bank leases a majority of its offices and branches under long-term agreements.

Deutsche Bank continues to review its property requirements worldwide taking into account cost containment measures as well as growth initiatives in selected businesses. The following table shows the material properties occupied by Deutsche Bank as of the date of this Prospectus:

Premises	Address	Size (sqm)	Use of Property	Ownership
60 Wall Street	60 Wall Street, New York	151,012	Office building / Trading room	leased
Taunusanlage 12	Taunusanlage 12, Frankfurt am Main	75,787	Office building	leased
Technisches Zentrum Eschborn (TZE)	Alfred-Herrhausen-Allee 16-24, Eschborn	60,128	Office building	leased
Deutsche Bank S.p.A., Milano	Piazza Del Calendario 3, Milano	56,018	Office building	leased
Frankfurt Euro Park, FEP	Wilhem-Fay-Straße 31-37, Frankfurt	47,951	Office building	leased

As of December 31, 2016, Deutsche Bank had property and equipment with a total carrying amount of € 2,804 million of which the carrying amount of € 944 million was accounted for as owner occupied properties. Additional information on Deutsche Bank Group's property and equipment and related lease arrangements is set out in Note 24 and Note 25 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

10.6 Intellectual Property Rights, Licenses, Domains

The Company has protected or filed applications for protection under trademark law for a large number of service marks in Germany and in some foreign jurisdictions. These include, for example, the trademarks "Deutsche Bank", the slash of the diagonal within the quadrate frame, the so called "logo" as well as the relevant service trademarks. In addition to the Internet domain "deutsche-bank.de", the Company has registered numerous other Internet domains and believes that it has thereby established a sufficient basis for its online banking and its other Internet operations. The Company endeavors to protect its products and services in their target markets, in particular under trademark law, to the extent economically reasonable. The Company believes that Deutsche Bank's patents, design and utility models play a secondary role in its business.

10.7 Investments

The following table shows the investments by Deutsche Bank in property and equipment, in equity method investments as well as in acquisitions accounted for as business combinations for fiscal years 2016, 2015 and 2014, determined based on information in the Company's consolidated statements of cash flows and the notes to its consolidated financial statements for fiscal years 2016, 2015 and 2014:

	Year ended December 31,		
in € m.	2016	2015	2014
	(audited, unless stated otherwise)		
Property and equipment	725	432	669
Equity method investments	81	95	78
Business combinations[1]	0	0	0

1 Unaudited.

Property and equipment. In 2014, investments of € 669 million in property and equipment predominantly concerned € 332 million for procurement of furniture and equipment, € 173 million for construction projects (sites under construction) and € 164 million for others of which the main position was € 122 million in leasehold improvements.

In 2015, investments of € 432 million in property and equipment predominantly concerned € 166 million for others of which the main position was € 162 million in leasehold improvements, € 153 million for procurement of furniture and equipment and € 114 million for construction projects (sites under construction).

In 2016, investments of € 725 million in property and equipment predominantly concerned € 281 million for construction projects (sites under construction), € 245 million for others of which the main position was € 111 million in leasehold improvements and € 199 million for procurement of furniture and equipment.

Equity method investments. Investments in entities accounted for using the equity method relate to the purchase of a number of shareholdings and arise as part of Deutsche Bank's day-to-day business. In 2016, 2015 and 2014, no principal equity method investments were made. As of December 28, 2015, Deutsche Bank's investment in Hua Xia Company Limited, which had previously been accounted for as an equity method investment, was reclassified to the assets held for sale category, before it was disposed of in the fourth quarter 2016. Further information about investments in companies which are accounted for using the equity method is included in Note 18 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

Business Combinations. During 2014, 2015 and 2016, the Group did not make any investments in acquisitions accounted for as business combinations.

Other Investments. Other than as described above, Deutsche Bank has not made any material investments since 2014 to date. At the date of this Prospectus, there are no ongoing material investments and no plans for material future investments for which Deutsche Bank's management bodies have already resolved or made firm commitments.

10.8 Legal Proceedings

The Group operates in a legal and regulatory environment that exposes it to significant litigation risks. As a result, the Group is involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of business.

Other than set out herein, Deutsche Bank is not involved (whether as defendant or otherwise) in, nor does it have knowledge of, any pending or threatened legal, arbitration, administrative or other proceedings that may have, or have had in the recent past, a significant effect on the financial position or profitability of Deutsche Bank AG or Deutsche Bank Group. Furthermore, other than as set out herein, there have been no legal, arbitration, administrative or other proceedings within the last twelve months and no such proceedings have been concluded during such period which may have, or have had in the recent past, a significant effect on the financial position or profitability of Deutsche Bank AG or Deutsche Bank Group.

10.8.1 Current Individual Proceedings

Set forth below are descriptions of civil litigation and regulatory enforcement matters or groups of matters for which the Group has taken material provisions, or for which there are material contingent liabilities that are more than remote, or for which there is the possibility of material business or reputational risk; similar matters are grouped together and some matters consist of a number of proceedings or claims. The disclosed matters include matters for which the possibility of a loss is more than remote but for which the Group cannot reliably estimate the possible loss.

10.8.1.1 Esch Funds Litigation

Sal. Oppenheim jr. & Cie. AG & Co. KGaA ("Sal. Oppenheim") was prior to its acquisition by Deutsche Bank in 2010 involved in the marketing and financing of participations in closed end real estate funds. These funds were structured as civil law partnerships under German law. Usually, Josef Esch Fonds-Projekt GmbH performed the planning and project development. Sal. Oppenheim held an indirect interest in this company via a joint venture. In relation to this business a number of civil claims have been filed against Sal. Oppenheim. Some but not all of these claims are also directed against former managing partners of Sal. Oppenheim and other individuals. The claims brought against Sal. Oppenheim relate to investments of originally approximately € 1.1 billion. After certain claims have either been dismissed or settled, claims relating to investments of originally approximately € 330 million are still pending. Currently, the aggregate amounts claimed in the pending proceedings are approximately € 390 million. The investors are seeking to unwind their fund participation and to be indemnified against potential losses and debt related to the investment. The claims are based in part on an alleged failure of Sal. Oppenheim to provide adequate information on related risks and other material aspects important for the investors' decision. Based on the facts of the individual cases, some courts have decided in favor and some against Sal. Oppenheim. Appeals are pending. The Group has recorded provisions and contingent liabilities with respect to these cases but has not disclosed the amounts thereof because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

10.8.1.2 Foreign Exchange Investigations and Litigations

Deutsche Bank has received requests for information from certain regulatory and law enforcement agencies globally who are investigating trading in, and various other aspects of, the foreign exchange

market. Deutsche Bank is cooperating with these investigations. Relatedly, Deutsche Bank has conducted its own internal global review of foreign exchange trading and other aspects of its foreign exchange business.

On October 19, 2016, the U.S. Commodity Futures Trading Commission, Division of Enforcement ("CFTC") issued a letter ("CFTC Letter") notifying Deutsche Bank that the CFTC "is not taking any further action at this time and has closed the investigation of Deutsche Bank" regarding foreign exchange. As is customary, the CFTC Letter states that the CFTC "maintains the discretion to decide to reopen the investigation at any time in the future." The CFTC Letter has no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending.

On December 7, 2016, it was announced that Deutsche Bank has reached an agreement with CADE, the Brazilian antitrust enforcement agency, to settle an investigation into conduct in the foreign exchange market by a former Brazil-based Deutsche Bank trader. This has had the effect of bringing to a close CADE's administrative process as far as it relates to Deutsche Bank.

On February 13, 2017, the United States Department of Justice (DOJ), Criminal Division, Fraud Section, issued a letter ("DOJ Letter") notifying Deutsche Bank that the DOJ has closed its criminal inquiry "concerning possible violations of federal criminal law in connection with the foreign exchange markets." As is customary, the DOJ Letter states that the DOJ may reopen its inquiry if it obtains additional information or evidence regarding the inquiry. The DOJ Letter has no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending.

Investigations conducted by certain other regulatory and law enforcement agencies are ongoing and Deutsche Bank is cooperating with these investigations.

Deutsche Bank also has been named as a defendant in multiple putative class actions brought in SDNY alleging antitrust and U.S. Commodity Exchange Act claims relating to the alleged manipulation of foreign exchange rates. The complaints in the class actions do not specify the damages sought. On January 28, 2015, the federal court overseeing the class actions granted the motion to dismiss with prejudice in two actions involving non-U.S. plaintiffs while denying the motion to dismiss in one action involving U.S. plaintiffs then pending. Additional actions have been filed since the court's January 28, 2015 order. There are now four actions pending. The first pending action is a consolidated action brought on behalf of a putative class of over-the-counter traders and a putative class of central-exchange traders, who are domiciled in or traded in the United States or its territories, and alleges illegal agreements to restrain competition with respect to and to manipulate both benchmark rates and spot rates, particularly the spreads quoted on those spot rates; the complaint further alleges that those supposed conspiracies, in turn, resulted in artificial prices on centralized exchanges for foreign exchange futures and options. Deutsche Bank's motion to dismiss the consolidated action was granted in part and denied in part on September 20, 2016. A second action tracks the allegations in the consolidated action and asserts that such purported conduct gave rise to, and resulted in a breach of, defendants' fiduciary duties under the U.S. Employment Retirement Income Security Act of 1974 (ERISA). The third putative class action was filed in the same court on December 21, 2015, by Axiom Investment Advisors, LLC alleging that Deutsche Bank rejected foreign exchange orders placed over electronic trading platforms through the application of a function referred to as "Last Look" and that these orders were later filled at prices less favorable to putative class members (the "Last Look" action). Plaintiff has asserted claims for breach of contract, quasi-contractual claims, and claims under New York statutory law. Filed on September 26, 2016, the fourth putative class action (the "Indirect Purchasers" action) tracks the allegations in the consolidated action and asserts that such purported conduct injured "indirect purchasers" of foreign exchange instruments. These claims are brought pursuant to the Sherman Act, New York's Donnelly Act, California's Cartwright Act and California's Unfair Competition Law.

On August 24, 2016, the Court granted defendants' motion to dismiss the ERISA action. Plaintiffs in that action filed an appellate brief in the United States Court of Appeals for the Second Circuit (the "Second Circuit") on January 9, 2017. On February 14, 2017, the court granted in part and denied in part Deutsche Bank's motion to dismiss the Last Look action. Deutsche Bank moved to dismiss the Indirect Purchasers action on January 24, 2017. Discovery has commenced in the consolidated and Last Look actions. Discovery has not yet commenced in the ERISA and Indirect Purchasers actions.

Deutsche Bank also has been named as a defendant in two Canadian class proceedings brought in the provinces of Ontario and Quebec. Filed on September 10, 2015, these class actions assert factual allegations similar to those made in the consolidated action in the United States and seek damages pursuant to the Canadian Competition Act as well as other causes of action.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

10.8.1.3 Interbank Offered Rates Matters

10.8.1.3.1 Regulatory and Law Enforcement Matters

Deutsche Bank has received requests for information from various regulatory and law enforcement agencies, including various U.S. state attorneys general, in connection with industry-wide investigations concerning the setting of the London Interbank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Tokyo Interbank Offered Rate (TIBOR) and other interbank offered rates. Deutsche Bank is cooperating with these investigations.

As previously reported, Deutsche Bank 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, Deutsche Bank agreed to pay € 725 million in total. This fine has been paid in full and does not form part of the Bank's provisions.

Also as previously reported, on April 23, 2015, Deutsche Bank entered into separate settlements with the U.S. Department of Justice (DOJ), the U.S. Commodity Futures Trading Commission (CFTC), the UK Financial Conduct Authority (FCA), and the DFS to resolve investigations into misconduct concerning the setting of LIBOR, EURIBOR, and TIBOR. Under the terms of these agreements, Deutsche Bank agreed to pay penalties of U.S.$ 2.175 billion to the DOJ, CFTC and DFS and GBP 226.8 million to the FCA. These fines have been paid in full and do not form part of the Bank's provisions, save for U.S. $150 million that is payable to the DOJ, subject to court approval (currently scheduled for March 28, 2017), following the sentencing of DB Group Services (UK) Ltd. (an indirectly-held, wholly-owned subsidiary of Deutsche Bank) in connection with its guilty plea to one count of wire fraud. As part of the resolution with the DOJ, Deutsche Bank entered into a deferred prosecution agreement with a three year term pursuant to which it agreed (among other things) to the filing of an Information in the U.S. District Court for the District of Connecticut charging Deutsche Bank with one count of wire fraud and one count of price fixing in violation of the Sherman Act.

On November 29, 2016, the U.S. Securities and Exchange Commission staff informed Deutsche Bank that it has concluded its IBOR investigation and that it does not intend to recommend an enforcement action by the Commission.

On December 21, 2016, the Swiss Competition Commission, WEKO, formally announced its IBOR-related settlement decisions addressing various banks, including Deutsche Bank, relating to EURIBOR and Yen LIBOR. Deutsche Bank will be required to pay a fine of CHF 5.0 million with respect to Yen LIBOR and approximately CHF 0.4 million for WEKO's fees. Deutsche Bank received full immunity from fines for EURIBOR in return for being the first party to notify such conduct to WEKO. The settlement amount is already fully reflected in the existing litigation provisions.

As reported above, Deutsche Bank is subject to an inquiry by a working group of U.S. state attorneys general in relation to the setting of LIBOR, EURIBOR, and TIBOR. The Bank continues to cooperate with the U.S. state attorneys generals' inquiry.

Other investigations of Deutsche Bank concerning the setting of various interbank offered rates remain ongoing, and Deutsche Bank remains exposed to further action. The Group has not disclosed whether it has established a provision or contingent liability with respect to the remaining investigations because it has concluded that such disclosure can be expected to seriously prejudice their outcome.

10.8.1.3.2 Overview of Civil Litigations

Deutsche Bank is party to 47 civil actions concerning alleged manipulation relating to the setting of various Interbank Offered Rates which are described in the following paragraphs. Most of the civil actions, including putative class actions, are pending in SDNY, against Deutsche Bank and numerous other defendants. All but six of the civil actions were filed on behalf of parties who allege losses as a result of manipulation relating to the setting of U.S. dollar LIBOR. The six civil actions pending against Deutsche Bank that do not relate to U.S. dollar LIBOR are also pending in the SDNY, and include two actions concerning Yen LIBOR and Euroyen TIBOR, one action concerning EURIBOR, one consolidated action concerning Pound Sterling (GBP) LIBOR, one action concerning Swiss franc (CHF) LIBOR, and one action concerning two Singapore Dollar (SGD) benchmark rates, the Singapore Interbank Offered Rate (SIBOR) and the Swap Offer Rate (SOR).

Claims for damages for all 47 of the civil actions discussed have been asserted under various legal theories, including violations of the U.S. Commodity Exchange Act (CEA), federal and state antitrust laws, the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO), and other federal and state laws. In all but five cases, the amount of damages has not been formally articulated by the plaintiffs. The five cases that allege a specific amount of damages are individual actions consolidated in the U.S. dollar LIBOR multidistrict litigation and seek a minimum of more than U.S.$ 1.25 billion in damages in the aggregate from all defendants including Deutsche Bank. The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

10.8.1.3.2.1 U.S. dollar LIBOR

With two exceptions, all of the civil actions concerning U.S. dollar LIBOR are being coordinated as part of a multidistrict litigation (the "U.S. dollar LIBOR MDL") in the SDNY. In light of the large number of individual cases pending against Deutsche Bank and their similarity, the civil actions included in the U.S. dollar LIBOR MDL are now subsumed under the following general description of the litigation pertaining to all such actions, without disclosure of individual actions except when the circumstances or the resolution of an individual case is material to Deutsche Bank.

Following a series of decisions in the U.S. dollar LIBOR MDL between March 2013 and December 2016 narrowing their claims, plaintiffs are currently asserting antitrust claims, CEA claims and state law fraud, contract, unjust enrichment and other tort claims. The court has also issued decisions dismissing certain plaintiffs' claims for lack of personal jurisdiction and on statute of limitations grounds, which are currently the subject of additional briefing; further decisions are pending.

On May 23 2016, the Second Circuit issued an opinion reinstating antitrust claims against the defendants in the U.S. dollar LIBOR MDL, and remanded to the district court for further consideration. On December 20, 2016, the district court issued a ruling dismissing certain antitrust claims while allowing others to proceed.

Discovery is underway in several of the cases, with motions for class certification currently scheduled to be briefed by August 2017.

On January 10, 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle a putative class action pending as part of the U.S. dollar LIBOR MDL asserting claims based on alleged transactions in Eurodollar futures and options traded on the Chicago Mercantile Exchange (*FTC Capital GmbH* v. *Credit Suisse Group AG*). The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further documentation and approval by the court.

Finally, one of the actions in the U.S. dollar LIBOR MDL has been dismissed in its entirety, including (as to Deutsche Bank and other foreign defendants) on personal jurisdiction grounds, and plaintiffs have filed an appeal to the Second Circuit.

Both of the non-MDL U.S. dollar LIBOR cases have been dismissed. Plaintiffs in the non-MDL case proceeding in the SDNY have moved to amend their complaint, and a decision on that motion is pending. The dismissal of the other non-MDL case, which was proceeding in the U.S. District Court for the Central District of California, was affirmed by the United States Court of Appeals for the Ninth Circuit in December 2016.

10.8.1.3.2.2 Yen LIBOR, Euroyen TIBOR and other Interbank Offered Rates

On January 24, 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle two putative class actions pending in the SDNY alleging manipulation of Yen LIBOR and Euroyen TIBOR (*Laydon v. Mizuho Bank, Ltd.* and *Sonterra Capital Master Fund Ltd.* v. *UBS AG*), and withdrew its pending motions to dismiss the *Sonterra* action. (The *Laydon* action has already been subject to decisions by the court on motions to dismiss and is currently in discovery.) The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further documentation and approval by the court.

On January 24, 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle a putative class action pending in the SDNY alleging manipulation of EURIBOR (*Sullivan* v. *Barclays PLC*), and withdrew its pending motions to dismiss the action. The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further documentation and approval by the court.

Putative class actions alleging manipulation of Pound Sterling (GBP) LIBOR, Swiss Franc (CHF) LIBOR, and the Singapore Interbank Offered Rate (SIBOR) and Swap Offer Rate (SOR), respectively, are each pending in the SDNY. Each of these actions is the subject of fully briefed motions to dismiss. Decisions are pending.

10.8.1.3.2.3 Bank Bill Swap Rate Claims

On August 16, 2016, a putative class action was filed in the SDNY against Deutsche Bank and other defendants, bringing claims based on alleged collusion and manipulation in connection with the Australian Bank Bill Swap Rate ("BBSW"). The complaint alleges that the defendants, among other things, engaged in money market transactions intended to influence the BBSW fixing, made false BBSW submissions, and used their control over BBSW rules to further the alleged misconduct. Plaintiffs bring suit on behalf of persons and entities that engaged in U.S.-based transactions in BBSW-linked financial instruments from 2003 through the present. An amended complaint was filed on December 16, 2016, and defendants' motions to dismiss have been filed.

10.8.1.4 Investigations Into Referral Hiring Practices and Certain Business Relationships

Certain regulators and law enforcement authorities in various jurisdictions, including the U.S. Securities and Exchange Commission and the U.S. Department of Justice, are investigating, among other things, Deutsche Bank's compliance with the U.S. Foreign Corrupt Practices Act and other laws with respect to the Bank's hiring practices related to candidates referred by clients, potential clients and government officials and its engagement of finders and consultants. Deutsche Bank is responding to and continuing to cooperate with these investigations. Certain regulators in other jurisdictions have also been briefed on these investigations. The Group has recorded a provision with respect to certain of these regulatory investigations. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to seriously prejudice the outcome of these regulatory investigations. Based on the facts currently known, it is not practicable at this time for the Bank to predict the timing of a resolution.

10.8.1.5 Kaupthing CLN Claims

In June 2012, Kaupthing hf, an Icelandic stock corporation, acting through its winding-up committee, issued Icelandic law claw back claims for approximately € 509 million (plus costs, as well as interest calculated on a damages rate basis and a late payment rate basis) against Deutsche Bank in both Iceland and England. The claims were in relation to leveraged credit linked notes ("CLNs"), 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 claimed to have funded the SPVs and alleged that Deutsche Bank was or should have been aware that Kaupthing itself was economically exposed in the transactions. Kaupthing claimed that the transactions were 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 (together with the Icelandic proceedings, the "Kaupthing Proceedings"). Deutsche Bank filed a defense in the Icelandic proceedings in late February 2013. In February 2014, 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 "SPV Proceedings"). The SPVs claimed approximately € 509 million (plus costs, as well as interest), although the amount of that interest claim was less than in Iceland. Deutsche Bank has now reached a settlement of the Kaupthing and SPV Proceedings which has been paid in the first quarter of 2017. The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement.

10.8.1.6 Kirch

The public prosecutor's office in Munich (*Staatsanwaltschaft München I*) has conducted and is currently conducting criminal investigations in connection with the Kirch case inter alia with regard to former Deutsche Bank Management Board members. The Kirch case involved several civil proceedings between Deutsche Bank AG and Dr. Leo Kirch as well as media companies controlled by him. The key issue was whether an interview given by Dr. Rolf Breuer, then Spokesman of Deutsche Bank's Management Board, in 2002 with Bloomberg television, during which Dr. Breuer commented on Dr. Kirch's (and his companies') inability to obtain financing, caused the insolvency of the Kirch companies. In February 2014, Deutsche Bank and the Kirch heirs reached a comprehensive settlement, which has ended all legal disputes between them.

The allegations of the public prosecutor are that the relevant former Management Board members failed to correct in a timely manner factual statements made by Deutsche Bank's litigation counsel in submissions

filed in one of the civil cases between Kirch and Deutsche Bank AG before the Munich Higher Regional Court and the Federal Court of Justice, after allegedly having become aware that such statements were not correct, and/or made incorrect statements in such proceedings, respectively.

On April 25, 2016, following the trial before the Munich District Court regarding the main investigation involving Juergen Fitschen and four other former Management Board members, the Munich District Court acquitted all of the accused, as well as the Bank, which was a secondary participant in such proceedings. On April 26, 2016, the public prosecutor filed an appeal. An appeal is limited to a review of legal errors rather than facts. On October 18, 2016, a few weeks after the written judgment was served, the public prosecutor provided notice that it will uphold its appeal only with respect to former Management Board members Juergen Fitschen, Dr. Rolf Breuer and Dr. Josef Ackermann and that it will withdraw its appeal with respect to former Management Board members Dr. Clemens Boersig and Dr. Tessen von Heydebreck for whom the acquittal thereby becomes binding.

The other investigations by the public prosecutor (which also deal with attempted litigation fraud in the Kirch civil proceedings) are ongoing. Deutsche Bank is fully cooperating with the Munich public prosecutor's office.

The Group does not expect these proceedings to have significant economic consequences for it and has not recorded a provision or contingent liability with respect thereto.

10.8.1.7 KOSPI Index Unwind Matters

Following the decline of the Korea Composite Stock Price Index 200 (the "KOSPI 200") in the closing auction on November 11, 2010 by approximately 2.7 %, the Korean Financial Supervisory Service ("FSS") commenced an investigation and expressed concerns that the fall in the KOSPI 200 was attributable to a sale by Deutsche Bank of a basket of stocks, worth approximately € 1.6 billion, that was held as part of an index arbitrage position on the KOSPI 200. On February 23, 2011, the Korean Financial Services Commission, which oversees the work of the FSS, reviewed the FSS' findings and recommendations and resolved to take the following actions: (i) to file a criminal complaint to the Korean Prosecutor's Office for alleged market manipulation against five employees of the Deutsche Bank group and Deutsche Bank's subsidiary Deutsche Securities Korea Co. (DSK) for vicarious corporate criminal liability; and (ii) to impose a suspension of six months, commencing April 1, 2011 and ending September 30, 2011, of DSK's business for proprietary trading of cash equities and listed derivatives and DMA (direct market access) cash equities trading, and the requirement that DSK suspend the employment of one named employee for six months. There was an exemption to the business suspension which permitted DSK to continue acting as liquidity provider for existing derivatives linked securities. On August 19, 2011, the Korean Prosecutor's Office announced its decision to indict DSK and four employees of the Deutsche Bank group on charges of spot/futures linked market manipulation. The criminal trial commenced in January 2012. On January 25, 2016, the Seoul Central District Court rendered a guilty verdict against a DSK trader and a guilty verdict against DSK. A criminal fine of KRW 1.5 billion (less than € 2.0 million) was imposed on DSK. The Court also ordered forfeiture of the profits generated on the underlying trading activity. The Group disgorged the profits on the underlying trading activity in 2011. The criminal trial verdict has been appealed by both the prosecutor and the defendants.

In addition, a number of civil actions have been filed in Korean courts against Deutsche Bank and DSK by certain parties who allege they incurred losses as a consequence of the fall in the KOSPI 200 on November 11, 2010. First instance court decisions were rendered against the Bank and DSK in some of these cases starting in the fourth quarter of 2015. The outstanding known claims have an aggregate claim amount of approximately € 50 million (at present exchange rates). The Group has recorded a provision with respect to these outstanding civil matters. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of these matters.

10.8.1.8 Life Settlements Investigation

U.S. federal law enforcement authorities are investigating Deutsche Bank's historical life settlements business. Issues being examined include the origination and purchase of investments in life insurance assets during the 2005 to 2008 period. Relatedly, the Bank has been conducting its own internal review of its historical life settlement business. The Bank is cooperating with the investigating authorities.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to prejudice seriously its outcome.

10.8.1.9 Mortgage-Related and Asset-Backed Securities Matters and Investigation

Regulatory and Governmental Matters. Deutsche Bank AG, and certain of its affiliates, have received subpoenas and requests for information from certain regulators and government entities, including members of the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force, concerning its activities regarding the origination, purchase, securitization, sale, valuation and/or trading of mortgage loans, residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralized debt obligations (CDOs), other asset-backed securities and credit derivatives. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information.

Discussions with the U.S. Department of Justice (DOJ) concerning a settlement of potential claims that the DOJ was considering bringing based on its investigation of Deutsche Bank's RMBS origination and securitization activities began with an initial demand of U.S.$ 14 billion on September 12, 2016. On December 23, 2016, Deutsche Bank announced that it reached a settlement-in-principle with the DOJ to resolve potential claims related to its RMBS business conducted from 2005 to 2007. The settlement became final and was announced by the DOJ on January 17, 2017. Under the settlement, Deutsche Bank paid a civil monetary penalty of U.S.$ 3.1 billion and agreed to provide U.S.$ 4.1 billion in consumer relief.

In September 2016, Deutsche Bank received administrative subpoenas from the Maryland Attorney General seeking information concerning Deutsche Bank's RMBS and CDO businesses from 2002 to 2009. On January 10, 2017, Deutsche Bank and the Maryland Attorney General reached a settlement-in-principle to resolve the matter for U.S.$ 15 million in cash and U.S.$ 80 million in consumer relief (to be allocated from the overall U.S.$ 4.1 billion consumer relief obligation agreed to as part of Deutsche Bank's settlement with the DOJ). The agreement remains subject to completion of settlement documentation.

The Group has recorded provisions with respect to some of the outstanding regulatory investigations but not others. The Group has not disclosed the amount of these provisions because it has concluded that such disclosure can be expected to prejudice seriously the resolution of these regulatory investigations.

10.8.1.9.1 Issuer and Underwriter Civil Litigation

Deutsche Bank has been named as defendant in numerous civil litigations brought by private parties in connection with its various roles, including issuer or underwriter, in offerings of RMBS and other asset-backed securities. These cases, described below, allege that the offering documents contained material misrepresentations and omissions, including with regard to the underwriting standards pursuant to which the underlying mortgage loans were issued, or assert that various representations or warranties relating to the loans were breached at the time of origination. The Group has recorded provisions with respect to several of these civil cases, but has not recorded provisions with respect to all of these matters. The Group has not disclosed the amount of these provisions because it has concluded that such disclosure can be expected to prejudice seriously the resolution of these matters.

Deutsche Bank is a defendant in a class action relating to its role as one of the underwriters of six RMBS offerings issued by Novastar Mortgage Corporation. No specific damages are alleged in the complaint. The lawsuit was brought by plaintiffs representing a class of investors who purchased certificates in those offerings. The parties recently reached a settlement-in-principle to resolve the matter for a total of U.S. $ 165 million, a portion of which will be paid by Deutsche Bank. Deutsche Bank expects that, once the settlement is fully documented, there will be a court approval process that will take several months before the settlement becomes final.

Aozora Bank, Ltd. (Aozora) filed lawsuits against Deutsche Bank entities (among others) asserting fraud and related claims in connection with Aozora's investments in various CDOs, which allegedly declined in value. On January 14, 2015, the court granted the motion of Deutsche Bank AG and its subsidiary Deutsche Bank Securities Inc. to dismiss the action brought against both entities by Aozora relating to a CDO identified as Blue Edge ABS CDO, Ltd. Aozora appealed this decision and on March 31, 2016, the appellate court affirmed the lower court's dismissal. Aozora has not sought a further appeal. Separately, another Deutsche Bank subsidiary, Deutsche Investment Management Americas, Inc., is a defendant, along with UBS AG and affiliates, in an action brought by Aozora relating to a CDO identified as Brooklyn Structured Finance CDO, Ltd. On October 13, 2015, the court denied defendants' motion to dismiss Aozora's claims for fraud and aiding and abetting fraud, and defendants appealed the decision. Oral argument was held on September 14, 2016, and on November 3, 2016, the appellate court reversed the lower court decision and granted defendants' motions to dismiss Aozora's claims. Aozora has not sought a further appeal, and on December 15, 2016, the court entered judgment dismissing the complaint.

Deutsche Bank is a defendant in three actions related to RMBS offerings brought by the Federal Deposit Insurance Corporation (FDIC) as receiver for: (a) Colonial Bank (alleging no less than U.S.$ 189 million in

damages against all defendants), (b) Guaranty Bank (alleging no less than U.S.$ 901 million in damages against all defendants), and (c) Citizens National Bank and Strategic Capital Bank (alleging no less than U.S.$ 66 million in damages against all defendants). In separate actions brought by the FDIC as receiver for Colonial Bank and Guaranty Bank, the appellate courts have reinstated claims previously dismissed on statute of limitations grounds. In the case concerning Guaranty Bank, petitions for rehearing and certiorari to the U.S. Supreme Court were denied and discovery is ongoing. In the case concerning Colonial Bank, a petition for rehearing was denied and on October 6, 2016, defendants filed a petition for certiorari to the U.S. Supreme Court, which was denied on January 9, 2017. On January 18, 2017, a similar appeal in the action brought by the FDIC as receiver for Citizens National Bank and Strategic Capital Bank was also denied.

Residential Funding Company brought a repurchase action against Deutsche Bank for breaches of representations and warranties on loans sold to Residential Funding Company and for indemnification for losses incurred as a result of RMBS-related claims and actions asserted against Residential Funding Company. The complaint did not specify the amount of damages sought. On June 20, 2016, the parties executed a confidential settlement agreement, and on June 24, 2016, the Court dismissed the case with prejudice.

Deutsche Bank recently reached a settlement to resolve claims brought by the Federal Home Loan Bank of San Francisco on two resecuritizations of RMBS certificates for an amount not material to the Bank. Following this settlement and two other previous partial settlements of claims, Deutsche Bank remained a defendant with respect to one RMBS offering, for which Deutsche Bank, as an underwriter, was provided contractual indemnification. On January 23, 2017, a settlement agreement was executed to resolve the claims relating to that RMBS offering. Deutsche Bank expects that the matter will be dismissed shortly.

Deutsche Bank is a defendant in an action brought by Royal Park Investments (as purported assignee of claims of a special-purpose vehicle created to acquire certain assets of Fortis Bank) alleging common law claims related to the purchase of RMBS. The complaint did not specify the amount of damages sought. On April 29, 2016, Deutsche Bank filed a motion to dismiss, which is currently pending.

In June 2014, HSBC, as trustee, brought an action in New York state court against Deutsche Bank to revive a prior action, alleging that Deutsche Bank failed to repurchase mortgage loans in the ACE Securities Corp. 2006-SL2 RMBS offering. The revival action was stayed during the pendency of an appeal of the dismissal of a separate action wherein HSBC, as trustee, brought an action against Deutsche Bank alleging breaches of representations and warranties made by Deutsche Bank concerning the mortgage loans in the same offering. On March 29, 2016, the court dismissed the revival action, and on April 29, 2016, plaintiff filed a notice of appeal.

Deutsche Bank was named as a defendant in a civil action brought by the Charles Schwab Corporation seeking rescission of its purchase of a single countrywide-issued RMBS certificate. In the fourth quarter of 2015, Bank of America, which indemnified Deutsche Bank in the case, reached an agreement to settle the action with respect to the single certificate at issue for Deutsche Bank. On March 16, 2016, the court finalized the dismissal with prejudice of Deutsche Bank Securities Inc. as a defendant.

On February 18, 2016, Deutsche Bank and Amherst Advisory & Management LLC (Amherst) executed settlement agreements to resolve breach of contract actions relating to five RMBS trusts. On June 30, 2016, the parties executed settlement agreements, amending and restating the agreements the parties signed on February 18, 2016. Following an August 2016 vote by the certificate holders in favor of the settlement, the trustee accepted the settlement agreements and dismissed the actions. On October 17, 2016, the parties filed stipulations of discontinuance with prejudice, which were so ordered by the court on October 18 and October 19, 2016, thereby resolving the five actions. A portion of the settlement funds paid by Deutsche Bank was reimbursed by a non-party to the litigations.

Deutsche Bank was a defendant in an action brought by Phoenix Light SF Limited (as purported assignee of claims of special purpose vehicles created and/or managed by former WestLB AG) alleging common law and federal securities law claims related to the purchase of RMBS. On October 14, 2016, the parties finalized a settlement to resolve the matter for an amount not material to the Bank. On November 2, 2016, the court so ordered a stipulation of discontinuance with prejudice, thereby resolving the action.

On February 3, 2016, Lehman Brothers Holding, Inc. (Lehman) instituted an adversary proceeding in United States Bankruptcy Court for the Southern District of New York against, among others, MortgageIT, Inc. (MIT) and Deutsche Bank AG, as alleged successor to MIT, asserting breaches of representations and warranties set forth in certain 2003 and 2004 loan purchase agreements concerning 63 mortgage loans that MIT sold to Lehman, which Lehman in turn sold to the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The complaint seeks indemnification for losses incurred by Lehman in connection with settlements entered into with Fannie Mae and Freddie Mac

as part of the Lehman bankruptcy proceedings to resolve claims concerning those loans. On December 29, 2016, Lehman filed its second amended complaint against DB Structured Products, Inc. and MIT alleging damages of approximately U.S.$ 10.3 million.

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

10.8.1.9.2 Trustee Civil Litigation

Deutsche Bank is a defendant in eight separate civil lawsuits brought by various groups of investors concerning its role as trustee of certain RMBS trusts. The actions generally allege claims for breach of contract, breach of fiduciary duty, breach of the duty to avoid conflicts of interest, negligence and/or violations of the Trust Indenture Act of 1939, based on the trustees' alleged failure to perform adequately certain obligations and/or duties as trustee for the trusts. The eight actions include two putative class actions brought by a group of investors, including funds managed by BlackRock Advisors, LLC, PIMCO-Advisors, L.P., and others (the BlackRock Class Actions), one putative class action brought by Royal Park Investments SA/NV, and five individual lawsuits. One of the BlackRock Class Actions is pending in the SDNY in relation to 62 trusts, which allegedly suffered total realized collateral losses of U.S. $ 9.8 billion, although the complaint does not specify a damage amount. On January 23, 2017, the Court granted in part and denied in part the Trustees's motion to dismiss. At a February 2, 2017 conference, the Court dismissed plaintiffs' representations and warranties claims as to 21 trusts whose originators or sponsors had entered bankruptcy. The only claims that remain are for violation of the Trust Indenture Act of 1939 as to some trusts, and breach of contract. Discovery is ongoing. The second BlackRock Class Action is pending in the Superior Court of California in relation to 465 trusts, which allegedly suffered total realized collateral losses of U.S. $ 75.7 billion, although the complaint does not specify a damage amount. The trustees filed a demurrer seeking to dismiss the tort claims asserted by plaintiffs and a motion to strike certain elements of the breach of contract claim, and on October 18, 2016, the court sustained the trustees' demurrer, dismissing the tort claims, but denied the motion to strike. Discovery is ongoing in that action. The putative class action brought by Royal Park Investments SA/NV is pending in the U.S. District Court for the Southern District of New York and concerns ten trusts, which allegedly suffered total realized collateral losses of more than U.S. $ 3.1 billion, although the complaint does not specify a damage amount. Royal Park's class certification motion is fully briefed but has not yet been decided. Discovery is ongoing.

The other five individual lawsuits include actions by (a) the National Credit Union Administration Board ("NCUA"), as an investor in 97 trusts, which allegedly suffered total realized collateral losses of U.S.$ 17.2 billion, although the complaint does not specify a damage amount; (b) certain CDOs (collectively, "Phoenix Light") that hold RMBS certificates issued by 43 RMBS trusts, and seeking over U.S.$ 527 million of damages; (c) the Western and Southern Life Insurance Company and five related entities (collectively "Western & Southern"), as investors in 18 RMBS trusts, against the trustee for 10 of those trusts, which allegedly suffered total realized collateral losses of "tens of millions of dollars in damages," although the complaint does not specify a damage amount; (d) Commerzbank AG, as an investor in 50 RMBS trusts, seeking recovery for alleged "hundreds of millions of dollars in losses;" and (e) IKB International, S.A. in Liquidation and IKB Deutsche Industriebank AG (collectively, "IKB"), as an investor in 37 RMBS trusts, seeking more than U.S.$ 268 million of damages. In the NCUA case, the trustee's motion to dismiss for failure to state a claim is pending and discovery is stayed. In the Phoenix Light case, discovery is ongoing as to the 43 trusts that remain in the case. In the Western & Southern case, the trustee filed its answer to the amended complaint on November 18, 2016, and discovery is ongoing as to the ten trusts that remain in the case. In the Commerzbank case, the trustee's motion to dismiss for failure to state a claim was granted in part and denied in part on February 10, 2017, and discovery is ongoing as to the 50 trusts in the case. In the IKB case, a motion to dismiss was filed on October 5, 2016 and is pending; limited discovery has commenced as to the 34 trusts that remain in the case.

The Group believes a contingent liability exists with respect to these eight cases, but at present the amount of the contingent liability is not reliably estimable.

10.8.1.10 Postbank Voluntary Public Takeover Offer

On September 12, 2010, Deutsche Bank announced the decision to make a voluntary 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 Postbank shareholders consideration of € 25 for each Postbank share. The takeover offer was accepted for a total of approximately 48.2 million Postbank shares.

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, at the latest, in 2009. The plaintiff avers that, at the latest 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. Based thereon, the plaintiff alleges that the consideration offered by Deutsche Bank AG for the shares in Deutsche Postbank AG in the 2010 voluntary takeover offer needed to be raised to € 57.25 per share.

The Cologne District 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 that Deutsche Bank AG and Deutsche Post AG "acted in concert" in 2009. The Cologne appellate court has scheduled a further hearing for November 8, 2017.

Starting in 2014, additional former shareholders of Deutsche Postbank AG, who accepted the 2010 tender offer, brought similar claims as Effecten-Spiegel AG against Deutsche Bank which are pending with the Cologne District Court, and three of these plaintiffs applied for model case proceedings (*Musterverfahren*) under the German Capital Markets Model Case Act. The Cologne District Court has heard these follow-on matters on January 27, 2017 and announced its intention to publish a decision on April 28, 2017.

In September 2015, former shareholders of Deutsche Postbank AG filed in the Cologne District Court shareholder actions against Deutsche Postbank AG for to set the squeeze-out resolution taken in the shareholders meeting of Deutsche Postbank AG in August 2015. Amongst others, the plaintiffs allege that Deutsche Bank AG was subject to a suspension of voting rights with respect to its shares in Postbank based on the allegation that Deutsche Bank failed to make a mandatory takeover offer at a higher price in 2009. The squeeze out is final and the proceeding itself has no reversal effect, but may result in damage payments. The claimants in this proceeding refer to legal arguments similar to those asserted in the Effecten-Spiegel proceeding described above. The Cologne District Court indicated its intention to announce a decision in the spring of 2017.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it concluded that such disclosure can be expected to prejudice seriously their outcome.

10.8.1.11 Precious Metals Investigations and Litigations

Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. Deutsche Bank is cooperating with these investigations, and engaging with relevant authorities, as appropriate. Relatedly, Deutsche Bank has been conducting its own internal review of Deutsche Bank's historic participation in the precious metals benchmarks and other aspects of its precious metals trading and precious metals business.

Deutsche Bank is a defendant in two consolidated class action lawsuits pending in the SDNY. The suits allege violations of U.S. antitrust law, the U.S. Commodity Exchange Act and related state law arising out of the alleged manipulation of gold and silver prices through participation in the gold and silver fixes, but do not specify the damages sought. Deutsche Bank has reached agreements to settle both actions, the financial terms of which are not material to Deutsche Bank. The agreements remain subject to final court approval.

In addition, Deutsche Bank is a defendant in Canadian class action proceedings in the province of Ontario concerning gold and in the provinces of Ontario and Quebec concerning silver. Each of the proceedings seeks damages for alleged violations of the Canadian Competition Act and other causes of action.

The Group has recorded provisions with respect to certain of these matters. The Group has not disclosed the amount of these provisions, nor has it disclosed whether it has established provisions with respect to other matters referred above or any contingent liability with respect to any of those matters, because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

10.8.1.12 Russia/UK Equities Trading Investigation

Deutsche Bank has investigated the circumstances around equity trades entered into by certain clients with Deutsche Bank in Moscow and London that offset one another. The total volume of the transactions under review is significant. Deutsche Bank's internal investigation of potential violations of law, regulation and

policy and into the related internal control environment has concluded, and Deutsche Bank is assessing the findings identified during the investigation; to date it has identified certain violations of Deutsche Bank's policies and deficiencies in Deutsche Bank's control environment. Deutsche Bank has advised regulators and law enforcement authorities in several jurisdictions (including Germany, Russia, the UK and U.S.) of this investigation. Deutsche Bank has taken disciplinary measures with regards to certain individuals in this matter and will continue to do so with respect to others as warranted.

On January 30 and 31, 2017, the DFS and UK Financial Conduct Authority (FCA) announced settlements with Deutsche Bank related to their investigations into this matter. The settlements conclude the DFS and the FCA's investigations into Deutsche Bank's anti-money laundering (AML) control function in its investment banking division, including in relation to the equity trading described above. Under the terms of the settlement agreement with the DFS, Deutsche Bank entered into a Consent Order, and agreed to pay civil monetary penalties of U.S.$ 425 million and to engage an independent monitor for a term of up to two years. Under the terms of the settlement agreement with the FCA, Deutsche Bank agreed to pay civil monetary penalties of approximately GBP 163 million. The settlement amounts were already materially reflected in existing litigation reserves.

Deutsche Bank is cooperating with other regulators and law enforcement authorities (including the DOJ and the Federal Reserve), which have their own ongoing investigations into these securities trades. The Group has recorded a provision with respect to these ongoing investigations. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of this matter.

10.8.1.13 Sovereign, Supranational and Agency Bonds (SSA) Investigations and Litigations

Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to SSA bond trading. Deutsche Bank is cooperating with these investigations.

Deutsche Bank is a defendant in several putative class action complaints filed in the SDNY alleging violations of U.S. antitrust law and common law related to alleged manipulation of the secondary trading market for SSA bonds. These cases are in their early stages and are in the process of being consolidated.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

10.8.1.14 Trust Preferred Securities Litigation

Deutsche Bank and certain of its affiliates and former officers are the subject of a consolidated putative class action, filed in the SDNY, 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. On July 25, 2016, the court issued a decision dismissing all claims as to three of the five offerings at issue, but allowed certain claims relating to the November 2007 and February 2008 offerings to proceed. On November 17, 2016, Plaintiffs moved for class certification as to the November 2007 offering. On December 1, 2016, the Court stayed all proceedings in the action. On January 20, 2017, Plaintiffs amended their motion for class certification to include the February 2008 offering and seek to add an additional individual as a proposed class representative. On February 10, 2017, the Court (i) ordered that Plaintiffs on the November 2007 offering provide proof that they either sold at a loss or held to redemption, and otherwise stayed all proceedings with respect to the November 2007 offering, and (ii) stayed all proceedings with respect to the February 2008 offering pending a decision by the Supreme Court of the United States in *California Public Employees' Retirement System v. ANZ Securities* in which the Supreme Court is expected to consider whether the filing of a putative class action serves to toll the three-year time limitation in Section 13 of the Securities Act with respect to the claims of putative class members. A decision is expected before the end of June 2017.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to seriously prejudice its outcome.

10.8.1.15 U.S. Embargoes-Related Matters

Deutsche Bank has received requests for information from certain U.S. regulatory and law enforcement agencies concerning its 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, Deutsche Bank voluntarily

decided that it 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, Deutsche Bank decided that it would 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; it also decided to limit its non-U.S. dollar business with counterparties in Cuba. On November 3, 2015, Deutsche Bank entered into agreements with the DFS and the Federal Reserve Bank of New York to resolve their investigations of Deutsche Bank. Deutsche Bank paid the two agencies U.S.$ 200 million and U.S.$ 58 million, respectively, and agreed to terminate certain employees, not rehire certain former employees and install an independent monitor for one year. In addition, the Federal Reserve Bank of New York ordered certain remedial measures, specifically, the requirement to ensure an effective OFAC compliance program and an annual review of such program by an independent party until the Federal Reserve Bank of New York is satisfied as to its effectiveness. The investigations of the U.S. law enforcement agencies (including the DOJ) remain ongoing.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to prejudice seriously its outcome.

10.8.1.16 U.S. Treasury Securities Investigations and Litigations

Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to U.S. Treasuries auctions, trading, and related market activity. Deutsche Bank is cooperating with these investigations.

Deutsche Bank is a defendant in several putative class actions alleging violations of U.S. antitrust law, the U.S. Commodity Exchange Act and common law related to the alleged manipulation of the U.S. Treasury securities market. These cases are in their early stages and have been consolidated in the Southern District of New York.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

10.8.2 Additional Legal Proceedings

Additional legal, arbitration and regulatory proceedings that may have, or have had in the recent past, significant effects on the financial position or profitability of Deutsche Bank AG or Deutsche Bank Group are described below.

10.8.2.1 Charter/BMY Matter

On December 8, 2014, the United States Department of Justice ("DOJ") filed a civil complaint against, among others, Deutsche Bank, seeking to recover more than U.S.$ 190 million in taxes, penalties, and interest owed by a third party 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 sought to recoup from Deutsche Bank the taxes, plus penalties and interest, owed by the Trust. Deutsche Bank and the DOJ agreed to a final settlement of the case, and the Court dismissed the case with prejudice on January 4, 2017. Under the terms of the settlement, Deutsche Bank agreed to pay U.S.$ 95 million.

10.8.2.2 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 CO_2 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 CO_2 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 and incorrect monthly returns for September 2009 to February 2010. Deutsche Bank is cooperating with the OPP. On June 13, 2016, the Frankfurt District Court sentenced seven former Deutsche Bank employees for VAT evasion and for aiding and abetting VAT evasion in connection with their involvement in CO2 emissions trading. Appeals are pending with respect to some of such former employees. The investigation by the OPP with respect to other employees is continuing.

The insolvency administrators of several German traders who sold emission certificates to Deutsche Bank in 2009/2010 are trying to refute the transactions as a voidable preference under German insolvency law and, in some cases, have started civil litigation. There is only one court decision so far, under which the Frankfurt District Court dismissed the relevant insolvency administrator's claim in full. The appeal against the decision is pending. In 2015, five insolvent English companies, which are alleged to have been involved in VAT fraud in connection with trading CO2 emission rights in the UK, and their respective liquidators, started civil proceedings in London against four defendants including Deutsche Bank AG claiming that the defendants dishonestly assisted directors of the insolvent companies in breaching duties, and alternatively that the defendants were party to carrying on the companies' business with fraudulent intent (giving rise to a claim under Section 213 of the Insolvency Act 1986). Deutsche Bank is defending the claim and the proceedings are at an early stage.

10.8.2.3 Deutsche Bank Shareholder Litigation

Deutsche Bank and certain of its current and former officers and management board members are the subject of two purported class actions, filed in the United States District Court for the Southern District of New York ("SDNY"), asserting claims under the federal securities laws on behalf of persons who purchased or otherwise acquired securities of Deutsche Bank on a United States exchange or pursuant to other transactions within the United States between April 15, 2013 and April 29, 2016. Plaintiffs allege that Deutsche Bank's SEC Annual Reports on Form 20-F for the years 2012, 2013, 2014 and 2015 were materially false and misleading in failing to disclose (i) serious and systemic failings in controls against financing terrorism, money laundering, aiding organizations subject to international sanctions and committing financial crime and (ii) that the Bank's internal control over financial reporting and its disclosure controls and procedures were not effective. The court consolidated the two actions and on October 4, 2016 appointed a lead plaintiff and lead counsel. On December 16, 2016, plaintiffs filed a consolidated amended complaint, expanding the proposed class period to January 31, 2013 through July 26, 2016, and adding several additional defendants. On February 21, 2017, Deutsche Bank moved to dismiss the consolidated amended complaint.

10.8.2.4 EVAF Matter

RREEF European Value Added Fund I, L.P. (the "Fund") is a fund managed by Deutsche Bank's subsidiary, Deutsche Alternative Asset Management (UK) Limited (the "Manager"). On September 4, 2015, the Fund (acting through a committee of independent advisers of the general partner of the Fund, which is also a Deutsche Bank subsidiary) filed in the English High Court a claim against the Manager alleging that the Manager's decision to make a German real estate investment had been grossly negligent and had caused the Fund losses of at least € 158.9 million plus interest, for which the Manager was liable in damages. On January 25, 2017, the Fund and the Manager reached a settlement of the proceedings. The settlement amount is already fully reflected in existing litigation provisions and has been paid in the first quarter of 2017.

10.8.2.5. High Frequency Trading/Dark Pool Trading

On December 16, 2016, the United States Securities and Exchange Commission ("SEC"), the State of New York Office of the Attorney General ("NYAG"), and the U.S. Financial Industry Regulatory Authority ("FINRA") announced settlements with the Bank relating to the Bank's electronic order routing, its alternative trading system ("ATS" or "Dark Pool") SuperX, and related disclosures. The SEC and NYAG settlements primarily involve a first-generation order routing algorithm used by the Bank prior to 2014, while the FINRA settlement primarily involves disclosure concerning certain functionality available to customers utilizing SuperX. The Bank admitted the allegations made by the SEC and NYAG, but neither admitted nor denied FINRA's allegations. In connection with the resolution of all three matters, the Bank agreed to pay a total of U.S.$ 40.25 million.

10.8.2.6 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 SDNY asserting antitrust, fraud, and other claims relating to an alleged conspiracy to manipulate the U.S. dollar ISDAFIX benchmark. On April 8, 2016, Deutsche Bank settled the class actions for U.S.$ 50 million, which is subject to final court approval. The settlement was preliminarily approved by the court on May 11, 2016.

10.8.2.7 Monte Dei Paschi

In February 2013 Banca Monte Dei Paschi Di Siena ("MPS") issued civil proceedings in Italy against Deutsche Bank alleging that Deutsche Bank assisted former MPS senior management in an accounting fraud, by undertaking repo transactions with MPS and "Santorini", a wholly owned special purpose vehicle of MPS, which helped MPS defer losses on a previous transaction undertaken with Deutsche Bank. Subsequently, in July 2013, the Fondazione Monte Dei Paschi, MPS' largest shareholder, also commenced civil proceedings in Italy for damages based on substantially the same facts. In December 2013, Deutsche Bank reached an agreement with MPS to settle the civil proceedings and the transactions were unwound at a discount for MPS. The civil proceedings by the Fondazione Monte Dei Paschi, in which damages of between € 220 million and € 381 million are claimed, remain pending. The Fondazione's separate claim filed in July 2014 against their former administrators and a syndicate of 12 banks including DB S.p.A. for € 286 million has resumed before the Florence Court.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions and certain unrelated transactions entered into by MPS with other parties. Such investigation was moved in summer 2014 from Siena to the Milan Public Prosecutors as a result of a change in the alleged charges being investigated. On February 16, 2016, the Milan Public Prosecutors issued a request of committal to trial against Deutsche Bank and six current and former employees. The committal process concluded with a hearing on October 1, 2016, during which the Milan court committed all defendants in the criminal proceedings to trial. Deutsche Bank's potential exposure is for administrative liability under Italian Legislative Decree n. 231/2001 and for civil vicarious liability as an employer of current and former employees of Deutsche Bank who are being criminally prosecuted. Trial commenced on December 15, 2016 and is ongoing. Deutsche Bank continues to cooperate and update its regulators.

10.8.2.8 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, although it is in its final stages and is anticipated will conclude in the course of 2017.

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.

10.8.2.9 Pas-de-Calais Habitat

On May 31, 2012, Pas-de-Calais Habitat ("PDCH"), a public housing office, initiated proceedings before the Paris Commercial 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 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 breached its obligations to warn, advise and inform PDCH. A decision on the merits is not expected until the third quarter of 2017 at the earliest.

10.8.2.10 Pension Plan Assets

The Group sponsors a number of post-employment benefit plans on behalf of its employees. In Germany, the pension assets that fund the obligations under these pension plans are held by Benefit Trust GmbH. The German tax authorities are challenging the tax treatment of certain income received by Benefit Trust

GmbH in the years 2010 to 2013 with respect to its pension plan assets. For the year 2010 Benefit Trust GmbH paid the amount of tax and interest assessed of € 160 million to the tax authorities and is seeking a refund of the amounts paid in litigation with the relevant lower fiscal court. For 2011 to 2013 the matter is stayed pending the outcome of the 2010 tax litigation. The amount of tax and interest under dispute for years 2011 to 2013, which also has been paid to the tax authorities, amounts to € 456 million. Any decision by the lower fiscal court is potentially subject to appeal by either party and thus a resolution of the matter may not take place for a number of years.

10.8.2.11 Sebastian Holdings Litigation

Litigation with Sebastian Holdings Inc. ("SHI") in respect of claims arising from FX trading activities concluded in the UK Commercial Court in November 2013 when the court awarded Deutsche Bank approximately U.S.$ 236 million plus interest and dismissed all of SHI's claims. On January 27, 2016, the New York court dismissed substantially similar claims by SHI against Deutsche Bank when it granted Deutsche Bank's motion for summary judgment based on the UK Commercial Court's judgment. The New York court also denied SHI's motion for leave to file an amended complaint. SHI has appealed the New York court's decisions.

10.8.2.12 Vestia

In December 2016, Stichting Vestia, a Dutch housing association, commenced proceedings against Deutsche Bank in England. The proceedings relate to derivatives entered into between Stichting Vestia and Deutsche Bank between 2005 and 2012. Stichting Vestia alleges that certain of the transactions entered into by it with Deutsche Bank should be set aside on the grounds that they were not within its capacity and/or were induced by the bribery of Vestia's treasurer by an intermediary involved in those transactions. The sums claimed by Stichting Vestia are made up of different elements, some of which have not yet been quantified. The quantum of the claims as articulated at this stage ranges between € 717 million and € 834 million, plus compound interest. Deutsche Bank is defending the claim.

10.8.2.13 Contestation of the General Meeting's Resolution Not to Pay a Dividend for the 2015 Fiscal Year

In May 2016, the Company's General Meeting resolved that no dividend was to be paid to the Company's shareholders for the 2015 fiscal year. Some shareholders filed a lawsuit with the Frankfurt am Main District Court *(Landgericht),* contesting (amongst others) the resolution on the grounds that the Company was required by law to pay a minimum dividend in an amount equal to 4% of the Company's share capital. In December 2016, the district court ruled in favor of the plaintiffs. The Company initially appealed the court's decision. However, consistent with its updated strategy, the Company intends to withdraw the appeal as this decision is concerned, whereupon the contested resolution will become void. The Company's Management Board intends to propose to the annual General Meeting in May 2017 to resolve the payment of a dividend of approximately € 400 million from the Company's distributable profit for 2016, which amount contains a component reflecting the distributable profit carried forward from 2015 of approximately € 165 million.

11. SELECTED BUSINESS AND FINANCIAL DATA

The following tables show selected business and financial data of Deutsche Bank Group as of and for the fiscal years ended December 31, 2016, 2015 and 2014.

The consolidated income statement data and cash flow statement data for the fiscal years ended December 31, 2016, 2015 and 2014, as well as the consolidated balance sheet data as of December 31, 2016 and 2015 were derived from Deutsche Bank's consolidated financial statements for the fiscal year ended December 31, 2016 (with corresponding figures for the preceding years) prepared in accordance with IFRS. The consolidated balance sheet data as of December 31, 2014 has been derived from Deutsche Bank's consolidated financial statements as of and for the fiscal year 2015 (with corresponding figures for 2014) prepared in accordance with IFRS. The consolidated financial statements for the fiscal years 2016, 2015 and 2014 have been audited by KPMG, and KPMG issued an unqualified auditor's report in each case. The information provided herein with respect to capital resources and capital ratios as of and for the fiscal years ended December 31, 2016, 2015 and 2014 was derived from the notes to the aforementioned audited consolidated financial statements unless stated otherwise.

The following tables should be read in conjunction with the consolidated financial statements of Deutsche Bank as of and for the fiscal years ended December 31, 2016, 2015 and 2014. The consolidated financial statements as of and for the fiscal year ended December 31, 2016 are contained in section "*23. Financial Statements*" of this Prospectus. The consolidated financial statements as of and for the fiscal years ended December 31, 2015 and 2014 are incorporated by reference into this Prospectus, see section "*2.1 Documents Incorporated by Reference*".

Consolidated Statement of Income Data

in € m. (except per share data)	**Year ended December 31,**		
	2016	**2015**	**2014**
		(audited)	
Interest and similar income	25,636	25,967	25,001
Interest expense	10,929	10,086	10,729
Net interest income	**14,707**	**15,881**	**14,272**
Provision for credit losses	1,383	956	1,134
Net interest income after provision for credit losses	**13,324**	**14,925**	**13,138**
Commissions and fee income	11,744	12,765	12,409
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	1,401	3,842	4,299
Net gains (losses) on financial assets available for sale	653	203	242
Net income (loss) from equity method investments	455	164	619
Net income (loss) from securities held to maturity	0	0	0
Other income (loss)	1,053	669	108
Total noninterest income	**15,307**	**17,644**	**17,677**
Compensation and benefits	11,874	13,293	12,512
General and administrative expenses	15,454	18,632	14,654
Policyholder benefits and claims	374	256	289
Impairment of goodwill and other intangible assets	1,256	5,776	111
Restructuring activities	484	710	133
Total noninterest expenses	**29,442**	**38,667**	**27,699**
Income (loss) before income taxes	**(810)**	**(6,097)**	**3,116**
Income tax expense	546	675	1,425
Net income (loss)	**(1,356)**	**(6,772)**	**1,691**
Net income attributable to noncontrolling interests	45	21	28
Net income (loss) attributable to Deutsche Bank shareholders and additional equity components	(1,402)	(6,794)	1,663
Basic earnings per share (in €)[1][2]	(1.21)	(5.06)	1.34
Diluted earnings per share (in €)[1][3]	(1.21)	(5.06)	1.31

1 The number of average basic and diluted shares outstanding has been adjusted for all periods before June 2014 in order to reflect the effect of the bonus component of subscription rights issued in June 2014 in connection with the capital increase. For further detail see Note 11 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, contained in section "*23. Financial Statements*" of this Prospectus.

2 The Company calculated basic earnings per share for each period by dividing the Group's net income (loss) attributable to Deutsche Bank shareholders by the average number of common shares outstanding. Earnings were adjusted by € 276 million and € 228 million net of tax for coupons paid on Additional Tier 1 Notes in April 2016 and April 2015, respectively. The average number of common shares outstanding is defined as the average number of common shares issued, reduced by the average number of shares in treasury and by the average number of shares that will be acquired

under physically-settled forward purchase contracts, and increased by undistributed vested shares awarded under deferred share plans. For the purpose of calculating basic earnings per share, the average number of common shares outstanding was 1,388.1 million as of December 31, 2016, 1,387.9 million as of December 31, 2015 and 1,241.9 million as of December 31, 2014.

3 The Company calculated diluted earnings per share for each period by dividing the Group's net income (loss) attributable to Deutsche Bank shareholders by the average number of common shares outstanding (as defined in footnote 2 above), both after assumed conversion into common shares of outstanding securities or other contracts to issue common stock, such as share options, convertible debt, unvested deferred share awards and forward contracts (the aforementioned instruments are only included in the calculation of diluted earnings per share if they are dilutive in the respective reporting period). Earnings were adjusted by € 276 million and € 228 million net of tax for coupons paid on Additional Tier 1 Notes in April 2016 and April 2015, respectively. For 2016 and 2015, there was no dilutive effect as the Group reported a net loss for both years. For the purpose of calculating diluted earnings per share, the average number of common shares outstanding after assumed conversion was 1,388.1 million as of December 31, 2016, 1,387.9 million as of December 31, 2015 and 1,269.5 million as of December 31, 2014.

Consolidated Balance Sheet Data

	December 31,		
in € m.	**2016**	**2015**	**2014**
		(audited)	
Assets:			
Cash and central bank balances	181,364	96,940	74,482[1]
Interbank balances (w/o central banks)	11,606	12,842	9,090[1]
Central bank funds sold and securities purchased under resale agreements	16,287	22,456	17,796
Securities borrowed	20,081	33,557	25,834
Total financial assets at fair value through profit or loss	743,781	820,883	942,924
Financial assets available for sale	56,228	73,583	64,297
Equity method investments	1,027	1,013	4,143
Loans	408,909	427,749	405,612
Securities held to maturity	3,206	0	0
Property and equipment	2,804	2,846	2,909
Goodwill and other intangible assets	8,982	10,078	14,951
Other assets	126,045	118,137	137,980
Assets for current tax	1,559	1,285	1,819
Deferred tax assets	8,666	7,762	6,865
Total assets	**1,590,546**	**1,629,130**	**1,708,703**
Liabilities and equity:			
Deposits	550,204	566,974	532,931
Central bank funds purchased and securities sold under repurchase agreements	21,042	9,803	10,887
Securities loaned	8,296	3,270	2,339
Total financial liabilities at fair value through profit or loss	581,971	599,754	697,699
Other short-term borrowings	17,295	28,010	42,931
Other liabilities	155,440	175,005	183,823
Provisions	10,973	9,207	6,677
Liabilities for current tax	1,329	1,699	1,608
Deferred tax liabilities	486	746	1,175
Long-term debt	172,316	160,016	144,837
Trust preferred securities	6,373	7,020	10,573
Obligation to purchase common shares	0	0	0
Total liabilities	**1,525,727**	**1,561,506**	**1,635,481**
Common shares, no par value, nominal value of € 2.56	3,531	3,531	3,531
Additional paid-in capital	33,765	33,572	33,626
Retained earnings	18,987	21,182	29,279
Common shares in treasury, at cost	0	(10)	(8)
Equity classified as obligation to purchase common shares	0	0	0
Accumulated other comprehensive income (loss), net of tax[2]	3,550	4,404	1,923
Total shareholders' equity	59,833	62,678	68,351
Additional equity components[3]	4,669	4,675	4,619
Noncontrolling interests	316	270	253
Total equity	**64,819**	**67,624**	**73,223**
Total liabilities and equity	**1,590,546**	**1,629,130**	**1,708,703**

1 Restated in 2015.

2 Excluding remeasurement effects related to defined benefit plans, net of tax.

3 Includes Additional Tier 1 Notes, which constitute unsecured and subordinated notes of Deutsche Bank and are classified as equity in accordance with IFRS.

Consolidated Cashflow Statement Data

in € m.	Year ended December 31, 2016	2015	2014
		(audited)	
Net income (loss)	(1,356)	(6,772)	1,691
Income (loss) adjusted for non-cash charges, credits and other items	2,862	1,677	7,238
Net cash provided by (used in) operating activities	70,610	67,252	2,052
Net cash provided by (used in) investing activities	11,239	(8,242)	(12,824)
Net cash provided by (used in) financing activities	(1,649)	(5,583)	5,795
Net effect of exchange rate changes on cash and cash equivalents	(28)	94	897
Cash and cash equivalents (total)	**185,649**	**105,478**	**51,960**

Certain Key Ratios and Figures of the Group

	Year ended December 31, 2016	2015	2014
	(audited, unless stated otherwise)		
Book value per basic share outstanding[1][2]	€ 42.74	€ 45.16	€ 49.32
Tangible book value per basic share outstanding[1][3]	€ 36.33	€ 37.90	€ 38.53
Post-tax return on average shareholders' equity[1][4]	(2.3) %	(9.8) %	2.7 %
Post-tax return on average tangible shareholders' equity[1][5]	(2.7) %	(12.3) %	3.5 %
Cost/income ratio[6]	98.1 %	115.3 %	86.7 %
Compensation ratio[7]	39.6 %	39.7 %	39.2 %
Noncompensation ratio[8]	58.5 %	75.7 %	47.5 %
Common Equity Tier 1 capital ratio (CRR/CRD 4)[9]	13.4 %	13.2 %	15.2 %
Common Equity Tier 1 capital ratio (CRR/CRD 4 fully loaded)[1][9]	11.8 %	11.1 %	11.7 %
Tier 1 capital ratio (CRR/CRD 4)[9]	15.6 %	14.7 %	16.1 %
Tier 1 capital ratio (CRR/CRD 4 fully loaded)[1][9]	13.1 %	12.3 %	12.9 %

1 Unaudited.
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 Net income attributable to the Company's shareholders as a percentage of average shareholders' equity.
5 Net income attributable to the Company's shareholders as a percentage of average tangible shareholders' equity.
6 Total noninterest expenses as a percentage of net interest income before provision for credit losses, plus noninterest income.
7 Compensation and benefits as a percentage of total net interest income before provision for credit losses, plus noninterest income.
8 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.
9 Figures presented for 2016, 2015 and 2014 are based on the transitional rules ("CRR/CRD 4") and the full application ("CRR/CRD 4 fully loaded") of the CRR/CRD 4 framework. The capital ratios relate the respective capital to risk-weighted assets.

Deutsche Bank AG Share Information

in € per share	Year ended December 31, 2016	2015	2014[1]
Share price (XETRA):			
Share price at the end of the reporting period	17.25	22.53	24.99
Share price high during the reporting period	22.10	33.42	38.15
Share price low during the reporting period	9.90	20.69	22.66

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.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Deutsche Bank's financial condition and results of operations should be read in particular in conjunction with sections "1. Risk Factors" and "10. Business" of this Prospectus and Deutsche Bank's consolidated financial statements as of and for the fiscal years ended December 31, 2016, 2015 and 2014 and the notes thereto, and the other financial information contained in this Prospectus.

The consolidated financial statements of Deutsche Bank as of and for the fiscal years ended December 31, 2016, 2015 and 2014 were prepared in accordance with IFRS and audited by KPMG. The non-consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016 were prepared in accordance with the German Commercial Code (HGB) and audited by KPMG. The non-consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016 and the consolidated financial statements of the Group as of and for the fiscal years ended December 31, 2016 are contained in section "23. Financial Statements" of this Prospectus. The consolidated financial statements of the Group as of and for the fiscal years ended December 31, 2015 and 2014 are incorporated by reference into this Prospectus; see section "2.1 Documents Incorporated by Reference".

12.1 Significant Accounting Policies and Critical Accounting Estimates

Deutsche Bank's significant accounting policies are essential to understanding its 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 may have a material impact on the 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 relevant accounting period. Actual results could differ from management's estimates. For a discussion on Deutsche Bank's significant accounting policies and critical accounting estimates, see Note 1 to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

The Deutsche Bank Group has 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.

12.2 Recently Adopted Accounting Pronouncements and New Accounting Pronouncements

For a discussion of Deutsche Bank's recently adopted and new accounting pronouncements, see Note 2 to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

12.3 Results of Operations

12.3.1 Overview

The following table presents an overview on Deutsche Bank Group's condensed consolidated statement of income for the fiscal years ended December 31, 2016, 2015 and 2014.

(audited)	Year ended December 31,			Change in fiscal year 2016 to fiscal year 2015		Change in fiscal year 2015 to fiscal year 2014	
in € m. (unless stated otherwise)	**2016**	**2015**	**2014**	**in € m.**	**in %**	**in € m.**	**in %**
Interest and similar income	25,636	25,967	25,001	(331)	(1)	966	4
Interest expense	10,929	10,086	10,729	843	8	(643)	(6)
Net interest income	**14,707**	**15,881**	**14,272**	**(1,175)**	**(7)**	**1,610**	**11**
Provision for credit losses	1,383	956	1,134	427	45	(178)	(16)
Net interest income after provision for credit losses	**13,324**	**14,925**	**13,138**	**(1,601)**	**(11)**	**1,788**	**14**
Commissions and fee income[1]	11,744	12,765	12,409	(1,021)	(8)	356	3
Net gains (losses) on financial assets/ liabilities at fair value through profit or loss	1,401	3,842	4,299	(2,440)	(64)	(457)	(11)
Net gains (losses) on financial assets available for sale	653	203	242	450	N/M	(39)	(16)
Net income (loss) from equity method investments	455	164	619	291	177	(455)	(73)
Net income (loss) from securities held to maturity	0	0	0	0	N/M	0	N/M
Other income (loss)	1,053	669	108	385	58	561	N/M
Total noninterest income	**15,307**	**17,644**	**17,677**	**(2,336)**	**(13)**	**(33)**	**(0)**
Total net revenues[2]	**28,632**	**32,569**	**30,815**	**(3,937)**	**(12)**	**1,754**	**6**
Compensation and benefits	11,874	13,293	12,512	(1,419)	(11)	781	6
General and administrative expenses	15,454	18,632	14,654	(3,178)	(17)	3,977	27
Policyholder benefits and claims	374	256	289	117	46	(32)	(11)
Impairment of goodwill and other intangible assets	1,256	5,776	111	(4,520)	(78)	5,665	N/M
Restructuring activities	484	710	133	(226)	(32)	577	N/M
Total noninterest expenses	**29,442**	**38,667**	**27,699**	**(9,225)**	**(24)**	**10,968**	**40**
Income (loss) before income taxes	**(810)**	**(6,097)**	**3,116**	**5,287**	**(87)**	**(9,213)**	**N/M**
Income tax expense	546	675	1,425	(129)	(19)	(750)	(53)
Net income (loss)	**(1,356)**	**(6,772)**	**1,691**	**5,416**	**(80)**	**(8,463)**	**N/M**
Net income attributable to noncontrolling interests	45	21	28	24	112	(6)	(23)
Net income (loss) attributable to Deutsche Bank shareholders and additional equity components	(1,402)	(6,794)	1,663	5,392	(79)	(8,457)	N/M

N/M – Not meaningful

1 For further detail please refer to Note 1 "Significant Accounting Policies and Critical Accounting Estimates" to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

2 After provision for credit losses.

12.3.2 Comparison of the Fiscal Years ended December 31, 2016 and 2015

12.3.2.1 Overview

12.3.2.1.1 The Global Economy

Economic growth (in %)	2016	2015	Main driver
Global Economy[1]	**3.0**	3.3	Global economic growth weakened in 2016 due to the slowdown in the industrialized countries. Growth in Emerging Markets remained unchanged.
Thereof: Industrialized countries[1]	1.6	2.1	High debt levels and an again disappointing global trade weighed on growth.
Thereof: Emerging markets[1]	4.1	4.1	The monetary policy stance of major central banks bolstered the economy.
Eurozone Economy[1]	**1.7**	1.9	Low oil prices and extremely expansive monetary policy had a supporting effect, but falling inventories and negative net exports resulted in an overall growth weakening.
Thereof: German economy	1.9	1.7	Stronger consumption growth more than offset the dampening effect of net exports.
U.S. Economy	**1.6**	2.6	Weakest growth since 2011, with foreign trade, investments in machinery and equipment, and negative inventory cycle weighing on growth. Solid consumer growth stabilized.
Japanese Economy	**1.0**	1.2	Consumer spending picked up, but more than offset by weaker exports and investments.
Asian Economy[1][2]	**6.0**	6.1	Moderate growth continued, weighed by weak demand from the industrialized countries and China.
Thereof: Chinese Economy	6.7	6.9	Growth slowed again in China, with weaker momentum across all sectors. The government stabilized the situation with additional investments, and sought to limit risks.

1 2016 data is sourced from Deutsche Bank Research forecasts.
2 Excludes Japan.

12.3.2.1.2 The Banking Industry

Lending to the private sector in the eurozone continued to experience very subdued growth in 2016. Corporate lending volumes stagnated as in the prior year, following an overall contraction of almost one-tenth in the three previous years. Lending to households saw moderate growth (roughly 2 % year-on-year), primarily due to the expansion in the mortgage business. On liabilities, the strong growth in corporate deposits continued (approximately 6 % p.a.), and inflows from household deposits climbed to almost 4 % despite minimal interest rates. Overall, the pace of growth picked up slightly for deposits, widening its lead over lending growth. Interest rates fell further. The slight increase in volumes was insufficient to offset the approximately 7 % year-on-year decline in margins, meaning that banks' net interest income is expected to continue falling somewhat following a temporary rise in 2014 and 2015.

In the lending business, Germany increased its lead over the eurozone in 2016 after loan growth was similarly anaemic in both regions in the prior year. Corporate lending was up more than 2 % year on year thanks to a strong second half of 2016, while the figure for households was 3 %, primarily attributable to the solid growth in mortgage loans. Paradoxically, the growth in private-sector deposits accelerated to approximately 5 % despite the fact that interest rates remain below the European average. In fact the aggregate interest rate on corporate deposits dipped into negative territory for the first time in history. Nevertheless, this did not stop businesses from depositing an increasing amount of liquidity with banks. The corporate sector in Germany proved to be unusual from a banking perspective in that it was a net saver, i.e. its deposits exceed lending volumes.

Lending in the U.S. initially picked up even further speed in 2016 from an already high starting level, before slowing somewhat in the fourth quarter of 2016. Overall, however, the traditional balance sheet business maintained a strong momentum, with retail lending rising some 5 % year on year and corporate lending up more than 8 %. The latter has eclipsed pre-crisis figures in nominal terms to hit a new all-time high, driven by a broad recovery based on both commercial real estate and traditional corporate loans. The retail segment benefitted from the continuing upsurge in consumer loans as well as the turnaround in the

mortgage business, which posted its first solid growth since the crisis. Private-sector deposits continued to grow extraordinarily fast and have recently gained even more speed (up approximately 8 % year-on-year). Their total volume has doubled since 2004.

Total outstanding loans in Japan continued to expand at more than 2 % year-on-year, while the inflow of deposits into the banking sector accelerated – the increase has hit 6 %, its highest level since statistics began in 2001.

In China, lending to households showed signs of overheating. Lending volumes have risen by 23 % year-on-year, primarily due to medium- and long-term loans. Their volume has doubled in only three and a half years, while the cumulative growth for the Chinese economy amounts to just 39 % in nominal terms since the end of 2012. By contrast, the increase in banks' corporate lending has recently slowed to a mere 8 % year-on-year. The banks are benefitting from the fact that the pace of growth on the funding side has recently accelerated, with private-sector deposits currently 14 % higher than at the end of 2015.

12.3.2.1.3 Deutsche Bank Performance

2016 results were heavily impacted by decisive management action to improve and modernize the bank, by litigation charges and by market turbulence for Deutsche Bank. Deutsche Bank made significant progress with the implementation of strategic decisions and took measures to further strengthen its control infrastructure. Deutsche Bank also made considerable progress in its continued de-risking strategy and toward resolution of additional outstanding litigation matters. Negative news flow around Deutsche Bank's negotiations with the U.S. Department of Justice in October 2016 impacted Deutsche Bank's revenues and client balances. Deutsche Bank believes that it proved its resilience in the challenging year however, as many of these clients returned, as Deutsche Bank continued to make progress in implementation of its targets originally announced in October 2015, and it ended the year with strong capital and liquidity ratios.

The Group's Key Performance Indicators as of December 31, 2016 and 2014 are detailed in the table below:

Group Key Performance Indicators	**December 31, 2016**	**December 31, 2015**
	(audited, unless otherwise stated)	
Net revenues	€30.0 bn	€33.5 bn
Income (loss) before income taxes	€(0.8) bn	€(6.1) bn
Net income (loss)	€(1.4) bn	€(6.8) bn
Post-tax return on average tangible shareholders' equity[1][10]	(2.7) %[2]	(12.3) %[3]
Post-tax return on average shareholders' equity[1][10]	(2.3) %	(9.8) %
Adjusted Costs[4][10]	€24.7 bn	€26.5 bn
Cost/income ratio[5]	98.1 %[2]	115.3 %[3]
Risk-weighted assets (RWA)[6][10]	€357.5 bn	€396.7 bn
CRR/CRD 4 fully loaded Common Equity Tier 1 ratio[7][10]	11.8 %[8]	11.1 %
Fully loaded CRR/CRD 4 leverage ratio[9][10]	3.5 %	3.5 %

1 Based on Net Income attributable to Deutsche Bank shareholders and additional equity components.
2 For the fiscal year 2016.
3 For the fiscal year 2015.
4 Total noninterest expenses excluding impairment of goodwill and other intangible assets, litigation, policyholder benefits and claims and restructuring and severances.
5 Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.
6 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully loaded.
7 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents Deutsche Bank's calculation of its Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4.
8 Reflects Deutsche Bank's Management Board's decision to propose a dividend per share of € 0.19 paid out of the distributable profit for 2016. The dividend contains the pay out of the distributable profit carried forward from 2015 of approximately €165 million and a dividend of € 0.11 per share from the remaining distributable profit for 2016. Overall Deutsche Bank expects to pay out a total dividend of approximately € 400 million in 2017.
9 Further detail on the calculation of this ratio is provided in section "*13. Risk Management*" of this Prospectus.
10 Unaudited.

Net revenues in 2016 were € 30.0 billion, a decline of € 3.5 billion from 2015. The decline was primarily driven by derisking losses in NCOU and lower revenues in GM and CIB due to challenging market conditions, low interest rate environment in Europe, negative market perceptions concerning Deutsche Bank and strategic execution. The decline was partly offset by a gain on sale of stakes in Hua Xia Bank Co. Ltd. in PW&CC and in VISA Europe Ltd. in Postbank and PW&CC.

Noninterest expenses in 2016 were € 29.4 billion, a decrease of 24 % from 2015. The reduction in noninterest expenses was mainly driven by lower impairment of goodwill and other intangible assets, litigation charges and performance-related compensation. Impairment of goodwill and other intangible

assets was € 1.3 billion in 2016 including € 1.0 billion related to the sale of Abbey Life, compared to € 5.8 billion in 2015. Litigation expenses in 2016 amounted to € 2.4 billion, a reduction of € 2.8 billion as compared to 2015. The decline in noninterest expenses was partly offset by higher IT costs and an increase in policyholder benefits and claims.

The loss before income taxes was € 810 million in 2016 compared to a loss before income taxes of € 6.1 billion in 2015. The improvement of € 5.3 billion in 2016 was mainly driven by a significantly lower impairment of goodwill and other intangibles as well as litigation charges. Net loss was € 1.4 billion in 2016, compared to a net loss of € 6.8 billion in 2015.

Deutsche Bank's CRR/CRD 4 fully loaded Common Equity Tier 1 ratio was 11.8 % at the end of 2016, up from 11.1 % at the end of 2015, resulting from de-risking activities and the benefit from asset disposals. The phase-in CET 1 ratio at the year end 2016 of 13.4 % was well above the required 10.76 %.

ECB notified Deutsche Bank of its Supervisory Review and Evaluation Process (SREP) conclusions for 2017, setting Pillar 2 minimum requirements for the Common Equity Tier 1 (CET 1) ratio at 9.51 % on a CRR/CRD 4 phase-in basis, compared to which Deutsche Bank recorded 12.76 % as of January 1, 2017. The SREP minimum requirements for 2017 is composed of a minimum Pillar 1 requirement of 4.5 %, an additional Pillar 2 requirement of 2.75 %, a capital conservation buffer of 1.25 %, a countercyclical buffer of currently 0.01 % and the G-SIB buffer of 1.0 %.

12.3.2.2 Results of Operations of the Group

12.3.2.2.1 Net Interest Income

The following table sets forth data related to Deutsche Bank's net interest income.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015: in € m.	in %
	(audited, unless stated otherwise)			
Total interest and similar income	25,636	25,967	(331)	(1)
Total interest expenses	10,929	10,086	843	8
Net interest income	**14,707**	**15,881**	**(1,175)**	**(7)**
Average interest-earning assets[1][2]	1,033,172	1,031,827	1,345	0
Average interest-bearing liabilities[1][2]	812,578	816,793	(4,215)	(1)
Gross interest yield[1][3]	2.39 %	2.52 %	(0.13) ppt	(5)
Gross interest rate paid[1][4]	1.23 %	1.23 %	0.00 ppt	0
Net interest spread[1][5]	1.16 %	1.28 %	(0.12) ppt	(9)
Net interest margin[1][6]	1.42 %	1.54 %	(0.12) ppt	(8)

ppt – Percentage points

1 Unaudited.
2 Average balances for each year are calculated in general based upon month-end balances.
3 Gross interest yield is the average interest rate earned on Deutsche Bank's average interest-earning assets.
4 Gross interest rate paid is the average interest rate paid on Deutsche Bank's average interest-bearing liabilities.
5 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.
6 Net interest margin is net interest income expressed as a percentage of average interest-earning assets.

Net interest income was € 14.7 billion in 2016 compared to € 15.9 billion in 2015. The decrease of € 1.2 billion, or 7 %, was mainly driven by higher interest expenses and lower interest income. Net interest income in GM was lower and included lower revenues from Prime Finance due to reduced client balances. Higher interest expenses in GM included the impact of higher cost of funding. Interest income in CIB declined due to margin compression, the low interest rate environment, depressed trade volume and internal strategic perimeter decisions as part of Deutsche Bank's targets originally announced in October 2015. Both the net interest spread and the net interest margin declined by 12 basis points in 2016 as compared to 2015.

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

The following table sets forth data related to Deutsche Bank's net gains (losses) on financial assets/liabilities at fair value through profit or loss.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
	(unaudited, unless stated otherwise)			
GM – Sales & Trading (equity)	852	1,258	(406)	(32)
GM – Sales & Trading (debt and other products)	3,582	3,857	(275)	(7)
Non-Core Operations Unit	(1,449)	(634)	(815)	129
Other	(1,584)	(639)	(945)	148
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss[1]	**1,401**	**3,842**	**(2,441)**	**(64)**

1 Audited.

Net gains on financial assets/liabilities at fair value through profit or loss for the full year 2016 decreased by € 2.4 billion to € 1.4 billion compared to 2015. The main drivers for the decrease in net gains on financial assets/liabilities at fair value through profit or loss was the impact of unfavorable foreign exchange rates and interest rates on the fair value of derivatives in the category 'Other' which was largely offset by gains related to the underlying assets in GM. The decline in NCOU was primarily driven by de-risking losses on the unwind of long-dated derivative exposure and related assets. Additionally the revenues in GM were impacted by a challenging environment in Equities and implementation of Deutsche Bank's targets originally announced in October 2015.

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

Deutsche Bank's 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. Deutsche Bank's 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 GM.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
	(audited)			
Net interest income	14,707	15,881	(1,175)	(7)
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	1,401	3,842	(2,440)	(64)
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**16,108**	**19,723**	**(3,615)**	**(18)**
Breakdown by Corporate Division/product[1]:				
Sales & Trading (equity)	1,979	2,887	(907)	(31)
Sales & Trading (debt and other products)	7,452	8,215	(763)	(9)
Total Sales & Trading	9,431	11,102	(1,671)	(15)
Other[2]	(204)	(360)	155	(43)
Global Markets[3]	9,227	10,742	(1,515)	(14)
Corporate & Investment Banking	2,090	2,215	(125)	(6)
Private, Wealth and Commercial Clients	3,877	3,862	14	0
Deutsche Asset Management	364	255	109	43
Postbank	2,175	2,316	(142)	(6)
Non-Core Operation unit	(1,261)	(353)	(909)	N/M
Consolidation & Adjustments	(363)	685	(1,048)	N/M
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**16,108**	**19,723**	**(3,615)**	**(18)**

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" to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

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.

Global Markets (GM). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 9.2 billion in 2016, a decrease of € 1.5 billion, or 14 %, compared to 2015. In Sales & Trading (debt and other products), revenues were lower by € 763 million in 2016, a decrease of 9 % compared to 2015. This decline was driven by a challenging market environment and country exits as part of Deutsche Bank's targets originally announced in October 2015. Lower revenues in Emerging Markets and Foreign Exchange were partly offset by higher Core Rates revenues. In Sales & Trading (equity), revenues were lower by € 907 million in 2016, a decrease of 31 % compared to 2015. This decline was felt across all equity businesses as a result of lower overall client activity in a challenging market environment. Prime Finance revenues were also impacted by higher funding costs due to widening of Deutsche Bank's own credit spreads following negative market perceptions concerning Deutsche Bank. Revenues in "Other" were negative € 204 million, but improved by € 155 million in 2016, an increase of 43 % compared to 2015.

Corporate & Investment Banking (CIB). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 2.1 billion in 2016, a decrease of € 125 million, or 6 %, compared to 2015. The decline was mainly driven by lower interest revenues in Trade Finance due to margin compression and impact from negative interest rates.

Private, Wealth & Commercial Clients (PW&CC). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss of € 3.9 billion in 2016 were flat compared to 2015. Net interest income declined compared to 2015 reflecting the impact of the continued low interest rate environment in Europe. Beyond that, 2015 included a higher extraordinary dividend payment received in PCC Germany subsequent to an investee's sale transaction. These decreases were offset by higher net gains (losses) on financial assets/liabilities at fair value through profit or loss driven by positive transaction related effects relating to PW&CC's stake in Hua Xia Bank Co. Ltd.

Deutsche Asset Management (Deutsche AM). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 364 million in 2016, an increase of € 109 million, or 43 %, compared to 2015. The increase was mainly due to a write up of Detusche Bank's exposure to HETA Asset Resolution AG within Deutsche Bank's guaranteed funds during 2016 and favorable mark-to-market movements on policyholder positions in Abbey Life following higher market gains.

Postbank. Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 2.2 billion in 2016, a decrease of € 142 million or 6 %, compared to 2015. While net interest revenues remained virtually flat despite the remaining challenges resulting from low interest rate environment, net gains (losses) on financial assets/liabilities at fair value through profit or loss decreased by € 143 million, or 87 %, due to extraordinary high net trading revenues in 2015.

Non-Core Operations Unit (NCOU). Combined net interest income and net gains (losses) on financial assets/ liabilities at fair value through profit or loss was a net loss of € 1.3 billion in 2016, compared to a net loss of € 353 million in 2015. The development was predominantly driven by the resolution of long-dated derivative exposures as well as various bond sales and further unwinds across the portfolio.

Consolidation & Adjustments (C&A). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss was a net loss of € 363 million in 2016 versus a gain of € 685 million in 2015, a decrease of € 1.0 billion. This decrease was primarily due to interest rate increases in the long end of the curve in USD and EUR during the fourth quarter of 2016. The offsetting mark-to-market movements were reported in other line items of the income statement.

12.3.2.2.4 Provision for Credit Losses

Provision for credit losses was € 1.4 billion in 2016, an increase of € 427 million, or 45 %, compared to the same period in 2015. This mainly resulted from higher provisions in CIB and GM driven by exposures related to the shipping, metals and mining and oil and gas industry sectors. Further increases in NCOU were driven by IAS 39 reclassified assets within Deutsche Bank's European mortgage portfolios. These increases were partly offset by lower provisions in PW&CC as well as in Postbank reflecting the quality of the retail loan portfolio and the benign economic environment.

12.3.2.2.5 Remaining Noninterest Income

The following table sets forth information on the remaining noninterest income.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
		(audited)		
Commissions and fee income[1]	11,744	12,765	(1,021)	(8)
Net gains (losses) on financial assets available for sale	653	203	450	N/M
Net income (loss) from equity method investments	455	164	291	177
Other income (loss)	1,053	669	385	58
Total remaining noninterest income	**13,906**	**13,802**	**104**	**1**

N/M – Not meaningful

1 Includes:

	2016	2015	in € m.	in %
	(audited, unless stated otherwise)			
Commissions and fees from fiduciary activities:				
Commissions for administration[1]	401	432	(31)	(7)
Commissions for assets under management[1]	3,507	3,666	(159)	(4)
Commissions for other securities business[1]	380	382	(3)	(1)
Total	**4,287**	**4,480**	**(193)**	**(4)**
Commissions, broker's fees, mark-ups on securities underwriting and other securities activities:				
Underwriting and advisory fees[1]	1,871	2,388	(517)	(22)
Brokerage fees[1]	1,434	1,746	(312)	(18)
Total	**3,305**	**4,134**	**(829)**	**(20)**
Fees for other customer services	4,152	4,151	1	0
Total commissions and fee income	**11,744**	**12,765**	**(1,021)**	**(8)**

1 Unaudited.

Commissions and fee income. Total Commissions and fee income decreased from € 12.8 billion in 2015 by € 1.0 billion, or 8 % to € 11.7 billion in 2016. In PW&CC, commission and fee income declined due to difficult market environment and reduced client activities. CIB revenues were impacted primarily by a decline in deal volumes and issuance, resulting from worldwide political uncertainty and anticipation of interest rate hikes. Reduced commissions from lower market volumes impacted GM.

Net gains (losses) on financial assets available for sale. Net gains on financial assets available for sale were € 653 million in 2016 compared to € 203 million in 2015, an increase of € 450 million. The increase resulted from a sale of stake in Visa Europe Limited and of sovereign bonds in Postbank, as well as de-risking activities in NCOU.

Net income (loss) from equity method investments. Net gains from equity investments increased by € 291 million to € 455 million in 2016, from € 164 million in 2015 primarily in NCOU due to a gain from the IPO of Red Rock Resorts.

Other income (loss). Other income increased by 58% from € 669 million in 2015 to € 1.1 billion in 2016. The increase in 2016 was primarily driven by a realization in Other comprehensive income from share derecognition in Hua Xia Bank Co. Ltd. and was partly offset by de-risking losses due to sale of IAS 39 assets in NCOU and the nonrecurrence of a specific litigation recovery and gain on sale of Maher Prince Rupert in 2015.

12.3.2.2.6 Noninterest Expenses

The following table sets forth information on the noninterest expenses.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	In %
		(audited)		
Compensation and benefits	11,874	13,293	(1,419)	(11)
General and administrative expenses[1]	15,454	18,632	(3,178)	(17)
Policyholder benefits and claims	374	256	117	46
Impairment of goodwill and other intangible assets	1,256	5,776	(4,520)	(78)
Restructuring activities	484	710	(226)	(32)
Total noninterest expenses	**29,442**	**38,667**	**(9,225)**	**(24)**

1 Includes:

	2016	2015	in € m.	in %
		(audited)		
IT costs	3,872	3,664	208	6
Occupancy, furniture and equipment expenses	1,972	1,944	28	1
Professional service fees	2,305	2,283	22	1
Communication and data services	761	807	(46)	(6)
Travel and representation expenses	450	505	(56)	(11)
Banking and transaction charges	664	598	66	11
Marketing expenses	285	294	(9)	(3)
Consolidated investments	334	406	(72)	(18)
Other expenses[1]	4,812	8,129	(3,317)	(41)
Total general and administrative expenses	**15,454**	**18,632**	**(3,178)**	**(17)**

1 Includes litigation related expenses of € 2.4 billion in 2016 and € 5.2 billion in 2015.

Compensation and benefits. Compensation and benefits decreased by € 1.4 billion, or 11 %, to € 11.9 billion in 2016 compared to € 13.3 billion in 2015, primarily due to lower performance related compensation.

General and administrative expenses. General and administrative expenses decreased by € 3.2 billion, or 17 %, to € 15.5 billion in 2016 compared to € 18.6 billion in 2015. The decrease was mainly due to a € 2.8 billion reduction in litigation charges compared to 2015. Effects from favorable foreign exchange rate movements as well as reductions in various expense positions were partially offset by higher IT cost, including higher depreciation for Deutsche Bank's self-developed software.

Policyholder benefits and claims. Policyholder benefits and claims increased by € 117 million, or 46 %, from € 256 million in 2015 to € 374 million in 2016 and were solely driven by higher policyholder benefits and claims recorded in the Abbey Life business. These charges were offset by net gains on financial assets/liabilities at fair value through profit or loss on policyholder benefits and claims.

Impairment of goodwill and other intangible assets. Impairment charges on goodwill and other intangible assets in 2016 decreased by € 4.5 billion to € 1.3 billion, or 78 %, from € 5.8 billion in 2015. The 2016 charge reflects an impairment of € 1.0 billion in Deutsche AM triggered by the sale of Abbey Life and an impairment of € 285 million in GM, following the transfer of certain businesses from Deutsche AM.

Restructuring. Restructuring expenses amounted to € 484 million in 2016 compared to € 710 million in 2015 reflecting Deutsche Bank's ongoing execution of strategic measures.

12.3.2.2.7 Income Tax Expense

Income tax expense was € 546 million (2015: € 675 million). The effective tax rate of negative 67 % (2015: negative 11 %) was mainly impacted by non-tax deductible goodwill impairment and litigation charges.

12.3.2.3 Results of Operations by Segment

The following is a discussion of the results of Deutsche Bank's business segments. For information regarding Deutsche Bank's business segments and changes thereto undergone in 2016, see section "*10.4 Corporate Divisions*". See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus for information regarding:

- changes in the format of Deutsche Bank's segment disclosure; and
- the framework of Deutsche Bank's management reporting systems.

The criterion for segmentation into divisions is Deutsche Bank's organizational structure as it existed at December 31, 2016. Segment results were prepared in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

2016 (audited) in € m. (unless stated otherwise)	**Global Markets**	**Corporate & Investment Banking**	**Private, Wealth & Commercial Clients**	**Deutsche Asset Management**	**Postbank**	**Non-Core Operations Unit**	**Consolidation & Adjustments and Other**	**Total**
Net revenues[1]	**9,290**	**7,483**	**7,717**	**3,020**	**3,366**	**(382)**	**(479)**	**30,014**
Provision for credit losses	**142**	**672**	**255**	**1**	**184**	**128**	**1**	**1,383**
Noninterest expenses:								
Compensation and benefits	1,787	1,711	2,438	611	1,397	68	3,861	11,874
General and administrative expenses	6,885	3,243	3,815	1,171	1,418	2,678	(3,756)	15,454
Policyholder benefits and claims	0	0	0	374	0	0	0	374
Impairment of goodwill and other intangible assets	285	0	0	1,021	0	(49)	(0)	1,256
Restructuring activities	127	165	141	47	0	4	(0)	484
Total noninterest expenses	**9,084**	**5,119**	**6,394**	**3,223**	**2,815**	**2,701**	**106**	**29,442**
Noncontrolling interests	**47**	**1**	**0**	**0**	**0**	**(4)**	**(46)**	**0**
Income (loss) before income taxes	**16**	**1,691**	**1,068**	**(204)**	**367**	**(3,207)**	**(541)**	**(810)**
Cost/income ratio	98 %	68 %	83 %	107 %	84 %	N/M	N/M	98 %
Assets[2]	1,012,627	189,910	189,444	12,340	139,743	5,523	40,959	1,590,546
Expenditures for additions to long-lived assets	2	1	13	0	121	(0)	773	909
Risk-weighted assets[3]	157,913	79,698	43,855	8,961	42,209	9,174	15,706	357,518
CRD 4 leverage exposure measure (spot value at reporting date)	682,346	271,925	195,373	3,131	146,978	7,882	40,018	1,347,653
Average shareholders' equity	24,695	12,076	9,008	6,221	6,006	4,037	38	62,082
Post-tax return on average tangible shareholders' equity[4]	0 %	10 %	9 %	(8) %	4 %	N/M	N/M	(3) %
Post-tax return on average shareholders' equity[4]	0 %	9 %	8 %	(2) %	4 %	N/M	N/M	(2) %

N/M – Not meaningful

1 Includes:

Net interest income	4,765	2,092	3,678	326	2,154	188	1,504	14,707
Net income (loss) from equity method investments	124	14	5	44	0	269	(1)	455

2 Includes:

Equity method investments	517	112	23	203	0	98	73	1,027

3 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.

4 The post-tax return on average tangible shareholders' equity and average shareholders' equity at the Group level reflects the reported effective tax rate for the Group, which was (67) % for the year ended December 31, 2016. For the post-tax return on average tangible shareholders' equity and average shareholders' 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, 2016.

2015 (audited) in € m. (unless stated otherwise)	Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consoli- dation & Adjustments and Other	Total
Net revenues[1]	**10,857**	**8,047**	**7,510**	**3,021**	**3,112**	**794**	**184**	**33,525**
Provision for credit losses	**50**	**342**	**300**	**1**	**211**	**51**	**1**	**956**
Noninterest expenses:								
Compensation and benefits	2,320	2,115	2,517	778	1,425	86	4,052	13,293
General and administrative expenses	8,622	3,512	3,869	1,304	1,475	2,921	(3,073)	18,632
Policyholder benefits and claims	0	0	0	256	0	0	0	256
Impairment of goodwill and other intangible assets	1,568	600	1,011	0	2,597	0	0	5,776
Restructuring activities	89	39	585	(2)	0	(1)	0	710
Total noninterest expenses	**12,599**	**6,266**	**7,983**	**2,336**	**5,497**	**3,006**	**980**	**38,667**
Noncontrolling interests	**26**	**0**	**(0)**	**(0)**	**1**	**1**	**(27)**	**0**
Income (loss) before income taxes	**(1,817)**	**1,439**	**(774)**	**684**	**(2,596)**	**(2,264)**	**(770)**	**(6,097)**
Cost/income ratio	116 %	78 %	106 %	77 %	177 %	N/M	N/M	115 %
Assets[2]	1,113,771	123,809	176,038	30,352	136,061	23,007	26,092	1,629,130
Expenditures for additions to long-lived assets	1	1	0	1	112	(0)	643	758
Risk-weighted assets[3]	161,347	86,087	49,603	10,759	43,242	32,896	12,780	396,714
CRD 4 leverage exposure measure (spot value at reporting date)	731,197	276,732	188,467	5,358	141,370	36,553	15,511	1,395,188
Average shareholders' equity	24,675	12,483	10,265	5,719	7,798	6,755	1,361	69,055
Post-tax return on average tangible shareholders' equity[4]	(5) %	8 %	(6) %	48 %	(30) %	N/M	N/M	(12) %
Post-tax return on average shareholders' equity[4]	(5) %	7 %	(5) %	8 %	(22) %	N/M	N/M	(10) %

N/M – Not meaningful

1 Includes:

	Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Net interest income	5,807	2,299	3,868	449	2,153	282	1,024	15,881
Net income (loss) from equity method investments	55	12	40	34	0	20	3	164

2 Includes:

	Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Equity method investments	466	111	19	182	3	166	68	1,013

3 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.

4 The post-tax return on average tangible shareholders' equity and average shareholders' equity at the Group level reflects the reported effective tax rate for the Group, which was (11) % for the year ended December 31, 2015. For the post-tax return on average tangible shareholders' equity and average shareholders' 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, 2015.

12.3.2.3.1 Global Markets Corporate Division

The following table sets forth the results of Global Markets (GM) for the years ended December 31, 2016 and 2015, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
		(audited)		
Net revenues:				
Sales & Trading (equity)	2,502	3,337	(835)	(25)
Sales & Trading (debt and other products)	7,339	8,215	(876)	(11)
Sales & Trading	9,841	11,552	(1,711)	(15)
Other	(551)	(695)	144	(21)
Total net revenues	**9,290**	**10,857**	**(1,567)**	**(14)**
Provision for credit losses	**142**	**50**	**92**	**185**
Noninterest expenses:				
Compensation and benefits	1,787	2,320	(533)	(23)
General and administrative expenses	6,885	8,622	(1,737)	(20)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	285	1,568	(1,283)	(82)
Restructuring activities	127	89	38	43
Total noninterest expenses	**9,084**	**12,599**	**(3,515)**	**(28)**
Noncontrolling interests	**47**	**26**	**22**	**85**
Income (loss) before income taxes	**16**	**(1,817)**	**1,833**	**N/M**
Cost/income ratio	98 %	116 %	N/M	(18) ppt
Assets[1]	1,012,627	1,113,771	(101,143)	(9)
Risk-weighted assets[2]	157,913	161,347	(3,433)	(2)
Average shareholders' equity[3]	24,695	24,675	20	0
Post-tax return on average tangible shareholders' equity	0 %	(5) %	N/M	6 ppt
Post-tax return on average shareholders' equity	0 %	(5) %	N/M	5 ppt

N/M – Not meaningful
ppt – Percentage points
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 CRR/CRD 4 fully-loaded.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

Global Markets net revenues in 2016 were € 9.3 billion, a decrease of € 1.6 billion, or 14 % from € 10.9 billion in 2015. Revenues were impacted by a challenging environment for Equities, negative market perceptions concerning Deutsche Bank and the implementation of Deutsche Bank's targets originally announced in October 2015.

Sales & Trading (debt and other products) net revenues were € 7.3 billion in 2016, a decrease of € 876 million, or 11 %, compared to 2015. Revenues in Foreign Exchange were in line with a strong prior year. Revenues in Core Rates were flat, as good performance in Europe was partly offset by a weaker performance in the U.S. Credit revenues were also in line with the prior year and included the impact of de-risking in Securitized Trading as part of Deutsche Bank's targets originally announced in October 2015. Strong performance in Financing and Solutions and Commercial Real Estate, especially in the United States was offset by underperformance in Credit Flow and Securitized Trading. Emerging Market revenues were significantly lower in 2016 driven by the impact of country exits, specifically Russia, as part of the implementation of Deutsche Bank's targets originally announced in October 2015, lower client flow and macro uncertainty. Asia Pacific Local Markets revenues were significantly lower as a result of unfavorable market conditions in the first half of 2016 and subdued markets negatively impacting client flow.

Sales & Trading (equity) net revenues were € 2.5 billion in 2016, a decrease of € 835 million, or 25 %, compared to 2015. Prime Finance revenues were lower reflecting a decline in client balances and trading activity as well as increased cost of funding driven by widening of Deutsche Bank's credit spreads. Equity Derivatives revenues were significantly lower due to lower client activity. Cash Equity revenues were lower in 2016 as a result of a challenging market environment and lower client volumes.

Other net revenues were negative € 551 million in full year 2016, compared to negative € 695 million in full year 2015. Other net revenues included transfers from and to Corporate & Investment Banking related to

client coverage and product distribution, as well as the following valuation adjustment items. First, a mark-to-market gain of € 61 million (full year 2015: a gain of € 113 million) relating to RWA mitigation efforts arising on Credit Valuation Adjustment (CVA). CRR/CRD 4 capital rules result in charges to the Group's RWA in respect of CVA. The Group has sought to mitigate these regulatory charges through hedging with credit default swaps. These regulatory capital hedges are additional to those entered into to hedge CVA exposures under IFRS hedge accounting rules, and accordingly, result in mark-to-market movements in profit or loss that are reported as a revenue item.

Second, a loss of € 146 million in full year 2015 relating to a refinement in the calculation of IFRS CVA, with no corresponding item booked in 2016. Third, a Funding Valuation Adjustment (FVA) loss of € 141 million (full year 2015: a loss of € 145 million, including a negative impact of € 26 million due to a calculation refinement). Lastly, a gain of € 27 million (full year 2015: a gain of € 48 million) relating to the impact of a Debt Valuation Adjustment (DVA) on certain derivative liabilities.

In provisions for credit losses, Global Markets recorded a net charge of € 142 million in 2016 (2015: net charge of € 50 million), an increase of € 92 million, driven by a small number of exposures in Metals and Mining and Com-mercial Real Estate.

Noninterest expenses in 2016 decreased by € 3.5 billion, or 28 %, compared to full year 2015. The decrease was primarily due to lower goodwill impairment and litigation charges compared to 2015. Noninterest expenses in 2016 included € 876 million in litigation expenses and impairments. Excluding these effects, noninterest expenses in 2016 were 3 % lower than in 2015.

Income before income taxes in 2016 was a gain of € 16 million, compared to a loss of € 1.8 billion in 2015, driven by € 2.0 billion lower litigation in 2016 and € 1.3 billion higher goodwill impairment charges in 2015, partly offset by € 1.6 billion lower revenues in 2016.

12.3.2.3.2 Corporate & Investment Banking Corporate Division

The following table sets forth the results of the Corporate & Investment Banking Corporate Division (CIB) for the years ended December 31, 2016 and 2015, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
		(audited)		
Net revenues:				
Trade Finance & Cash Management Corporates	2,627	2,803	(176)	(6)
Institutional Cash & Securities Services	1,847	1,867	(20)	(1)
Equity Origination	405	658	(253)	(39)
Debt Origination	1,388	1,469	(82)	(6)
Advisory	500	587	(86)	(15)
Loan products & Other	717	663	54	8
Total net revenues	**7,483**	**8,047**	**(564)**	**(7)**
Provision for credit losses	**672**	**342**	**330**	**97**
Noninterest expenses:				
Compensation and benefits	1,711	2,115	(403)	(19)
General and administrative expenses	3,243	3,512	(269)	(8)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	0	600	(600)	N/M
Restructuring activities	165	39	126	N/M
Total noninterest expenses	**5,119**	**6,266**	**(1,147)**	**(18)**
Noncontrolling interests	**1**	**0**	**1**	**N/M**
Income (loss) before income taxes	**1,691**	**1,439**	**252**	**17**
Cost/income ratio	68 %	78 %	N/M	(9) ppt
Assets[1]	189,910	123,809	66,102	53
Risk-weighted assets[2]	79,698	86,087	(6,388)	(7)
Average shareholders' equity[3]	12,076	12,483	(407)	(3)
Post-tax return on average tangible shareholders' equity	10 %	8 %	N/M	2 ppt
Post-tax return on average shareholders' equity	9 %	7 %	N/M	2 ppt

N/M – Not meaningful

ppt – Percentage points

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 CRR/CRD 4 fully-loaded.

3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

Revenues in the Corporate & Investment Banking division declined in 2016 compared to 2015. The majority of this decrease was in Corporate Finance, with the industry-wide slowdown in client activity and primary markets first seen in the fourth quarter of 2015 continuing through the first half of 2016. Transaction Banking revenues decreased marginally, in the face of a number of macroeconomic headwinds. Provisions for credit losses increased substantially in 2016. Mitigating these developments was a significant year-on-year decrease in noninterest expenses.

Net revenues in 2016 were € 7.5 billion, a decrease of € 564 million or 7 % compared to 2015. Within Transaction Banking, Trade Finance and Cash Management Corporates revenues were down € 176 million, or 6 %, with low interest rates within the eurozone area, high margin pressure and client perimeter rationalization as part of Deutsche Bank's targets originally announced in October 2015 all impacting negatively. Institutional Cash and Securities Services was flat year-on-year. Securities Services performance was again affected by lower interest rates in Europe, coupled with lower global IPO activity. This was offset by an improved performance in Institutional Cash, where the beneficial impact of increased interest rates within the United States outweighed the initial negative effects of a change in the business risk appetite and client perimeter. Within Corporate Finance, Equity Origination experienced the biggest decrease, down € 253 million, or 39 %, for the year reflecting an industry-wide reduction in issuance levels. These levels did see a partial recovery during the second half of 2016, which was reflected in an increase in revenues in Equity Origination compared to the first half of 2016. Debt Origination was lower by € 82 million, or 6 %, for the full year 2016, driven by a weak first quarter. However, performance improved amid increased market liquidity and relatively stable interest rates to post higher revenues for the subsequent 9 months of 2016 compared to 2015. Advisory revenues decreased € 86 million or 15 %, as market activity was at lower levels compared to 2015. As seen with Equity Origination, the second half of 2016 also saw an increase in activity, which translated to an improvement in revenue performance. Loan products and Other revenues increased € 54 million or 8 %, as a result of corporate lending activity as well as transfers to and from Global Markets.

Provisions for credit losses in 2016 were up € 330 million, or 97 %, compared to 2015. The increase was primarily driven by the deterioration in credit quality of the shipping sector where the industry suffered from persistent structural challenges; such as oversupply and redundancy of certain types of ships. As a consequence this severe industry weakness also triggered more borrowers to fall into the defaulted category valued under a liquidity scenario.

Noninterest expenses in 2016 were € 5.1 billion, a decrease of € 1.1 billion, or 18 %, year-on-year, with the non-recurring goodwill impairment (2015: € 600 million) and reduced litigation (2016: € 17 million; 2015: € 329 million) driving the reduction and more than offsetting an increase in restructuring costs. The year 2016 also saw lower performance related compensation costs, a 3 % reduction in headcount as part of strategic initiatives and savings from active management of non compensation costs.

Income before income taxes in 2016 was € 1.7 billion, an increase of € 252 million, or 17 %, compared to 2015. The substantial reduction in noninterest expenses more than offset lower revenues and a significant increase in credit loss provisions.

12.3.2.3.3 Private, Wealth & Commercial Clients Corporate Division

The following table sets forth the results of the Private, Wealth & Commercial Clients Corporate Division (PW&CC) for the years ended December 31, 2016 and 2015, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
		(audited)		
Net revenues:				
Credit products	2,223	2,148	75	3
Deposit products	1,138	1,332	(193)	(15)
Investment & insurance products	1,045	1,309	(264)	(20)
Payments, cards & account products	559	586	(27)	(5)
Other products	254	213	41	19
Total Private & Commercial Clients (PCC)	5,218	5,588	(369)	(7)
Net interest revenues	811	816	(5)	(1)
Management Fees	645	747	(102)	(14)
Performance & Transaction Fees	350	494	(145)	(29)
Other revenues	75	40	35	89
Total Wealth Management (WM)	1,880	2,097	(217)	(10)
Hua Xia	618	(175)	793	N/M
Total net revenues	**7,717**	**7,510**	**207**	**3**
Provision for credit losses	**255**	**300**	**(45)**	**(15)**
Noninterest expenses:				
Compensation and benefits	2,438	2,517	(79)	(3)
General and administrative expenses	3,815	3,869	(55)	(1)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	0	1,011	(1,011)	N/M
Restructuring activities	141	585	(444)	(76)
Total noninterest expenses	**6,394**	**7,983**	**(1,589)**	**(20)**
Noncontrolling interests	**0**	**(0)**	**0**	**N/M**
Income (loss) before income taxes	**1,068**	**(774)**	**1,842**	**N/M**
Cost/income ratio	83 %	106 %	N/M	(23) ppt
Assets[1]	189,444	176,038	13,406	8
Risk-weighted assets[2]	43,855	49,603	(5,748)	(12)
Average shareholders' equity[3]	9,008	10,265	(1,257)	(12)
Post-tax return on average tangible shareholders' equity	9 %	(6) %	N/M	16 ppt
Post-tax return on average shareholders' equity	8 %	(5) %	N/M	12 ppt

N/M – Not meaningful

ppt – Percentage points

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 CRR/CRD 4 fully-loaded.

3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

The following table sets forth additional information in respect of invested assets and new new money in PW&CC for the years ended December 31, 2016 and 2015.

in € bn. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € bn.	in %
		(unaudited)		
Invested assets[1]	424	503	(79)	(16)
Net new money	(39)	3	(42)	N/M

N/M – Not meaningful

1 Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

PW&CC's business environment remained challenging throughout 2016. Persistent low interest rates and a more challenging market environment resulted in reduced client activity and a decline in both deposit and investment revenues. PW&CC maintained strict cost discipline and also benefited from continued low levels of provisions for credit losses. During 2016, PW&CC made substantial progress in the execution of strategic measures including the streamlining of distribution models and the further expansion of digital offerings. Also as part of Deutsche Bank's targets originally announced in October 2015, PW&CC completed the disposals of the Private Client Services (PCS) unit in the United States and the Hua Xia Bank Co. Ltd. stake in China. The latter transaction resulted in a significant gain on sale, whereas PW&CC's prior year results were negatively impacted by Hua Xia-related valuation effects, a goodwill impairment charge of € 1.0 billion and significant expenses for restructuring activities.

Net revenues in PW&CC of € 7.7 billion in 2016 increased by € 207 million, or 3 %, compared to 2015. This increase was driven by a higher contribution from Hua Xia Bank Co. Ltd. with revenues of € 618 million in 2016 including the aforementioned positive impact from the sale transaction. 2015 included net negative revenues of € 175 million from Hua Xia Bank Co. Ltd. Valuation effects and other transaction-related impacts of € 697 million were partly offset by regular equity pick-ups on the stake. Excluding the impacts from the disposals of Hua Xia Bank Co. Ltd. and PCS (as discussed further below), net revenues declined compared to the prior year period. In the Private & Commercial Client (PCC) businesses, revenues decreased by € 369 million, or 7 %. This decline was driven by the ongoing turbulent market environment, which led to reduced client activity. Investment & insurance product revenues declined by € 264 million, or 20 %. Net revenues from Deposit products in 2016 decreased by € 193 million, or 15 %, compared to 2015, driven by the lower interest rate environment in Europe. These declines were partly mitigated by improved Credit product revenues, which increased in 2016 by € 75 million, or 3 %, compared to 2015, mainly reflecting higher loan volumes. PCC's Other product revenues in 2016 increased by € 41 million compared to 2015, including a € 98 million gain attributable to the sale of the stake in VISA Europe Limited as well as a € 50 million dividend payment from one of PCC's shareholdings subsequent to a sales transaction by the investee in 2015. Prior year revenues included a comparable impact of € 101 million also in Other product revenues. Revenues in the Wealth Management (WM) businesses in 2016 decreased by € 217 million, or 10 %, compared to 2015, in part due to a deconsolidation impact after the disposal of the PCS unit in September 2016. Apart from this deconsolidation impact, Performance & Transaction Fees as well as Management Fees in WM were also impacted by the difficult market environment with reduced client activity, strategic de-risking initiatives and the negative market perceptions associated with Deutsche Bank. WM's Net interest revenues remained largely stable, whereas Other revenues increased by € 35 million in 2016 compared to 2015, mainly due to a gain related to the disposal of the PCS unit.

Provision for credit losses of € 255 million in 2016 decreased by € 45 million, or 15 %, compared to 2015 reflecting the continued good quality of the loan portfolio and the benign economic environment. Provision for credit losses also benefited from selective portfolio sales with similar impacts in 2015 and 2016.

Noninterest expenses of € 6.4 billion in 2016 decreased by € 1.6 billion, or 20 %, compared to 2015. 2015 included the aforementioned € 1.0 billion goodwill impairments as well as € 418 million higher charges for restructuring and severances. 2015 was also impacted by a € 118 million partial write-off of software, whereas noninterest expenses in 2016 benefited from a reduced cost base after the disposal of the PCS unit in September. Excluding these effects, noninterest expenses were at comparable levels in 2015 and 2016. The impact of higher investments in digitization and further spending related to strategic measures was offset by lower expenses for compensation and strict cost discipline.

Income before income taxes of € 1.1 billion in 2016 increased by € 1.8 billion compared to 2015. The increase was attributable to the aforementioned impairment items and higher charges for restructuring and severances in 2015 combined with the positive impact from the disposal of the Hua Xia Bank Co. Ltd. stake in 2016. Excluding these factors, income before income taxes declined in 2016 compared to 2015 reflecting the impact of the continued low interest rate environment and the volatile market environment on revenues in the WM and the PCC businesses.

Invested Assets of € 424 billion decreased by € 79 billion compared to December 31, 2015. The decline was mainly attributable to two factors. First, a deconsolidation effect of € 38 billion subsequent to the disposal of the PCS unit. Second, net outflows of € 39 billion (€ 32 billion in WM, € 7 billion in PCC businesses) mainly occurring at the end of the third quarter and the beginning of the fourth quarter of 2016 subsequent to the negative market perceptions associated with Deutsche Bank. In WM, net outflows during 2016 also reflected continued deleveraging activities of the clients as well as efforts to optimize risk management practices and to improve efficiencies such as cross-border servicing.

12.3.2.3.4 Deutsche Asset Management Corporate Division

The following table sets forth the results of the Deutsche Asset Management Corporate Division (Deutsche AM) for the years ended December 31, 2016 and 2015, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
		(audited)		
Net revenues:				
Management Fees	2,196	2,344	(148)	(6)
Performance and transaction fees	220	247	(27)	(11)
Other revenues	208	172	35	20
Mark-to-market movements on policyholder positions in Abbey Life	396	258	139	54
Total net revenues	**3,020**	**3,021**	**(1)**	**(0)**
Provision for credit losses	**1**	**1**	**(0)**	**(4)**
Noninterest expenses:				
Compensation and benefits	611	778	(167)	(21)
General and administrative expenses	1,171	1,304	(134)	(10)
Policyholder benefits and claims	374	256	117	46
Impairment of goodwill and other intangible assets	1,021	0	1,021	N/M
Restructuring activities	47	(2)	49	N/M
Total noninterest expenses	**3,223**	**2,336**	**886**	**38**
Noncontrolling interests	**0**	**(0)**	**1**	**N/M**
Income (loss) before income taxes	**(204)**	**684**	**(888)**	**N/M**
Cost/income ratio	107 %	77 %	N/M	29 ppt
Assets[1]	12,340	30,352	(18,013)	(59)
Risk-weighted assets[2]	8,961	10,759	(1,798)	(17)
Average shareholders' equity[3]	6,221	5,719	503	9
Post-tax return on average tangible shareholders' equity	(8.2) %	48 %	N/M	(56) ppt
Post-tax return on average shareholders' equity	(2.1) %	8 %	N/M	(10) ppt

N/M – Not meaningful

ppt – Percentage points

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 CRR/CRD 4 fully-loaded.

3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

In 2016, Deutsche AM performance was impacted by the sale of Abbey Life resulting in € 1.0 billion goodwill and other intangible assets impairments and by net asset outflows, exacerbated by Deutsche Bank-specific factors. Despite less favorable market conditions reflecting ongoing uncertainty from sustained low global growth, excluding movements on policyholder positions and impairments in Abbey Life, Deutsche AM achieved a solid Income before income taxes of € 794 million in 2016, an increase of 16 % from € 683 million in 2015. Revenues excluding the mark-to-market movements on policyholder positions in Abbey Life were down 5% year-on-year, while noninterest expenses excluding policyholders benefits and claims and impairments were down 12% compared to 2015.

Net revenues for full year 2016 were € 3.0 billion, and are in line with 2015. Net revenues excluding the mark-to-market movements on policyholder positions in Abbey Life were € 2.6 billion, a decrease of 5% from € 2.8 billion in 2015. Management fees and other recurring revenues decreased by € 148 million, or 6 %, due to lower invested assets and unfavorable market conditions impacting the Passive and Active businesses. Performance and transaction fees in 2016 decreased by € 27 million, or 11 %, compared to a strong prior year period in Alternatives products. Other revenues increased by € 35 million, or 20 %, in 2016 due to a write down in 2015 relating to Heta Asset Resolution AG exposure and the sale of Abbey Life and Deutsche AM India in 2016, partly offset by negative fair value of guaranteed products and lower dividend income in Alternatives. Mark-to-market movements on policyholder positions in Abbey Life increased by € 139 million, or 54 %, following higher market gains.

Noninterest expenses of € 3.2 billion in 2016 increased by € 886 million, or 38 %, compared to 2015 due to impairments of goodwill predominantly related to the sale of Abbey Life and an increase in policyholder benefits and claims which is offset within revenues. Excluding Abbey Life policyholder benefits and claims

and the aforementioned impairments, noninterest expenses of € 1.8 billion in 2016 were lower than in 2015, mainly due to lower compensation costs and the reversal of a specific cost item incurred in the fourth quarter of 2015.

The loss before income taxes in 2016 was € 204 million, a decrease of € 888 million compared to 2015, primarily driven by the aforementioned impact from the sale of Abbey Life.

Invested assets were € 706 billion as of December 31, 2016, a decrease of € 38 billion versus December 31, 2015, driven by challenging market conditions exacerbated by the negative market perceptions concerning Deutsche Bank, market rumors surrounding the future of Deutsche AM and changes in Deutsche AM's management. Net asset outflows of € 41 billion were driven by the Americas region, where outflows in cash were the main source of the results, driven by money market reform. Exchange-traded funds were another area with sizeable outflows as the currency-hedged category experienced outflows across the industry. The decrease was also driven by disposals of € 18 billion mainly relating to Abbey Life and Deutsche AM India. Partly offsetting the outflows was the effect from a favorable Equity and Fixed Income market development of € 16 billion, and favorable foreign exchange rate movements of € 4 billion. Deutsche AM also experienced positive inflows of € 2 billion in Asia Pacific in 2016.

The following table provides a development of invested assets during 2016, broken down by product type as well as the respective average fee rates.

(unaudited) in € bn.	**Alternatives**	**Cash**	**Equity**	**Fixed Income**	**Multi Asset**	**Total Invested Assets**
Balance as of December 31, 2015	**84**	**77**	**183**	**314**	**86**	**744**
Inflows	16	10	41	69	23	158
Outflows	(15)	(19)	(54)	(85)	(26)	(199)
Net Flows	1	(9)	(13)	(16)	(3)	(41)
FX impact	1	1	1	2	(0)	4
Market Development	2	(1)	7	8	2	16
Other	(3)	(4)	(6)	(2)	(2)	(18)
Balance as of December 31, 2016	**84**	**63**	**171**	**305**	**82**	**706**
Average fee rate (in bps)	**62**	**6**	**53**	**15**	**43**	**32**

12.3.2.3.5 Postbank

The following table sets forth the results of Postbank for the years ended December 31, 2016 and 2015, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
		(audited)		
Net revenues:				
Current Accounts	1,101	1,179	(77)	(7)
Loans	1,133	1,112	21	2
Savings	590	695	(104)	(15)
Home Loans & Savings	216	230	(14)	(6)
Investment & Insurance Products	94	94	1	1
Postal	230	239	(9)	(4)
NCOU	(228)	(393)	165	(42)
Other	229	(43)	272	N/M
Total net revenues	**3,366**	**3,112**	**254**	**8**
Provision for credit losses	**184**	**211**	**(27)**	**(13)**
Noninterest expenses:				
Compensation and benefits	1,397	1,425	(28)	(2)
General and administrative expenses	1,418	1,475	(57)	(4)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	0	2,597	(2,597)	N/M
Restructuring activities	0	0	0	N/M
Total noninterest expenses	**2,815**	**5,497**	**(2,682)**	**(49)**
Noncontrolling interests	**0**	**1**	**(0)**	**(26)**
Income (loss) before income taxes	**367**	**(2,596)**	**2,963**	**N/M**
Cost/income ratio	84 %	177 %	N/M	(93) ppt
Assets[1]	139,743	136,061	3,682	3
Risk-weighted assets[2]	42,209	43,242	(1,032)	(2)
Average shareholders' equity[3]	6,006	7,798	(1,791)	(23)
Post-tax return on average tangible shareholders' equity	4 %	(30) %	N/M	34 ppt
Post-tax return on average shareholders' equity	4 %	(22) %	N/M	26 ppt

N/M – Not meaningful
ppt – Percentage points
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 CRR/CRD 4 fully-loaded.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

In 2016, Postbank continued to focus on loan growth as well as on cost and efficiency measures while continued headwinds from the persisting low interest rate environment impacted revenues on Savings and Current Accounts. Postbank reported an income before income taxes of € 367 million in 2016 compared to a loss before income taxes of € 2.6 billion in 2015, which was heavily impacted by extraordinary items, such as goodwill impairment and other smaller effects from adjustments of home loan savings interest provisions of around € 2.8 billion in total.

Net revenues in 2016 increased by € 254 million, or 8 %, compared to 2015. Main drivers were increased Other revenues of € 272 million in 2016 due to gains on sales of certain investment securities (including the sale of a stake in VISA Europe Ltd.) while Postbank's NCOU revenues increased by € 165 million, or 42 %, mainly attributable to a discontinued revenue burden from adjustments in 2015, including the adjustment of home loan savings interest provisions.

Postbank increased its net revenues in Loans in 2016 by € 21 million, or 2 %, compared to 2015 despite a positive impact of € 58 million in 2015 due to specific effects from successful contract alignments with business partners from Postbank, mainly driven by loan volume growth in mortgages, consumer loans and corporate loans. The decline in net revenues from Savings and Current Accounts of € 104 million in 2016, or 15 %, and € 77 million, or 7 %, respectively, compared to 2015 was mainly caused by the continued low interest rate environment in Europe. Postbank responded to the aforementioned pressure on revenues from deposits products with the introduction of new pricing models for current accounts starting in November 2016. Revenues in Home Loans & Savings in 2016 decreased by € 14 million, or 6 %, compared to 2015 mainly due to the low interest rate environment and remaining volume of outstanding high-yielding home loans savings.

Provision for credit losses decreased by € 27 million, or 13 %, in 2016 compared to 2015, reflecting the ongoing benign economic environment in Germany and the quality of Postbank's loan book.

Noninterest expenses in 2016 decreased by € 2.7 billion compared to 2015, mainly attributable to the aforementioned goodwill impairment of € 2.6 billion in 2015. The remaining improvement in noninterest expenses was due to continued cost focus and lower expenses for strategic initiatives including reduced severance payments, despite higher regulatory costs for deposit protection schemes. Both compensation and benefits as well as general and administrative expenses in 2016 decreased by 2 % and 4 % respectively, as compared to 2015. Apart from the above-mentioned effects, Postbank continued to realize further efficiency improvements by client orientated end-to-end process optimization as well as streamlined and digitized processes.

Income before income taxes increased by € 3.0 billion to € 367 million in 2016 mainly due to nonrecurring goodwill impairments and extraordinary high revenues resulting from sales of certain investment securities.

Invested assets of € 72 billion in 2016 decreased by € 3 billion compared to December 31, 2015, driven by € 3 billion out-flows in savings products.

12.3.2.3.6 Non-Core Operations Unit Corporate Division (NCOU)

The following table sets forth the results of the Non-Core Operations Unit Corporate Division (NCOU) for the years ended December 31, 2016 and 2015, in accordance with its management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	 in %
		(audited)		
Net revenues	**(382)**	**794**	**(1,176)**	**N/M**
thereof:				
Net interest income and net gains (losses) on financial assets/ liabilities at fair value through profit or loss	(1,261)	(353)	(909)	N/M
Provision for credit losses	**128**	**51**	**76**	**148**
Noninterest expenses:				
Compensation and benefits	68	86	(18)	(20)
General and administrative expenses	2,678	2,921	(243)	(8)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	(49)	0	(49)	N/M
Restructuring activities	4	(1)	5	N/M
Total noninterest expenses	**2,701**	**3,006**	**(304)**	**(10)**
Noncontrolling interests	**(4)**	**1**	**(5)**	**N/M**
Income (loss) before income taxes	**(3,207)**	**(2,264)**	**(943)**	**42**
Assets[1]	5,523	23,007	(17,485)	(76)
Risk-weighted assets[2]	9,174	32,896	(23,722)	(72)
Average shareholders' equity[3]	4,037	6,755	(2,717)	(40)

N/M – Not meaningful
ppt – Percentage points
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 CRR/CRD 4 fully-loaded.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

During 2016, NCOU successfully executed its de-risking strategy and reduced its portfolio in size to achieve its year-end closure target. Activity focused on initiatives aimed at delivering efficient capital contribution and de-leveraging results, which took place across a number of portfolios. These included the resolution of long-dated derivative exposures as well as various bond sales and further unwinds across the correlation and negative basis portfolios. The sale of Deutsche Bank's stakes in Maher Port Elizabeth and Red Rock Resorts were also completed in the period.

Net revenues for NCOU in 2016 were negative € 382 million versus positive € 794 million in 2015. This was predominately driven by de-risking losses of € 821 million, mainly from the unwind of long dated derivative exposures and related assets, partially offset by a gain of € 368 million in relation to Red Rock Resorts. In addition portfolio revenues declined following asset sales including Maher Prince Rupert, which was

partially offset by lower valuation adjustments and mark-to-market impacts. Net revenues in 2015 included € 219 million from a specific litigation recovery and a gain of € 195 million on the sale of Maher Prince Rupert.

Provisions for credit losses in 2016 increased by € 76 million in comparison to 2015. This was predominantly driven by higher provisions taken against the European residential mortgages and commercial loans which included IAS 39 reclassified assets.

Noninterest expenses in 2016 decreased by € 304 million, or 10 %, in comparison to 2015, predominantly due to lower litigation related expenses. Costs excluding litigation charges were 18 % lower year-on-year, driven by asset sales including Maher Prince Rupert in 2015.

The loss before income taxes in 2016 increased by € 943 million to € 3.2 billion, compared to 2015. The increase was primarily driven by losses from de-risking activity, while noninterest expenses were lower.

12.3.2.3.7 Consolidation & Adjustments

The following table sets forth the results of Consolidation & Adjustments for the years ended December 31, 2016 and 2015, in accordance with its management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2016	2015	Change in fiscal year 2016 to fiscal year 2015 in € m.	in %
		(audited)		
Net revenues[1]	**(479)**	**184**	**(663)**	**N/M**
Provision for credit losses	**1**	**1**	**1**	**86**
Noninterest expenses:				
Compensation and benefits	3,861	4,052	(191)	(5)
General and administrative expenses	(3,756)	(3,073)	(683)	22
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	(0)	0	(0)	N/M
Restructuring activities	(0)	0	(0)	N/M
Total noninterest expenses	**106**	**980**	**(874)**	**(89)**
Noncontrolling interests	**(46)**	**(27)**	**(19)**	**70**
Income (loss) before income taxes	**(541)**	**(770)**	**229**	**(30)**
Assets[2]	40,959	26,092	14,867	57
Risk-weighted assets[3]	15,706	12,780	2,926	23
Average shareholders' equity[4]	38	1,361	(1,323)	(97)

N/M – Not meaningful

1 Net interest income and noninterest income.

2 Assets in C&A reflect residual Treasury assets not allocated to the business segments as well as corporate assets, such as deferred tax assets and central clearing accounts, outside the management responsibility of the business segments.

3 Risk-weighted assets are based upon CRR/CRD 4 fully-loaded. Risk-weighted assets in C&A reflect corporate assets outside the management responsibility of the business segments, primarily the Group's deferred tax assets. The decrease of risk-weighted assets in 2013 was primarily driven by the de-risking initiatives in Deutsche Bank's pension assets.

4 Average shareholders' 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" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

In 2016, C&A net revenues of negative € 479 million were mainly due to negative € 252 million in valuation and timing differences of the Treasury portfolio. The main negative driver in valuations and timing differences was changes in interest rates offset by the widening of Deutsche Bank's own credit spread and movements in cross currency basis spreads. Net revenues also included negative € 127 million related to the foreign exchange revaluation of proceeds from GBP denominated AT1 issuance; additionally, revenues include negative € 126 million from municipal bonds taxable equivalent which was reported by the business and balanced out via C&A. These negative effects were partly offset by a positive result of € 71 million from FVA on internal uncollateralized intercompany derivatives due to a tightening of funding spreads.

Noninterest expenses of € 106 million were mainly driven by € 137 million costs associated with the preparation for deconsolidation of Postbank, partly offset by € 30 million related to tax recoveries.

Loss before income taxes was € 541 million in 2016 compared to a loss of € 770 million in 2015, primarily as the fourth quarter 2015 included a negative impact of € 358 million from litigation costs related to infrastructure functions reallocated from Global Markets to C&A.

12.3.3 Comparison of the Fiscal Years ended December 31, 2015 and 2014

The following discussion and analysis must be read in conjunction with Deutsche Bank's consolidated financial statements for the fiscal year 2016 and the financial information contained therein for the fiscal years 2015 and 2014 and with Deutsche Bank's consolidated financial statements for the fiscal year 2015 and the financial information contained therein for the fiscal years 2015 and 2014. The consolidated financial statements as of and for the fiscal year ended December 31, 2016 are contained in section "*23. Financial Statements*" of this Prospectus. The consolidated financial statements as of and for the fiscal year ended 2015 are incorporated by reference into this Prospectus.

The following discussion and analysis of the 2015 and 2014 fiscal years is based upon the segment reporting as of December 31, 2016, which follows the Group's organizational structure as reflected in its internal management reporting systems as of such date. From 2016 onward, the Group's business operations have been organized under a segment structure different to the one upon which Deutsche Bank's consolidated financial statements for the fiscal year 2015, and the financial information contained therein for the fiscal years 2015 and 2014, was based.

12.3.3.1 Results of Operations of the Group

12.3.3.1.1 Net Interest Income

The following table sets forth data related to Deutsche Bank's net interest income.

in € m. (unless stated otherwise)	**2015**	**2014**	**Change in fiscal year 2015 to fiscal year 2014** **in € m.**	**in %**
	(audited, unless stated otherwise)			
Total interest and similar income	25,967	25,001	966	4
Total interest expenses	10,086	10,729	(643)	(6)
Net interest income	**15,881**	**14,272**	**1,610**	**11**
Average interest-earning assets[(1)(2)]	1,031,827	1,040,908	(9,080)	(1)
Average interest-bearing liabilities[(1)(2)]	816,793	855,105	(38,312)	(4)
Gross interest yield[(1)(3)]	2.52 %	2.40 %	0.12 ppt	5
Gross interest rate paid[(1)(4)]	1.23 %	1.25 %	(0.02) ppt	(2)
Net interest spread[(1)(5)]	1.28 %	1.14 %	0.14 ppt	12
Net interest margin[(1)(6)]	1.54 %	1.37 %	0.17 ppt	12

ppt – Percentage points

1 Unaudited.

2 Average balances for each year are calculated in general based upon month-end balances.

3 Gross interest yield is the average interest rate earned on Deutsche Bank's average interest-earning assets.

4 Gross interest rate paid is the average interest rate paid on Deutsche Bank's average interest-bearing liabilities.

5 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.

6 Net interest margin is net interest income expressed as a percentage of average interest-earning assets.

The increase in net interest income in 2015 of € 1.6 billion, or 11 %, to € 15.9 billion compared to € 14.3 billion in 2014, was primarily driven by higher interest income on trading assets in GM, mainly from strong client activity and increased client balances. Also contributing to the increase were favorable foreign exchange rate movements and organic growth in Deutsche AM. Overall, the net interest spread increased by 14 basis points and the net interest margin improved by 17 basis points primarily driven by lower interest related volume, an increase in interest income and a decrease in interest expenses in 2015 as compared to 2014.

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

The following table sets forth data related to Deutsche Bank's net gains (losses) on financial assets/liabilities at fair value through profit or loss.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
	(unaudited, unless stated otherwise)			
GM – Sales & Trading (equity)	1,258	1,416	(158)	(11)
GM – Sales & Trading (debt and other products)	3,857	3,105	752	24
Non-Core Operations Unit	(634)	(691)	57	(8)
Other	(639)	469	(1,108)	N/M
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss[1]	**3,842**	**4,299**	**(457)**	**(11)**

N/M – Not meaningful

1 Audited.

Net gains on financial assets/liabilities at fair value through profit or loss decreased by € 457 million to € 3.8 billion for the full year 2015. The main driver for this was an increase in net losses on financial assets/liabilities at fair value through profit or loss of € 1.1 billion in the category Other. Contributing factors were losses on long swap exposure in GM due to unfavorable interest rate and foreign exchange movement partly offset by an increase of € 752 million in Sales and Trading (debt and other products) mainly reflecting increased market volatility primarily in the first quarter of 2015 resulting in new client and deal flow.

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

The following table sets forth information on net interest income and net gains or losses on financial assets and liabilities at fair value through profit or loss by corporate division and by product within GM.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
		(audited)		
Net interest income	15,881	14,272	1,610	11
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	3,842	4,299	(457)	(11)
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**19,723**	**18,570**	**1,153**	**6**
Breakdown by Corporate Division/product[1]:				
Sales & Trading (equity)	2,887	2,639	247	9
Sales & Trading (debt and other products)	8,215	7,328	887	12
Total Sales & Trading	11,102	9,967	1,135	11
Other[2]	(360)	(785)	425	(54)
Global Markets[3]	10,742	9,182	1,560	17
Corporate & Investment Banking	2,215	1,969	247	13
Private, Wealth and Commercial Clients	3,862	3,973	(111)	(3)
Deutsche Asset Management	255	398	(144)	(36)
Postbank	2,316	2,165	151	7
Non-Core Operation unit	(353)	(310)	(43)	14
Consolidation & Adjustments	685	1,193	(508)	(43)
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**19,723**	**18,570**	**1,153**	**6**

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" to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

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.

Global Markets (GM). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 10.7 billion in 2015, an increase of € 1.6 billion, or 17 %, compared to 2014. In Sales & Trading (debt and other products), revenues were € 887 million higher in 2015, an increase of 12 % compared to 2014. This was driven by increased market volatility and strong client activity in both Foreign Exchange and Asia Pacific Local Markets, as well as strong performance in Core Rates. Emerging Market revenues were higher, whilst Credit revenues remained in line with prior year. In Sales & Trading (equity), revenues were € 247 million higher in 2015, an increase of 9 % compared to 2014. Significantly higher revenues in Prime Finance driven by increased client balances were partly offset by lower client activity and a challenging risk management environment in Equity Derivatives. Equity Trading revenues remained in line with the prior year. Other revenues were negative, but improved by € 425 million in 2015, an increase of 54 % compared to 2014. This was driven by significantly lower valuation adjustments with negative impacts.

Corporate & Investment Banking (CIB). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 2.2 billion in 2015, an increase of € 247 million, or 13 %, compared to 2014. Higher net interest revenues were driven by increased lending income specifically in the United States and United Kingdom, coupled with higher volumes within Structured Export and Commodity Trade Finance. Fair value losses also decreased due to exchange rate gains within the FX business.

Private, Wealth & Commercial Clients (PW&CC). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 3.9 billion in 2015, a decrease of € 111 million, or 3 %, compared to 2014. The decrease was mainly driven by transaction-related effects relating to PW&CC's stake in Hua Xia Bank Co. Ltd. and the ongoing challenging interest rate environment in 2015. This was partly offset by favorable movements in foreign exchange rates, reduced funding costs and increased lending volumes in Deutsche Bank's Wealth Management business as well as an extraordinary dividend payment received in PCC Germany subsequent to an investee's sale transaction.

Deutsche Asset Management (Deutsche AM). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 255 million in 2015, a decrease of € 144 million, or 36 %, compared to 2014. The decrease was mainly due to a write down of Deutsche Bank's exposure to HETA Asset Resolution AG in 2015, coupled with negative mark-to-market movements for guaranteed funds.

Postbank. Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 2.3 billion in 2015, an increase of € 151 million, or 7 %, compared to 2014. The increase was mainly driven by increased net gains on financial assets/liabilities at fair value through profit or loss relating to extraordinarily high – in comparison to normal levels – net trading revenues of € 322 million in 2015. Despite the remaining challenges resulting from the low interest rate environment Postbank was able to stabilize net interest revenues via growth in loan volume.

Non-Core Operations Unit (NCOU). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss was a net loss of € 353 million in 2015, an increase in loss of € 43 million, or 14 %, compared to 2014. The increase was predominantly driven by lower net interest revenues following asset sales and despite an absence of a one-time loss in 2014 related to the Special Commodities Group from Deutsche Bank's exposure to traded products in the United States.

Consolidation & Adjustments (C&A). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss was € 685 million in 2015 versus € 1,193 million in 2014, a decrease of € 508 million, or 43 %. This decrease was primarily due to interest rate decreases at the long end of the curve in 2014. These instruments were micro hedged and offsetting mark-to-market movement were reported in other line items of the income statement. This decrease was partly offset by a positive impact from FVA on internal uncollateralized derivatives.

12.3.3.1.4 Provision for Credit Losses

Provision for credit losses in 2015 was € 956 million, down by € 178 million, or 16 %, versus 2014 driven by significant reductions in NCOU in relation to IAS 39 reclassified assets and real estate exposures as well as in PW&CC due to sales of non-performing loans, the favorable credit environment in Germany and the stabilizing economic conditions in southern Europe. These reductions were partly offset by increases in CIB caused by the Shipping and Leveraged Finance portfolios.

12.3.3.1.5 Remaining Noninterest Income

The following table sets forth information on the remaining noninterest income.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
		(audited)		
Commissions and fee income[1]	12,765	12,409	356	3
Net gains (losses) on financial assets available for sale	203	242	(39)	(16)
Net income (loss) from equity method investments	164	619	(455)	(73)
Other income (loss)	669	108	561	N/M
Total remaining noninterest income	**13,802**	**13,378**	**424**	**3**

N/M – Not meaningful

1 Includes:

	2015	2014	in € m.	in %
	(audited, unless stated otherwise)			
Commissions and fees from fiduciary activities:				
Commissions for administration[1]	432	404	28	7
Commissions for assets under management[1]	3,666	3,057	609	20
Commissions for other securities business[1]	382	283	99	35
Total	**4,480**	**3,744**	**736**	**20**
Commissions, broker's fees, mark-ups on securities underwriting and other securities activities:				
Underwriting and advisory fees[1]	2,388	2,545	(157)	(6)
Brokerage fees[1]	1,746	1,488	258	17
Total	**4,134**	**4,033**	**101**	**3**
Fees for other customer services	4,151	4,632	(480)	(10)
Total commissions and fee income	**12,765**	**12,409**	**356**	**3**

1 Unaudited.

Commissions and fee income. Total Commissions and fee income increased from € 12.4 billion in 2014 by € 356 million, or 3 %, to € 12.8 billion in 2015. Fees for assets under management increased due to a strong operating performance of Deutsche Bank's businesses reflecting a favorable market, impact from net asset inflows and performance fees in Active Asset Management. This was partially offset by a decrease in Fees for other customer services, including a decline in Postbank due to a new contract with Deutsche Post DHL and a decline in underwriting and advisory fees.

Net gains (losses) on financial assets available for sale. Net gains on financial assets available for sale were € 203 million in 2015 compared to € 242 million in 2014, a decrease of € 39 million, or 16 %. The decline in 2015 mainly resulted from a prior year period gain related to a business sale as well as gains from securities sales in DB Bauspar.

Net income (loss) from equity method investments. Net gains from equity investments decreased by 73 % from € 619 million in 2014 to € 164 million in 2015 primarily due to valuation effects in 2015 relating to Hua Xia Bank.

Other income (loss). Other income increased from € 108 million in 2014 to € 669 million in 2015. The increase in 2015 was primarily driven by asset sales related to accelerated de-risking including Maher Prince Rupert and a specific litigation recovery in NCOU.

12.3.3.1.6 Noninterest Expenses

The following table sets forth information on the noninterest expenses.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	In %
		(audited)		
Compensation and benefits	13,293	12,512	781	6
General and administrative expenses	18,632	14,654[1]	3,977	27
Policyholder benefits and claims	256	289	(32)	(11)
Impairment of goodwill and other intangible assets	5,776	111	5,665	N/M
Restructuring activities	710	133	577	N/M
Total noninterest expenses	**38,667**	**27,699**	**10,968**	**40**

N/M – Not meaningful

1 Includes:

	2015	2014	in € m.	in %
		(audited)		
IT costs	3,664	3,333	331	10
Occupancy, furniture and equipment expenses	1,944	1,978	(34)	(2)
Professional service fees	2,283	2,029	255	13
Communication and data services	807	725	82	11
Travel and representation expenses	505	521	(16)	(3)
Banking and transaction charges	598	660	(62)	(9)
Marketing expenses	294	293	2	1
Consolidated investments	406	811	(405)	(50)
Other expenses[1]	8,129	4,305	3,824	89
Total general and administrative expenses	**18,632**	**14,654**	**3,977**	**27**

1 Includes litigation related expenses of € 5.2 billion in 2015 and € 1.6 billion in 2014, and € 0.4 billion for loan processing fees of PW&CC in 2014.

Compensation and benefits. Compensation and benefits increased by € 781 million, or 6 %, to € 13.3 billion in 2015 compared to € 12.5 billion in 2014 which primarily reflects unfavorable foreign exchange developments.

General and administrative expenses. General and administrative expenses increased by € 4.0 billion, or 27 %, to € 18.6 billion in 2015 compared to € 14.7 billion in 2014. The increase was primarily driven by higher litigation costs of € 5.2 billion compared to € 1.6 billion of litigation for the Group and € 400 million for loan processing fees in PW&CC in 2014, unfavorable foreign exchange rate effects, higher software amortizations and impairments as well as significant higher charges for bank levies. These effects were partly offset by lower costs due to the disposal of assets in NCOU in 2014 and other cost reductions.

Policyholder benefits and claims. Policyholder benefits and claims decreased by € 32 million, or 11 %, from € 289 million in 2014 to € 256 million in 2015 and were solely driven by insurance-related charges regarding the Abbey Life business. These charges were offset by net gains on financial assets/liabilities at fair value through profit or loss on policyholder benefits and claims.

Impairment of goodwill and other intangible assets. The impairment charges on goodwill and other intangible assets of € 5.8 billion in 2015 were attributable to € 2.6 billion (thereof € 1.8 billion impairment of goodwill and € 834 million other intangible assets) in Postbank, € 1.6 billion in GM, € 1.0 billion in PW&CC and € 600 million in CIB. The charge represented a full impairment of goodwill in GM and Postbank and in addition a partial impairment of other intangible assets in Postbank. Impairments largely were due to expected higher regulatory capital requirements and disposals within PW&CC.

Restructuring. Restructuring expenses amounted to € 710 million in 2015 compared to € 133 million in 2014. The increase was driven by € 616 million for the implementation of Deutsche Bank's targets originally announced in October 2015, partly offset by the lower spending for Deutsche Bank's OpEx program which was completed as planned in 2015.

12.3.3.1.7 Income Tax Expense

Income tax expense was € 675 million in 2015 (2014: € 1.4 billion). The effective tax rate of negative 11 % (2014: 46 %) was mainly impacted by significant non-tax deductible impairments of goodwill and litigation charges.

12.3.3.2 Results of Operations by Segment

The following discussion of the results of Deutsche Bank's business segments is based on their presentation in Deutsche Bank's consolidated financial statements for the fiscal year 2016.

The criterion for segmentation into divisions is Deutsche Bank's organizational structure as it existed at December 31, 2016. Segment results were prepared in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

The following tables present the results of the group divisions for the fiscal years ended December 31, 2015 and 2014.

2015 *(audited)* in € m. (unless stated otherwise)	**Global Markets**	**Corporate & Investment Banking**	**Private, Wealth & Commercial Clients**	**Deutsche Asset Management**	**Postbank**	**Non-Core Operations Unit**	**Consoli-dation & Adjustments and Other**	**Total**
Net revenues[1]	**10,857**	**8,047**	**7,510**	**3,021**	**3,112**	**794**	**184**	**33,525**
Provision for credit losses	**50**	**342**	**300**	**1**	**211**	**51**	**1**	**956**
Noninterest expenses:								
Compensation and benefits	2,320	2,115	2,517	778	1,425	86	4,052	13,293
General and administrative expenses	8,622	3,512	3,869	1,304	1,475	2,921	(3,073)	18,632
Policyholder benefits and claims	0	0	0	256	0	0	0	256
Impairment of goodwill and other intangible assets	1,568	600	1,011	0	2,597	0	0	5,776
Restructuring activities	89	39	585	(2)	0	(1)	0	710
Total noninterest expenses	**12,599**	**6,266**	**7,983**	**2,336**	**5,497**	**3,006**	**980**	**38,667**
Noncontrolling interests	**26**	**0**	**(0)**	**(0)**	**1**	**1**	**(27)**	**0**
Income (loss) before income taxes	**(1,817)**	**1,439**	**(774)**	**684**	**(2,596)**	**(2,264)**	**(770)**	**(6,097)**
Cost/income ratio	116 %	78 %	106 %	77 %	177 %	N/M	N/M	115 %
Assets[2]	1,113,771	123,809	176,038	30,352	136,061	23,007	26,092	1,629,130
Expenditures for additions to long-lived assets	1	1	0	1	112	(0)	643	758
Risk-weighted assets[3]	161,347	86,087	49,603	10,759	43,242	32,896	12,780	396,714
CRD 4 leverage exposure measure (spot value at reporting date)	731,197	276,732	188,467	5,358	141,370	36,553	15,511	1,395,188
Average shareholders' equity	24,675	12,483	10,265	5,719	7,798	6,755	1,361	69,055
Post-tax return on average tangible shareholders' equity[4]	(5) %	8 %	(6) %	48 %	(30) %	N/M	N/M	(12) %
Post-tax return on average shareholders' equity[4]	(5) %	7 %	(5) %	8 %	(22) %	N/M	N/M	(10) %

N/M – Not meaningful

1 Includes:

Net interest income	5,807	2,299	3,868	449	2,153	282	1,024	15,881
Net income (loss) from equity method investments	55	12	40	34	0	20	3	164

2 Includes:

Equity method investments	466	111	19	182	3	166	68	1,013

3 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.

4 The post-tax return on average tangible shareholders' equity and average shareholders' equity at the Group level reflects the reported effective tax rate for the Group, which was (11) % for the year ended December 31, 2015. For the post-tax return on average tangible shareholders' equity and average shareholders' 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, 2015.

2014 *(audited)* in € m. (unless stated otherwise)	Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Net revenues[1]	**10,069**	**7,667**	**7,868**	**2,643**	**3,238**	**489**	**(26)**	**31,949**
Provision for credit losses	**27**	**232**	**349**	**(0)**	**274**	**251**	**1**	**1,134**
Noninterest expenses:								
Compensation and benefits	2,286	2,067	2,568	631	1,344	94	3,522	12,512
General and administrative expenses	5,796	3,033	3,872	1,132	1,743	2,366	(3,287)	14,654
Policyholder benefits and claims	0	0	0	289	0	0	0	289
Impairment of goodwill and other intangible assets	0	0	0	(83)	0	194	0	111
Restructuring activities	92	29	9	(3)	0	4	1	133
Total noninterest expenses	**8,174**	**5,129**	**6,449**	**1,965**	**3,087**	**2,658**	**237**	**27,699**
Noncontrolling interests	**25**	**1**	**(0)**	**4**	**1**	**(2)**	**(28)**	**0**
Income (loss) before income taxes	**1,843**	**2,306**	**1,070**	**674**	**(123)**	**(2,419)**	**(236)**	**3,116**
Cost/income ratio	81 %	67 %	82 %	74 %	95 %	N/M	N/M	87 %
Assets[2]	1,186,046	130,634	164,928	29,840	141,157	33,936	22,163	1,708,703
Expenditures for additions to long-lived assets	0	0	0	1	108	(0)	517	626
Risk-weighted assets[3]	147,063	73,692	46,564	5,402	42,843	56,899	21,506	393,969
CRD 4 leverage exposure measure (spot value at reporting date)	754,648	248,828	172,212	4,367	144,051	85,673	35,401	1,445,181
Average shareholders' equity	20,569	10,512	9,183	5,144	8,134	7,724	143	61,410
Post-tax return on average tangible shareholders' equity[4]	6 %	16 %	10 %	67 %	(2) %	N/M	N/M	4 %
Post-tax return on average shareholders' equity[4]	6 %	14 %	8 %	9 %	(1) %	N/M	N/M	3 %

N/M – Not meaningful

1 Includes:

	Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Net interest income	5,390	2,114	3,720	398	2,152	381	117	14,272
Net income (loss) from equity method investments	125	5	440	22	(9)	34	2	619

2 Includes:

	Global Markets	Corporate & Investment Banking	Private, Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Equity method investments	472	99	3,151	163	3	170	85	4,143

3 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.

4 The post-tax return on average tangible shareholders' equity and average shareholders' 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 tangible shareholders' equity and average shareholders' 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, 2014.

12.3.3.2.1 Global Markets Corporate Division

The following table sets forth the results of Global Markets (GM) for the years ended December 31, 2015 and 2014, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
		(audited)		
Net revenues:				
Sales & Trading (equity)	3,337	3,117	220	7
Sales & Trading (debt and other products)	8,215	7,595	620	8
Sales & Trading	11,552	10,712	840	8
Other	(695)	(643)	(52)	8
Total net revenues	**10,857**	**10,069**	**788**	**8**
Provision for credit losses	**50**	**27**	**23**	**85**
Noninterest expenses:				
Compensation and benefits	2,320	2,286	34	1
General and administrative expenses	8,622	5,796	2,826	49
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	1,568	0	1,568	N/M
Restructuring activities	89	92	(3)	(4)
Total noninterest expenses	**12,599**	**8,174**	**4,424**	**54**
Noncontrolling interests	**26**	**25**	**1**	**3**
Income (loss) before income taxes	**(1,817)**	**1,843**	**(3,660)**	**N/M**
Cost/income ratio	116 %	81 %	N/M	35 ppt
Assets[1]	1,113,771	1,186,046	(72,276)	(6)
Risk-weighted assets[2]	161,347	147,063	14,284	10
Average shareholders' equity[3]	24,675	20,569	4,106	20
Post-tax return on average tangible shareholders' equity	(5) %	6 %	N/M	(12) ppt
Post-tax return on average shareholders' equity	(5) %	6 %	N/M	(11) ppt

N/M – Not meaningful
ppt – Percentage points
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 CRR/CRD 4 fully-loaded since January 1, 2014.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

Global Markets 2015 net revenues were € 10.9 billion, an increase of € 788 million, or 8 % from € 10.1 billion in 2014.

Sales & Trading (debt and other products) net revenues were € 8.2 billion, an increase of € 620 million, or 8 %. Revenues in Foreign Exchange were significantly higher driven by increased market volatility and strong client activity. Revenues in Core Rates were significantly higher driven by strong performance in Europe and North America. Credit revenues were in line with prior year, as strong performance in credit flow and securitized trading was offset by lower client activity in commercial real estate and a weaker market environment particularly in APAC.

Emerging Market revenues were higher despite challenging markets and Deutsche Bank's exit from Russia, reflecting strong performance in Latin America. Asia Pacific Local Markets revenues were significantly higher from robust new deal volume and client flow due to increased volatility mainly in response to the devaluation of the Chinese Yuan in August 2015.

Sales & Trading (equity) net revenues were € 3.3 billion, an increase of € 220 million, or 7 %. Prime Finance revenues were significantly higher driven by increased client balances. Equity Derivatives revenues were lower, reflecting lower client activity and a challenging risk management environment in the second half of the year. Cash Equity revenues were in line with the prior year.

Other net revenues were negative € 695 million in full year 2015, compared to negative € 643 million in full year 2014. Other net revenues included transfers from and to Corporate & Investment Banking related to client coverage and product distribution, as well as the following valuation adjustment items. First, a mark-to-market gain of € 113 million (full year 2014: a gain of € 8 million) relating to RWA mitigation efforts arising on Credit Valuation Adjustment (CVA). Second, a loss of € 146 million (full year 2014: a loss of

€ 58 million) relating to a refinement in the calculation of IFRS CVA. Third, a Funding Valuation Adjustment (FVA) loss of € 145 million (full year 2014: a loss of € 139 million), including a negative impact of € 26 million due to a calculation refinement (full year 2014: a loss of € 51 million). Lastly, a gain of € 48 million (full year 2014: a loss of € 126 million including a gain relating to a calculation refinement of € 37 million) relating to the impact of a Debt Valuation Adjustment (DVA) on certain derivative liabilities.

In provisions for credit losses, Global Markets recorded a net charge of € 50 million (2014: net charge of € 27 million). The increase was driven by the impact of a ratings recalibration in Commercial Real Estate.

Noninterest expenses increased by € 4.4 billion, or 54 %, compared to full year 2014. The increase was primarily due to goodwill impairment charges and higher litigation costs.

Income before income taxes was a loss of € 1.8 billion, compared to a gain of € 1.8 billion in the prior year, driven by goodwill impairment of € 1.6 billion and € 2.0 billion higher litigation charges partly offset by higher revenues.

12.3.3.2.2 Corporate & Investment Banking Corporate Division

The following table sets forth the results of the Corporate & Investment Banking Corporate Division (CIB) for the years ended December 31, 2015 and 2014, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
		(audited)		
Net revenues:				
Trade Finance & Cash Management Corporates	2,803	2,611	192	7
Institutional Cash & Securities Services	1,867	1,605	262	16
Equity Origination	658	761	(103)	(14)
Debt Origination	1,469	1,574	(104)	(7)
Advisory	587	579	8	1
Loan products & Other	663	538	126	23
Total net revenues	**8,047**	**7,667**	**380**	**5**
Provision for credit losses	**342**	**232**	**110**	**48**
Noninterest expenses:				
Compensation and benefits	2,115	2,067	48	2
General and administrative expenses	3,512	3,033	479	16
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	600	0	600	N/M
Restructuring activities	39	29	10	34
Total noninterest expenses	**6,266**	**5,129**	**1,137**	**22**
Noncontrolling interests	**0**	**1**	**(0)**	**(77)**
Income (loss) before income taxes	**1,439**	**2,306**	**(867)**	**(38)**
Cost/income ratio	78 %	67 %	N/M	11 ppt
Assets[1]	123,809	130,634	(6,825)	(5)
Risk-weighted assets[2]	86,087	73,692	12,395	17
Average shareholders' equity[3]	12,483	10,512	1,970	19
Post-tax return on average tangible shareholders' equity	8 %	16 %	N/M	(8) ppt
Post-tax return on average shareholders' equity	7 %	14 %	N/M	(7) ppt

N/M – Not meaningful

ppt – Percentage points

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 CRR/CRD 4 fully-loaded since January 1, 2014.

3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

2015 saw solid net revenues reported, with Transaction Banking showing significant increases compared to 2014 driven by increased volumes and favorable exchange rate movements. For Corporate Finance 2015 was a year of two halves, with the first six months of the year producing substantial returns amid some record issuances, before tailing off heavily in the second six months of the year reflecting lower activity across Origination and Advisory markets.

Net revenues were € 8 billion, an increase of € 380 million, or 5 %, from € 7.7 billion in 2014. Within Transaction Banking, revenues increased by € 454 million, or 11 %, with revenue growth across all regions.

Trade Finance benefited specifically from improved margins within the structured business, while trade flow also saw an increase in activity, again from increased margins coupled with funded volume increases. Revenues in Cash Management for corporate clients were supported by favorable foreign exchange rate movements as well as increased volumes. Revenues in Institutional Cash and Securities Services grew on the back of strong business activity driven by volume growth and increased client deposits in addition to favorable foreign exchange rate movements. Origination and Advisory net revenues were € 2.7 billion for the full year 2015, a decrease of € 199 million, or 7 %, reflecting a decline in market share and partial lower risk appetite, particularly in leveraged finance. Revenues in Equity Origination were lower, reflecting a lower fee pool in the second half of the year. Debt Origination was also down 7 %, driven by reduced market activity and lower risk tolerance within the second six months of 2015, while Advisory revenues were in line with the prior year. Loan products and Other revenues increased € 126 million, or 23 %, as a result of corporate lending activity as well as transfers to and from Global Markets.

Provisions for credit losses were € 342 million, an increase of € 110 million, or 48 %, driven by increased provisions taken in the Shipping and Leveraged Finance portfolios.

Noninterest expenses increased by € 1.1 billion, or 22 %. The increase was due to goodwill impairment charges (€ 600 million), higher litigation costs (€ 329 million), adverse foreign exchange rate movements as well as higher expenses related to regulatory requirements.

Income before income taxes was € 1.4 billion, a decrease of € 867 million, or 38 %, on the prior year. The goodwill impairment charge and increased litigation, coupled with an increase in credit loss provisions, was only partially offset by improved revenue performance.

12.3.3.2.3 Private, Wealth & Commercial Clients Corporate Division

The following table sets forth the results of the Private, Wealth & Commercial Clients Corporate Division (PW&CC) for the years ended December 31, 2015 and 2014, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m.			**Change in fiscal year 2015 to fiscal year 2014**	
(unless stated otherwise)	**2015**	**2014**	**in € m.**	**in %**
		(audited)		
Net revenues:				
Credit products	2,148	2,043	105	5
Deposit products	1,332	1,534	(202)	(13)
Investment & insurance products	1,309	1,219	90	7
Payments, cards & account products	586	590	(4)	(1)
Other products	213	205	7	4
Total Private & Commercial Clients (PCC)	5,588	5,591	(3)	(0)
Net interest revenues	816	653	163	25
Management Fees	747	731	16	2
Performance & Transaction Fees	494	453	41	9
Other revenues	40	17	23	140
Total Wealth Management (WM)	2,097	1,854	243	13
Hua Xia	(175)	423	(598)	N/M
Total net revenues	**7,510**	**7,868**	**(358)**	**(5)**
Provision for credit losses	**300**	**349**	**(49)**	**(14)**
Noninterest expenses:				
Compensation and benefits	2,517	2,568	(51)	(2)
General and administrative expenses	3,869	3,872	(3)	(0)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	1,011	0	1,011	N/M
Restructuring activities	585	9	577	N/M
Total noninterest expenses	**7,983**	**6,449**	**1,535**	**24**
Noncontrolling interests	**(0)**	**(0)**	**(0)**	**105**
Income (loss) before income taxes	**(774)**	**1,070**	**(1,844)**	**N/M**
Cost/income ratio	106 %	82 %	N/M	24 ppt
Assets[(1)]	176,038	164,928	11,110	7
Risk-weighted assets[(2)]	49,603	46,564	3,039	7
Average shareholders' equity[(3)]	10,265	9,183	1,082	12
Post-tax return on average tangible shareholders' equity	(6) %	10 %	N/M	(16) ppt
Post-tax return on average shareholders' equity	(5) %	8 %	N/M	(12) ppt

N/M – Not meaningful
ppt – Percentage points
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 CRR/CRD 4 fully-loaded since January 1, 2014.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

The following table sets forth additional information in respect of invested assets and new new money in PW&CC for the years ended December 31, 2015 and 2014.

in € bn. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € bn.	in %
			(unaudited)	
Invested assets[1]	503	489	14	3
Net new money	3	22	(18)	(84)

1 Deutsche Bank defines invested assets as (a) assets Deutsche Bank holds on behalf of customers for investment purposes and/or (b) client assets that are managed by Deutsche Bank. Deutsche Bank manages invested assets on a discretionary or advisory basis, or these assets are deposited with Deutsche Bank.

PW&CC's results in 2015 were significantly impacted by three material effects which led to charges of € 2.3 billion in total. First, a goodwill impairment of € 1.0 billion reflecting the impact of expected higher regulatory capital requirements on PW&CC's Private & Commercial Client (PCC) businesses. Second, valuation effects and other transaction-related negative impacts of € 697 million related to Hua Xia Bank Co. Ltd., triggered by the agreement to sell the stake and also reflecting Hua Xia Bank's share price development in 2015. Third, noninterest expenses included € 595 million of restructuring and severance charges, mainly related to the restructuring of PW&CC's head office and the branch networks of the PCC businesses.

Net revenues of € 7.5 billion in 2015 decreased by € 358 million, or 5 %, compared to 2014. The decline was driven by the aforementioned € 697 million valuation and transaction-related effects relating to PW&CC's stake in Hua Xia Bank Co. Ltd., which were partly offset by higher regular equity pick-ups on the stake. In the PCC businesses, total net revenues remained stable compared to 2014 reflecting partly offsetting developments. A decline in net revenues from Deposit products of € 202 million, or 13 %, compared to 2014, mainly caused by the continued low interest rate environment in Europe, was partly offset by higher revenues from Investment & insurance products of € 90 million, or 7 %, reflecting a continuing strong performance in the Investment businesses in a favorable market environment. Revenues from Credit products also increased by € 105 million, or 5 %, driven by higher loan volumes, especially in Mortgages and Consumer Finance, as well as a modest increase in the overall portfolio margin. Other product revenues in the PCC businesses included positive effects of comparable size in both 2014 and 2015. In 2015, PCC Germany received an extraordinary dividend payment of € 101 million subsequent to an investee's sales transaction. In 2014, Other product revenues included a nonrecurring gain as well as gains from securities sales in DB Bauspar. Revenues in PW&CC's Wealth Management (WM) businesses increased in 2015 by € 243 million, or 13 %, compared to 2014. Net interest revenues were up € 163 million, or 25 %, reflecting favorable movements in foreign exchange rates, reduced funding costs and increased lending volumes. Higher Performance & Transaction Fees of € 41 million, or 9 %, and Management Fees of € 16 million, or 2 %, reflect favorable movements in foreign exchange rates.

Provision for credit losses of € 300 million decreased by € 49 million, or 14 %, in 2015, reflecting the quality of PW&CC's loan book across business units and the ongoing benign economic environment in Germany. Provision for credit losses also benefited from selective portfolio sales in 2015 and in 2014 on a comparable level.

Noninterest expenses of € 8.0 billion increased by € 1.5 billion, significantly impacted by the aforementioned goodwill impairment of € 1.0 billion. In addition, 2015 included € 595 million provisions for restructuring and severance payments, mainly related to PW&CC's head office and PCC's branch network restructuring. Noninterest expenses in 2015 also included a € 118 million partial write-off of software related to the strategic decisions on the use of the joint IT platform with Postbank. In comparison, noninterest expenses in 2014 included € 267 million charges for loan processing fees triggered by a change in German legal practice as well as € 107 million provisions for severances and restructuring. Beyond that, 2014 also included a positive effect from the disposition of real estate in Europe. Apart from these effects, PW&CC continued to realize incremental savings from efficiency measures in 2015, which were offset by higher expenses related to regulatory requirements, unfavorable movements in foreign exchange rates and inflationary cost increases (e.g. tariff, pensions, rental cost increases).

Loss before income taxes was € 774 million in 2015, including the aforementioned charges of € 2.3 billion in 2015. This compares to income before income taxes of € 1.1 billion in 2014 which was affected by the aforementioned € 267 million charges for loan processing fees and € 107 million provision for restructuring and severances.

Invested assets of € 503 billion increased by € 14 billion compared to December 31, 2014 mainly driven by positive foreign exchange rates, accompanied by € 3 billion net inflows driven by Wealth Management businesses.

12.3.3.2.4 Deutsche Asset Management Corporate Division

The following table sets forth the results of the Deutsche Asset Management Corporate Division (Deutsche AM) for the years ended December 31, 2015 and 2014, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
		(audited)		
Net revenues:				
Management Fees	2,344	1,988	356	18
Performance and transaction fees	247	189	58	31
Other revenues	172	175	(2)	(1)
Mark-to-market movements on policyholder positions in Abbey Life	258	291	(34)	(1 2)
Total net revenues	**3,021**	**2,643**	**378**	**14**
Provision for credit losses	**1**	**(0)**	**1**	**N/M**
Noninterest expenses:				
Compensation and benefits	778	631	147	23
General and administrative expenses	1,304	1,132	173	15
Policyholder benefits and claims	256	289	(32)	(11)
Impairment of goodwill and other intangible assets	0	(83)	83	N/M
Restructuring activities	(2)	(3)	1	(27)
Total noninterest expenses	**2,336**	**1,965**	**371**	**19**
Noncontrolling interests	**(0)**	**4**	**(4)**	**N/M**
Income (loss) before income taxes	**684**	**674**	**10**	**1**
Cost/income ratio	77 %	74 %	N/M	3 ppt
Assets[1]	30,352	29,840	513	2
Risk-weighted assets[2]	10,759	5,402	5,357	99
Average shareholders' equity[3]	5,719	5,144	575	11
Post-tax return on average tangible shareholders' equity	48 %	67 %	N/M	(19) ppt
Post-tax return on average shareholders' equity	8 %	9 %	N/M	(1) ppt

N/M – Not meaningful
ppt – Percentage points
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 CRR/CRD 4 fully-loaded since January 1, 2014.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

In 2015, Deutsche AM continued to grow across products and regions benefitting from higher Equity market levels, increased net new money and resulting higher assets under management relative to the prior period, and the favorable movement in foreign exchange rates, which positively increased recurring revenue streams. Performance continued to be impacted by increased regulatory costs and an ongoing low interest rate environment, which challenged fair value guaranteed products.

Net revenues for full year 2015 were € 3.0 billion, an increase of € 378 million, or 14 %, compared to 2014. Management fees and other recurring revenues increased by € 356 million, or 18 %, compared to 2014, driven by an increase in the average assets under management following positive flows, higher average Equity market levels, and favorable movements in foreign exchange rates. Performance and transaction fees were up € 58 million, or 31 %, compared to 2014, following higher performance fee recognition from Active and Alternatives businesses. Other revenues decreased by € 2 million, in line with the prior year. Mark-to-market movements on policyholder positions in Abbey Life decreased by € 34 million, or 12 %, compared to 2014, largely offset in noninterest expenses.

Noninterest expenses were up € 371 million, or 19 %, compared to 2014, mainly driven by unfavorable movement in foreign exchange rates, prior year reversal of intangible writedowns for Scudder, higher asset under management-related costs, and higher compensation costs partly offset by lower costs related to the OpEx program and lower policyholder benefits and claims.

Income before income taxes was € 684 million in 2015, an increase of € 10 million, or 1 %, compared to 2014, driven by the aforementioned increase in net revenues.

Invested assets were € 744 billion as of December 31, 2015, an increase of € 53 billion, or 8 %, compared to 2014, mainly driven by foreign currency movements of € 36 billion, net inflows of € 18 billion, and favorable Equity market levels of € 4 billion, partially offset by divestment and other movements of € 5 billion.

The following table provides a development of invested assets during 2015, broken down by product type as well as the respective average fee rates.

(unaudited) in € bn.	Alterna- tives	Cash	Equity	Fixed Income	Multi Asset	Total Invested Assets
Balance as of December 31, 2014	**90**	**73**	**149**	**307**	**73**	**691**
Inflows	16	11	75	94	32	228
Outflows	(20)	(12)	(52)	(106)	(20)	(210)
Net Flows	(5)	(1)	23	(12)	12	18
FX impact	5	5	7	19	1	36
Market Development	(2)	2	5	(2)	0	4
Other	(5)	(1)	(1)	2	0	(5)
Balance as of December 31, 2015	**84**	**77**	**183**	**314**	**86**	**744**
Average fee rate (in bps)	**54**	**7**	**50**	**14**	**40**	**30**

12.3.3.2.5 Postbank

The following table sets forth the results of Postbank for the years ended December 31, 2015 and 2014, in accordance with Deutsche Bank's management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	 in %
		(audited)		
Net revenues:				
Current Accounts	1,179	1,281	(102)	(8)
Loans	1,112	912	200	22
Savings	695	703	(8)	(1)
Home Loans & Savings	230	225	5	2
Investment & Insurance Products	94	98	(5)	(5)
Postal	239	415	(176)	(42)
NCOU	(393)	(317)	(76)	24
Other	(43)	(78)	35	(45)
Total net revenues	**3,112**	**3,238**	**(126)**	**(4)**
Provision for credit losses	**211**	**274**	**(63)**	**(23)**
Noninterest expenses:				
Compensation and benefits	1,425	1,344	81	6
General and administrative expenses	1,475	1,743	(268)	(15)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	2,597	0	2,597	N/M
Restructuring activities	0	0	0	N/M
Total noninterest expenses	**5,497**	**3,087**	**2,410**	**78**
Noncontrolling interests	**1**	**1**	**(0)**	**(13)**
Income (loss) before income taxes	**(2,596)**	**(123)**	**(2,473)**	**N/M**
Cost/income ratio	177 %	95 %	N/M	81 ppt
Assets[1]	136,061	141,157	(5,096)	(4)
Risk-weighted assets[2]	43,242	42,843	399	1
Average shareholders' equity[3]	7,798	8,134	(337)	(4)
Post-tax return on average tangible shareholders' equity	(30) %	(2) %	N/M	(28) ppt
Post-tax return on average shareholders' equity	(22) %	(1) %	N/M	(21) ppt

N/M – Not meaningful
ppt – Percentage points
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 CRR/CRD 4 fully-loaded since January 1, 2014.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

Postbank's business environment remained challenging during 2015 due to the low interest rate environment. Furthermore Postbank's 2015 results were significantly adversely impacted by two material effects amounting to € 2.8 billion in total. First, the goodwill impairment of € 2.6 billion made in the third quarter 2015, and second, adjustments made, especially with respect to provisions arising from home loans savings. Excluding these effects, Postbank achieved a positive result in 2015.

Net revenues decreased by € 126 million, or 4 %, compared to 2014. This was driven by increased headwinds from the low interest rate environment which, in particular, resulted in declining revenues on Savings and Current Accounts and the aforementioned adjustments recorded in Postbank's NCOU. Net revenues from Postal declined by € 176 million, or 42 %, compared to 2014, mainly due to a contract alignment with Postbank's cooperation partner Deutsche Post DHL AG, partly offset by lower costs related to the same contractual amendments. These declines were partly compensated by an increase in Loans of € 200 million, or 22 %. This was driven by higher loan volumes, especially in mortgages and consumer loans and a modest overall portfolio margin increase, accompanied by specific effects totaling € 58 million from successful contract alignments with business partners from Postbank. Net revenues from Investment & Insurance declined by € 5 million, or 5 %, compared to 2014, while Other revenues rose by € 35 million, or 45 %.

Provision for credit losses decreased by € 63 million, or 23 %, compared to 2014, reflecting the positive macroeconomic environment in Germany as well as the quality of Postbank's loan book.

Noninterest expenses increased by € 2.4 billion, compared to 2014, significantly impacted by the aforementioned impairment of € 2.6 billion of goodwill. Furthermore 2015 included extraordinary high expenses of € 197 million for strategic initiatives to improve Postbank's competitiveness. Excluding these effects, Postbank improved its management of noninterest expenses, which was supported by lower costs resulting from the contractual alignment with Deutsche Post DHL AG and efficiency measures realized in 2015. Those were partly offset by higher expenses caused by regulatory requirements and inflationary cost increases (tariff, pensions and rental cost increases).

Loss before income taxes was € 2.6 billion in 2015. Excluding the earlier mentioned goodwill impairment and adjustments of € 2.8 billion in total, Postbank achieved a positive result compared to a loss before income taxes of € 123 million in 2014.

Invested assets of € 75 billion as of December 31, 2015 decreased by € 2 billion compared to December 31, 2014 driven by € 2 billion outflows in savings products.

12.3.3.2.6 Non-Core Operations Unit Corporate Division (NCOU)

The following table sets forth the results of the Non-Core Operations Unit Corporate Division (NCOU) for the years ended December 31, 2015 and 2014, in accordance with its management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
		(audited)		
Net revenues	**794**	**489**	**305**	**62**
thereof:				
Net interest income and net gains (losses) on financial assets/ liabilities at fair value through profit or loss	(353)	(310)	(43)	14
Provision for credit losses	**51**	**251**	**(200)**	**(80)**
Noninterest expenses:				
Compensation and benefits	86	94	(8)	(9)
General and administrative expenses	2,921	2,366	555	23
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	0	194	(194)	N/M
Restructuring activities	(1)	4	(6)	N/M
Total noninterest expenses	**3,006**	**2,658**	**347**	**13**
Noncontrolling interests	**1**	**(2)**	**3**	**N/M**
Income (loss) before income taxes	**(2,264)**	**(2,419)**	**155**	**(6)**
Assets[1]	23,007	33,936	(10,929)	(32)
Risk-weighted assets[2]	32,896	56,899	(24,003)	(42)
Average shareholders' equity[3]	6,755	7,724	(969)	(13)

N/M – Not meaningful

ppt – Percentage points

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 CRR/CRD 4 fully-loaded since January 1, 2014.

3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus, for a description of how average shareholders' equity is allocated to the divisions.

In 2015, NCOU continued to execute its de-risking strategy, including the completion of the Maher Prince Rupert sale, as well as various exposures from legacy banking assets. The loss before income taxes profile improved overall but was impacted by an increase in noninterest expenses, specifically related to the developments in litigation-related provisions. Asset de-risking in 2015 delivered net gains of € 412 million.

Net revenues increased by € 305 million, or 62 %, compared to 2014, mainly due to specific impacts including € 219 million from a specific litigation recovery and a gain of € 195 million on the sale of Maher Prince Rupert. Lower portfolio revenues following asset sales, including The Cosmopolitan of Las Vegas were partially offset by lower valuation adjustments and mark-to-market impacts. Net revenues in 2014 included mark-to-market losses of € 314 million related to a Maher Terminals debt refinancing and a € 151 million loss related to the Special Commodities Group from Deutsche Bank's exposure to traded products in the U.S. power sector.

Provisions for credit losses decreased by € 200 million, or 80 %, in comparison to 2014. This reduction was predominantly driven by lower credit losses for IAS 39 reclassified assets which included releases related to real estate exposures.

Noninterest expenses increased by € 347 million, or 13 %, compared to 2014, predominately driven by higher litigation-related expenses. Noninterest expenses excluding litigation charges were 41 % lower year-on-year, driven by asset sales including The Cosmopolitan of Las Vegas and the non-recurrence of a one-time impairment in the prior year related to Maher Terminals.

The loss before income taxes was € 2.3 billion in 2015, an improvement of € 155 million compared to 2014. Higher revenues and lower credit losses were the main drivers, while noninterest expenses were higher with regard to litigation related matters.

12.3.3.2.7 Consolidation & Adjustments

The following table sets forth the results of Consolidation & Adjustments ("C&A") for the years ended December 31, 2015 and 2014, in accordance with its management reporting systems in effect on December 31, 2016.

in € m. (unless stated otherwise)	2015	2014	Change in fiscal year 2015 to fiscal year 2014 in € m.	in %
		(audited)		
Net revenues[1]	**184**	**(26)**	**210**	**N/M**
Provision for credit losses	**1**	**1**	**0**	**7**
Noninterest expenses:				
Compensation and benefits	4,052	3,522	530	15
General and administrative expenses	(3,073)	(3,287)	214	(7)
Policyholder benefits and claims	0	0	0	N/M
Impairment of goodwill and other intangible assets	0	0	0	N/M
Restructuring activities	0	1	(1)	(94)
Total noninterest expenses	**980**	**237**	**743**	**N/M**
Noncontrolling interests	**(27)**	**(28)**	**1**	**(4)**
Income (loss) before income taxes	**(770)**	**(236)**	**(535)**	**N/M**
Assets[2]	26,092	22,163	3,930	18
Risk-weighted assets[3]	12,780	21,506	(8,726)	(41)
Average shareholders' equity[4]	1,361	143	1,218	N/M

N/M – Not meaningful

1 Net interest income and noninterest income.

2 Assets in C&A reflect residual Treasury assets not allocated to the business segments as well as corporate assets, such as deferred tax assets and central clearing accounts, outside the management responsibility of the business segments.

3 Risk-weighted assets are based 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 the Group's deferred tax assets.

4 Average shareholders' 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" to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

In 2015, C&A net revenues of € 184 million included € 221 million of Treasury revenues which were offset in noninterest expenses as Treasury allocates revenues and costs to business segments. C&A revenues also included negative € 146 million in valuation and timing differences driven by a narrowing of Deutsche Bank's own credit spread, and a narrowing of the basis spread between EUR/USD, as well as an impact from a change in valuation methodology for debt held at fair value. Revenues also included negative € 130 million resulting from the Postbank squeeze out. These negative effects were partly offset by a positive € 72 million from FVA on internal uncollateralized intercompany derivatives.

Noninterest expenses of € 980 million in 2015 were mainly driven by € 358 million of litigation costs related to infrastructure functions as well as € 68 million of costs associated with the preparation for deconsolidation of Postbank including a related real estate transfer tax. Noninterest expenses also included a € 54 million provision for compensation-related costs.

Loss before income taxes was at € 770 million in 2015 compared to a loss of € 236 million in 2014. The development was primarily driven by litigation costs related to infrastructure functions.

12.4 Financial Position

12.4.1 Comparison of Financial Position as of December 31, 2016 and 2015

The following table shows information on Deutsche Bank's financial position as of December 31, 2016 and 2015, based on Deutsche Bank's consolidated financial statements as of and for the fiscal year ended December 31, 2016.

in € m. (unless stated otherwise)	Dec. 31, 2016	Dec. 31, 2015	Change as of Dec. 31, 2016 in comparison to Dec. 31, 2015	
			in € m.	in %
	(audited, unless stated otherwise)			
Cash and central bank balances	181,364	96,940	84,424	87
Interbank balances (w/o central banks)	11,606	12,842	(1,236)	(10)
Central bank funds sold, securities purchased under resale agreements and securities borrowed	36,368	56,013	(19,645)	(35)
Trading assets	171,044	196,035	(24,991)	(13)
Positive market values from derivative financial instruments	485,150	515,594	(30,444)	(6)
Financial assets designated at fair value through profit or loss	87,587	109,253	(21,666)	(20)
thereof:				
Securities purchased under resale agreements	47,404	51,073	(3,669)	(7)
Securities borrowed	21,136	21,489	(353)	(2)
Loans	408,909	427,749	(18,840)	(4)
Securities held to maturity	3,206	0	3,206	N/M
Brokerage and securities related receivables	105,100	94,939	10,161	11
Remaining assets	100,213	119,765	(19,552)	(16)
Total assets	**1,590,546**	**1,629,130**	**(38,584)**	**(2)**
Deposits	550,204	566,974	(16,770)	(3)
Central bank funds purchased, securities sold under repurchase agreements and securities loaned	29,338	13,073	16,265	124
Trading liabilities	57,029	52,304	4,725	9
Negative market values from derivative financial instruments	463,858	494,076	(30,218)	(6)
Financial liabilities designated at fair value through profit or loss	60,492	44,852	15,640	35
thereof:				
Securities sold under repurchase agreements	50,397	31,637	18,760	59
Securities loaned[1]	1,298	554	744	134
Other short-term borrowings	17,295	28,010	(10,715)	(38)
Long-term debt	172,316	160,016	12,300	8
Brokerage and securities related payables	122,019	134,637	(12,618)	(9)
Remaining liabilities	53,176	67,564	(14,388)	(21)
Total liabilities	**1,525,727**	**1,561,506**	**(35,779)**	**(2)**
Total equity	**64,819**	**67,624**	**(2,805)**	**(4)**

N/M – Not meaningful
1 Unaudited.

12.4.1.1 Assets and Liabilities

12.4.1.1.1 Movements in Assets

As of December 31, 2016, total assets decreased by € 38.6 billion (or 2 %) compared to year-end 2015.

The overall decrease was primarily driven by a € 30.4 billion reduction in positive market values from derivative financial instruments, mainly attributable to interest rate movements as changes in interest rate curves were inversely correlated to changes in the mark-to-market values of Deutsche Bank's interest rate derivative products.

Trading assets decreased by € 25.0 billion during 2016, primarily driven by debt securities due to reduced client appetite and falling markets, as well as a result of de-risking of the trading portfolio in NCOU.

Central bank funds sold, securities purchased under resale agreements and securities borrowed, under both accrual and fair value accounting, decreased by € 23.7 billion during 2016, mainly driven by reductions in both client balance sheet and firm financing needs as well as from reduced short coverage requirements.

Loans decreased by € 18.8 billion during 2016, mainly driven by managed reductions in CIB, primarily in Trade Finance/Cash Management, and NCOU, also with the aim to reduce risk weighted assets.

Financial assets designated at fair value through profit or loss, excluding securities purchased under resale agreements and securities borrowed which were already discussed above, decreased by € 17.6 billion mainly driven by the sale of Abbey Life in the fourth quarter of 2016.

Financial assets available for sale (reported as part of remaining assets) in 2016 decreased by € 17.4 billion compared to 2015, mainly driven by sale activity in Strategic Liquidity Reserve bond positions with the intention of reducing risk weighted assets and the sale of Abbey Life.

These decreases were partly offset by increase in cash and central bank balances together with interbank balances by € 83.2 billion, primarily driven by increased repo activity in Deutsche Bank's Strategic Liquidity Reserve and other cash generating activities like the managed reduction of financial assets available for sale as discussed above.

Brokerage and securities related receivables increased by € 10.2 billion during 2016, mainly due to an increase in receivables from pending settlements from record low levels at year-end 2015.

Starting 2016, certain holdings in securities as part of Deutsche Bank's Strategic Liquidity Reserve were re-classified from financial assets available for sale to securities held to maturity. As of December 2016, the reported € 3.2 billion in securities held to maturity correspond to a decrease in the same amount in financial assets available for sale.

The overall movement of the balance sheet included an increase of € 7.2 billion due to foreign exchange rate movements mainly driven by strengthening of the U.S. dollar versus the Euro. The effects from foreign exchange rate movements are also reflected in the development of the balance sheet line items discussed in this section.

12.4.1.1.2 Movements in Liabilities

As of December 31, 2016, total liabilities decreased by € 35.8 billion (or 2 %) compared to year-end 2015.

The overall reduction was primarily driven by a € 30.2 billion decrease in negative market values from derivative financial instruments to record low levels primarily due to the same factors as the movements in positive market values from derivative financial instruments as discussed above.

Deposits decreased by € 16.8 billion during 2016 mainly driven by withdrawals in the third quarter influenced by the negative market perceptions concerning Deutsche Bank, partly offset by an increase in the fourth quarter due to various initiatives to acquire deposits, especially in CIB.

Brokerage and securities related payables decreased by € 12.6 billion during 2016, primarily due to a decrease in prime brokerage payables, partly offset by an increase in payables from pending settlements from record low levels at year-end 2015.

Other short term borrowings decreased by € 10.7 billion during 2016, mainly driven by reduction in commercial paper balances during the period, being replaced by other funding sources and from de-risking activities.

These decreases were partly offset by increase in central bank funds purchased, securities sold under repurchase agreements and securities loaned, under both accrual and fair value accounting, by € 35.8 billion, largely due to increased repo activity in Deutsche Bank's Strategic Liquidity Reserve and higher secured funding of highly liquid inventory.

Long-term debt increased by € 12.3 billion during 2016, primarily driven by funding raised via the ECB's Targeted Long Term Refinancing Operations (TLTRO).

Trading liabilities increased by € 4.7 billion during 2016, mainly due to new business and hedging activity coupled with decreased netting due to reduced client positions.

Similar to total assets, foreign exchange rate movements during 2016 had an offsetting impact which is already embedded in the overall movements in liabilities as discussed in this section.

12.4.1.2 Liquidity

Liquidity reserves amounted to € 219 billion as of December 31, 2016 (compared to € 215 billion as of December 31, 2015). Deutsche Bank maintained a positive liquidity stress result as of December 31, 2016 (under the combined scenario).

12.4.1.3 Equity

Total Equity as of December 31, 2016 decreased by € 2.8 billion. The main factors contributing to this development were a net loss attributable to Deutsche Bank shareholders of € 1.4 billion, a reduction of

accumulated other comprehensive income by € 854 million and remeasurement losses related to defined benefit plans of € 517 million. The reduction of accumulated other comprehensive income was mostly related to the dispositions of Hua Xia and Abbey Life, while net unrealized gains from exchange rate changes (especially in the U.S dollar) were partly offsetting.

12.4.1.4 Regulatory Capital

Deutsche Bank's CET 1 capital according to CRR/CRD 4 as of December 31, 2016 was € 47.8 billion, compared to € 52.4 billion as of December 31, 2015. Risk-weighted assets according to CRR/CRD 4 decreased to € 356.2 billion as of December 31, 2016, compared to € 397.4 billion as of December 31, 2015. Due to this decrease in risk-weighted assets the CRR/CRD 4 CET 1 capital ratio as of December 31, 2016 increased to 13.4 % compared to 13.2 % as of December 31, 2015.

Deutsche Bank's fully loaded CRR/CRD 4 CET 1 capital as of December 31, 2016 amounted to € 42.3 billion compared to € 44.1 billion as of December 31, 2015. Fully loaded CRR/CRD 4 risk-weighted assets were € 357.5 billion resulting in a fully loaded CRR/CRD 4 CET 1 capital ratio of 11.8 %, with corresponding amounts of € 396.7 billion and 11.1 % in 2015. For details of the development please refer to "*13.5.1. Capital and Leverage Ratio*" of this Prospectus.

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

As of December 31, 2016 and December 31, 2015 the carrying value of reclassified assets was € 619 million and € 4.4 billion, respectively, compared with a fair value of € 519 million and € 4.3 billion as of December 31, 2016 and December 31, 2015, respectively. These assets were held in the NCOU.

For additional information on these assets and on the impact of their reclassification, please refer to Note 13 "Amendments to IAS 39 and IFRS 7, 'Reclassification of Financial Assets'" to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2016, which are contained in section "*23. Financial Statements*" of this Prospectus.

12.4.2 Comparison of Financial Position as of December 31, 2015 and 2014

The following table shows information on Deutsche Bank's financial position as of December 31, 2015 and 2014, based on Deutsche Bank's consolidated financial statements as of and for the fiscal year ended December 31, 2015.

in € m. (unless stated otherwise)	Dec. 31, 2015	Dec. 31, 2014	Change as of Dec. 31, 2015 in comparison to Dec. 31, 2014	
			in € m.	in %
	(audited, unless stated otherwise)			
Cash and central bank balances[1]	96,940	74,482	22,458	30
Interbank balances (w/o central banks)[1]	12,842	9,090	3,752	41
Central bank funds sold, securities purchased under resale agreements and securities borrowed	56,013	43,630	12,383	28
Trading assets	196,035	195,681	354	0
Positive market values from derivative financial instruments	515,594	629,958	(114,364)	(18)
Financial assets designated at fair value through profit or loss	109,253	117,285	(8,033)	(7)
thereof:				
Securities purchased under resale agreements	51,073	60,473	(9,400)	(16)
Securities borrowed	21,489	20,404	1,085	5
Loans	427,749	405,612	22,137	5
Brokerage and securities related receivables	94,939	115,054	(20,115)	(17)
Remaining assets	119,765	117,911	1,854	2
Total assets	**1,629,130**	**1,708,703**	**(79,573)**	**(5)**
Deposits	566,974	532,931	34,043	6
Central bank funds purchased, securities sold under repurchase agreements and securities loaned	13,073	13,226	(153)	(1)
Trading liabilities	52,304	41,843	10,461	25
Negative market values from derivative financial instruments	494,076	610,202	(116,126)	(19)
Financial liabilities designated at fair value through profit or loss	44,852	37,131	7,721	21
thereof:				
Securities sold under repurchase agreements	31,637	21,053	10,585	50
Securities loaned[2]	554	1,189	(635)	(53)
Other short-term borrowings	28,010	42,931	(14,921)	(35)
Long-term debt	160,016	144,837	15,179	10
Brokerage and securities related payables	134,637	143,210	(8,574)	(6)
Remaining liabilities	67,564	69,170	(1,605)	(2)
Total liabilities	**1,561,506**	**1,635,481**	**(73,975)**	**(5)**
Total equity	**67,624**	**73,223**	**(5,599)**	**(8)**

1 Figures for 2014 have been restated. For detailed information, see Note 1 "Significant Accounting Policies and Critical Accounting Estimates—Significant Changes in Estimates and Changes in Presentation" to the consolidated financial statements of Deutsche Bank as of and for the fiscal years ended December 31, 2015 and 2014, which are incorporated by reference into this Prospectus.

2 Unaudited.

12.4.2.1 Assets and Liabilities

12.4.2.1.1 Movements in Assets

Total assets decreased by € 80 billion (or 5 %) compared to December 31, 2014. This movement included an increase of € 86 billion due to foreign exchange rate movements mainly driven by the depreciation of the euro against all other major currencies during the year 2015, of which € 71 billion was related to the significant strengthening of the U.S. dollar versus the euro. These effects from foreign exchange rate movements were also reflected in the development of the balance sheet line items discussed in this section. Assuming the period-end exchange rates for the euro had not changed, Deutsche Bank would have reduced its balance sheet by € 165 billion over the period.

The primary driver of the net decrease during 2015 was a € 114 billion decrease in positive market values from derivative financial instruments during 2015 (€ 142 billion net of foreign exchange rate movements). This decrease particularly for interest rate products was primarily related to market movements including rising swap spreads as well as Deutsche Bank's focus on deleveraging programs.

Brokerage and securities related receivables were down by € 20 billion in 2015, mainly due to a decrease in receivables from pending settlements to record low levels as a result of reduced trading activities towards the end of 2015.

To align Deutsche Bank's financial reporting with regulatory reporting requirements, Deutsche Bank changed its presentation of cash and due from banks, allowing for a separate reporting of cash and central bank balances versus interbank balances in 2015. The split for prior periods was restated accordingly. For detailed information, see Note 1 "Significant Accounting Policies and Critical Accounting Estimates—Significant Changes in Estimates and Changes in Presentation" to the consolidated financial statements of Deutsche Bank as of and for the fiscal years ended December 31, 2015 and 2014, which are incorporated by reference into this Prospectus. During the year 2015, cash and central bank balances increased by € 22 billion, largely driven by increased deposits held with central banks in selected jurisdictions. These increases supported an increase in Deutsche Bank's overall group liquidity stress test position, and enabled Deutsche Bank to satisfy local liquidity requirements for certain EU entities following the implementation of the EU Liquidity Coverage Ratio.

As of December 31, 2015, loans increased by € 22 billion, with more than half of the increase relating to foreign exchange rate movements. Exposure increases in CIB Structured Finance, Deutsche AM and PW&CC were partly being offset by managed reductions in NCOU.

Financial assets available for sale (reported as part of Remaining Assets) increased by € 9 billion compared to December 31, 2014, mainly driven by increases in highly liquid securities held in the Group's Strategic Liquidity Reserve. These increases were the result of the Group's ongoing optimization of its liquidity reserves.

12.4.2.1.2 Movements in Liabilities

As of December 31, 2015, total liabilities decreased by € 74 billion (or 5 %) compared to year-end 2014. Similar to total assets, foreign exchange rate movements during the year 2015 had a significant offsetting impact which is already embedded in the overall movements in liabilities as discussed in this section.

As of December 31, 2015, negative market values from derivative financial instruments and brokerage and securities related payables decreased by € 116 billion (€ 143 billion net of foreign exchange rate movements) and € 9 billion, respectively, primarily due to the same factors as the movements in positive market values from derivative financial instruments and brokerage and securities related receivables as discussed above.

Other short-term borrowings decreased by € 15 billion compared to December 31, 2014, mainly from reductions in Deutsche Bank's funding through Financing Vehicles, and, to a lesser extent, in CIB.

These decreases were partially offset by the following movements:

Deposits increased by € 34 billion, primarily in Deutsche Bank's funding through transaction banking, largely related to increased current account deposits stemming from clearing activities, as well as in retail and unsecured wholesale funding. Almost half of the increase was related to foreign exchange rate movements.

Long-term debt increased by € 15 billion, primarily driven by higher funding activities which exceeded the amount of debt that matured during the period as well as foreign exchange rate movements.

Trading liabilities increased by € 10 billion, with more than half of the increase relating to equity securities, primarily in Deutsche Bank's Prime Finance business, and the remainder to debt securities.

Central bank funds purchased, securities sold under repurchase agreements and securities loaned, under both accrual and fair value accounting, increased by € 10 billion in total, largely impacted by higher secured funding of highly liquid inventory.

12.4.2.2 Liquidity

Liquidity reserves amounted to € 215 billion as of December 31, 2015 (compared to € 184 billion as of December 31, 2014). Deutsche Bank maintained a positive liquidity stress result as of December 31, 2015 (under the combined scenario).

12.4.2.3 Equity

Total Equity as of December 31, 2015 decreased by € 5.6 billion. The main factors contributing to this development were a net loss attributable to Deutsche Bank shareholders and additional equity components of € 6.8 billion, cash dividends paid to Deutsche Bank shareholders of € 1.0 billion, unrealized net losses on financial assets available for sale of € 291 million, which mainly resulted from lower market prices of debt

securities from European issuers as well as coupons paid on additional equity components of € 228 million net of tax. Partly offsetting was a positive effect from exchange rate changes of € 2.0 billion (especially in the U.S. dollar).

12.4.2.4 Regulatory Capital

Deutsche Bank's CET 1 capital according to CRR/CRD 4 as of December 31, 2015 was € 52.4 billion, compared to € 60.1 billion as of December 31, 2014. Mainly due to the decreased CET 1 capital the CRR/CRD 4 CET 1 capital ratio as of December 31, 2015 decreased to 13.2 % compared to 15.2 % as of December 31, 2014. Risk-weighted assets according to CRR/CRD 4 changed only slightly to € 397.4 billion as of December 31, 2015, compared to € 396.6 billion as of December 31, 2014.

Deutsche Bank's fully loaded CRR/CRD 4 CET 1 capital as of December 31, 2015 amounted to € 44.1 billion resulting in a fully loaded CRR/CRD 4 CET 1 capital ratio of 11.1 %, with corresponding amounts of € 46.1 billion and 11.7 % in 2014. Fully loaded CRR/CRD 4 RWA were € 396.7 billion as of December 31, 2015, compared to € 394.0 billion as of December 31, 2014.

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

As of December 31, 2015 and December 31, 2014 the carrying value of reclassified assets was € 4.4 billion and € 7.4 billion, respectively, compared with a fair value of € 4.3 billion and € 7.4 billion as of December 31, 2015 and December 31, 2014, respectively. These assets were held in the NCOU.

For additional information on these assets and on the impact of their reclassification, see Note 13 "Amendments to IAS 39 and IFRS 7, 'Reclassification of Financial Assets'" to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2015, which are incorporated by reference into this Prospectus.

12.5 Tabular Disclosure of Contractual Obligations

The table below shows the cash payment requirements from contractual obligations outstanding as of December 31, 2016.

		Payment due by period			
Contractual obligations *(unaudited, unless stated otherwise)* in € m.	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term debt obligations[1]	189,950	32,089	67,429	40,354	50,078
Trust preferred securities[1]	6,978	2,617	4,268	93	0
Long-term financial liabilities designated at fair value through profit or loss[2]	6,923	2,486	824	643	2,969
Finance lease obligations	91[3]	6[3]	11	8	67[3]
Operating lease obligations	3,893[3]	707[3]	1,216	877	1,093[3]
Purchase obligations	2,521	641	769	266	845
Long-term deposits[1]	28,255	0	12,508	4,513	11,234
Other long-term liabilities	4,593	1,310	1,925	502	856
Total	**243,203**	**39,856**	**88,949**	**47,255**	**67,142**

1 Includes interest payments.
2 Long-term debt and long-term deposits designated at fair value through profit or loss.
3 Audited.

Figures above do not include the revenues of noncancelable sublease rentals of € 89 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. For further information, see the following notes to the consolidated financial statements of Deutsche Bank as of and for the fiscal year ended December 31, 2016, which are contained in section "*23. Financial Statements*" of this Prospectus: Note 5 "Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss", Note 25 "Leases", Note 29 "Deposits" and Note 33 "Long-Term Debt and Trust Preferred Securities".

12.6 Consolidated Statement of Cash Flows

For purposes of the consolidated statement of cash flows, the Group's cash and cash equivalents include highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value. Such investments include cash and balances at central banks and interest-earning demand deposits with banks.

The Group's assignment of cash flows to the operating, investing or financing category depends on the business model ("management approach"). For the Group, the primary operating activity is to manage financial assets and financial liabilities. Therefore, the granting of loans and the issuance and management of long-term borrowings is a core operating activity which is different to a non-financial company, for which lending and borrowing are not principal revenue producing activities and thus are part of the financing category.

Cash flows related to subordinated long-term debt and trust preferred securities are viewed differently than those related to senior-long term debt because they are managed as an integral part of the Group's capital, primarily to meet regulatory capital requirements. As a result they are not interchangeable with other operating liabilities, but can only be interchanged with equity and thus are considered part of the financing category.

12.6.1 Fiscal Years 2016 and 2015

The following table shows selected data for the fiscal years ended December 31, 2016 and 2015 based on Deutsche Bank's consolidated financial statements as of and for the fiscal year ended December 31, 2016.

in € m.	2016	2015
	(audited)	
Net cash provided by (used in) operating activities	70,610	67,252
Net cash provided by (used in) investing activities	11,239	(8,242)
Net cash provided by (used in) financing activities	(1,649)	(5,583)
Net effect of exchange rate changes on cash and cash equivalents	(28)	94
Cash and cash equivalents at beginning of period	105,478	51,960
Cash and cash equivalents at end of period	185,649	105,478

The Group's cash and cash equivalents increased from € 105.5 billion as of year-end 2015 to € 186 billion as of December 31, 2016. The increase was attributable to interest-earning current and clearing accounts with central banks and overnight and one-day-notice deposits with central banks.

In light of the Group's reported net (loss) of € (1,356) million and considering the income adjustments for noncash items, operating activities resulted in net cash of € 70.6 billion as of year-end 2016 (€ 67.3 billion as of year-end 2015) which were included in the increase of € 80 billion in cash and cash equivalents in the financial year 2016. The remaining effects on cash and cash equivalents resulted from cash used in investing and provided by financing activities.

Cash flows from investing activities of € 11.2 billion in 2016 (negative € 8.2 billion in 2015) were mainly driven by financial assets available for sale. The positive net cash provided by investing activities was attributable to positive cash flows from the sale of financial assets available for sale and maturities of financial assets available for sale, partly offset by negative cash flows from the acquisition of financial assets available for sale.

Net cash from financing activities of negative € 1.6 billion as of December 31, 2016 compared to negative € 5.6 billion as of year-end 2015 was mainly driven by a decrease of repayments and extinguishments of trust preferred securities and the fact that no cash dividends were paid to Deutsche Bank shareholders.

The net effect of operating, investing and financing cash flows as described above led to an increase in cash and cash equivalents.

12.6.2 Fiscal Years 2015 and 2014

The following table shows selected data for the fiscal years ended December 31, 2015 and 2014 based on Deutsche Bank's consolidated financial statements as of and for the fiscal year ended December 31, 2016.

in € m.	2015	2014
	(audited)	
Net cash provided by (used in) operating activities	67,252	2,052
Net cash provided by (used in) investing activities	(8,242)	(12,824)
Net cash provided by (used in) financing activities	(5,583)	5,795
Net effect of exchange rate changes on cash and cash equivalents	94	897
Cash and cash equivalents at beginning of period	51,960	56,041
Cash and cash equivalents at end of period	105,478	51,960

The Group's cash and cash equivalents increased from € 52.0 billion as of year-end 2014 to € 105.5 billion as of December 31, 2015. The increase was attributable to non-interest earning deposits with central banks, interest-earning current and clearing accounts with central banks, overnight and one-day-notice deposits with central banks and interest earning current and clearing accounts with banks (not including central banks), whereas cash balances decreased.

In light of the Group's reported net (loss) of € (6,772) million and considering the income adjustments for noncash items, operating activities resulted in net cash of € 67.3 billion as of year-end 2015 (€ 2.0 billion as of year-end 2014) which were included in the increase of € 53.5 billion in cash and cash equivalents in the financial year 2015. The remaining effects on cash and cash equivalents resulted from cash used in investing and provided by financing activities.

Cash flows from investing activities of negative € 8.2 billion in 2015 (negative € 12.8 billion in 2014) were mainly driven by financial assets available for sale. The negative net cash provided by investing activities was attributable to negative cash flows from the acquisition of financial assets available for sale partly offset by positive cash flows from sale and maturities of financial assets available for sale.

Net cash from financing activities of negative € 5.6 billion as of December 31, 2015 compared to positive € 5.8 billion as of year-end 2014 was driven by the fact that, in contrast to 2014, no common shares or other equity instruments were issued by Deutsche Bank in 2015.

The net effect of operating, investing and financing cash flows as described above led to an increase in cash and cash equivalents.

12.7 Additional Information from the Audited Non-consolidated Financial Statements of Deutsche Bank AG for the Fiscal Year 2016

In 2016, Deutsche Bank AG recorded a net income of € 282 million after net income of € 30 million in 2015. This increase was the result of a number of large but partly offsetting developments. An increase in operating profit by € 879 million and a decrease of tax expenses by € 396 million were partly offset by an addition to the fund for general banking risks by € 500 million (2015: net release by € 650 million). The net non-operating expenses were reduced by € 127 million.

The increase in the operating profit in 2016 by € 879 million compared to 2015 was mainly driven by an improvement in net other operating expenses, which decreased by € 4.0 billion, lower administrative expenses, which were reduced by € 955 million, and risk provisioning, which decreased by € 382 million. Partly offsetting to these positive developments, revenues went down by € 4.5 billion.

The € 4.5 billion decrease in revenues, comprising net interest income, net commission income and net trading results, was driven by a decrease in the net trading result by € 1.7 billion and a reduction in the net interest income, which decreased by € 2.3 billion. The latter was caused by a decrease in current income, influenced primarily by the development in current income from investments in affiliates and profit pooling. The interest income from lending, money market transaction and bonds and notes after netting of corresponding interest expenses remained almost stable, higher by € 34 million. Net commission income decreased by € 504 million.

Total administrative expenses in 2016 decreased by € 955 million to € 14.4 billion compared to 2015. This development was mainly due to a decrease in staff expenses by € 512 million and lower costs for services rendered between group companies, a € 440 million decline. In connection with the latter item, a decrease in commission income from services rendered to group companies was recorded, a decline of € 355 million.

The balance of other operating income/expenses changed from negative € 3.6 billion in 2015 to positive € 471 million in 2016. This was mainly driven by litigation charges, which were € 2.8 billion lower, and the net interest effects of unwinding and changes to the applicable discount rate of staff-related provisions, which improved by € 639 million. In addition, gains of € 557 million related to the merger of an affiliated company contributed to the positive development.

The total cost of risk provisioning, consisting of credit related risk provisions and the net result from securities held in the liquidity reserve, decreased by € 382 million to € 124 million in 2016 compared to 2015. An increase in the net positive result from the liquidity reserve, € 713 million higher, overcompensated the increase in net credit risk provisioning by € 332 million.

The balance of other ordinary income/expenses decreased by € 299 million to negative € 2.1 billion compared to 2015. The main drivers for the decrease of the negative balance were lower assumption of losses of € 15 million (2015: € 680 million). Losses in 2015 were mainly caused by an impairment on investments in associated companies recorded in a subsidiary. Partly offsetting, the net negative result from value adjustments to and sales of subsidiaries increased by € 418 million.

Extraordinary result from restructuring amounted to € 306 million (2015: € 133 million).

Additions to the fund for general banking risks amounted to € 500 million in 2016 (2015: release by € 650 million).

Total tax expense amounted to € 476 million in 2016 (2015: € 872 million).

Total assets were € 1,373 billion as of December 31, 2016, € 63 billion lower than as of December 31, 2015, mainly due to decreases of positive and negative market values of derivatives in the trading book.

The Company maintained its stable funding and high liquidity base and maintained a solid regulatory capital position by reducing risk-weighted assets. For further details please refer to sections "*13.4.7. Liquidity Risk Management*" and "*13.2. Risk and Capital Overview*" of this Prospectus.

In 2016, shareholders' equity (excluding distributable profit) decreased slightly by € 42 million to € 45.6 billion due to net negative effects from buying and selling of own shares.

For information on the payment of dividends and the Company's dividend policy, see section "*9.1. Dividend Policy*".

The non-consolidated audited financial statements of Deutsche Bank AG as of December 31, 2016, prepared in accordance with the German Commercial Code (HGB), are contained in section "*23. Financial Statements*" of this Prospectus.

13. RISK MANAGEMENT

13.1 Introduction

The following qualitative and quantitative risk disclosures provide a comprehensive view of the risk profile of the Deutsche Bank Group, including information concerning credit, market and other risks. All quantitative information generally reflects the Deutsche Bank Group, including Postbank, for the financial years ending December 31, 2015 and December 31, 2016.

In the sections below, Deutsche Bank provides certain risk disclosures for its former corporate division, the Non-Core Operations Unit (NCOU). Pursuant to Deutsche Bank's strategic announcements, the NCOU reduced its portfolio size to achieve the 2016 year-end target of less than € 10 billion risk-weighted assets ("RWA"). As a result, the NCOU ceased to exist as a standalone corporate division from 2017 onwards.

13.2 Risk and Capital Overview

13.2.1 Key Risk Metrics

The following selected key risk ratios and corresponding metrics form part of Deutsche Bank's holistic risk management across individual risk types. The Common Equity Tier 1 Ratio ("CET 1"), Internal Capital Adequacy Ratio ("ICA"), Leverage Ratio ("LR"), Liquidity Coverage Ratio ("LCR"), and Stressed Net Liquidity Position ("SNLP") serve as high level metrics and are fully integrated across strategic planning, risk appetite framework, stress testing (except LCR), and recovery and resolution planning practices, which are reviewed and approved by the Management Board at least annually. The CET 1, LR, Leverage Exposure, LCR and risk-weighted assets ratios and metrics presented below (which are regulatory defined) are based on the fully loaded rules under 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"). The ICA, Economic Capital and SNLP are Deutsche Bank-specific internal risk metrics that are in addition to the above-described regulatory metrics.

(unaudited)

Common Equity Tier 1 Ratio		**Total Risk-Weighted Assets**	
31.12.2016	11.8%	31.12.2016	€ 357.5 billion
31.12.2015	11.1%	31.12.2015	€ 396.7 billion
Internal Capital Adequacy Ratio[1]		**Total Economic Capital**	
31.12.2016	162%	31.12.2016	€ 35.4 billion
31.12.2015	158%	31.12.2015	€ 38.4 billion
Leverage Ratio		**Leverage Exposure**	
31.12.2016	3.5%	31.12.2016	€ 1,348 billion
31.12.2015	3.5%	31.12.2015	€ 1,395 billion
Liquidity Coverage Ratio		**Stressed Net Liquidity Position (SNLP)**	
31.12.2016	128%	31.12.2016	€ 36.1 billion
31.12.2015	119%	31.12.2015	€ 45.5 billion

1 The definition of Capital Supply for the purpose of calculating the Internal Capital Adequacy ratio has been further aligned to CRR/CRD 4 rules in that, goodwill and other intangible assets are now deducted from Capital Supply instead of being added to economic capital demand. More information is provided in section "*13.5.7.1 Internal Capital Adequacy*" of this Prospectus.

For further details please refer to sections "*13.2.3 Risk Profile*", "*13.3.4 Risk Appetite and Capacity*", "*13.3.5.2 Internal Capital Adequacy Assessment Process*", "*13.3.5.3 Stress Testing*", "*13.3.5.5 Recovery and Resolution Planning*", "*13.4.7.5 Liquidity Coverage Ratio*", "*13.5.1.2 Capital Instruments*", "*13.5.1.4 Development of Regulatory Capital*" (for phase-in and fully loaded CET 1 and risk weighted assets figures), "*13.5.1.5 Development of Risk-weighted Assets*", "*13.5.2 Leverage Ratio*" (for phase-in and fully loaded Leverage Ratio), and "*13.10.6 Stress Testing and Scenario Analysis*" of this Prospectus.

13.2.2 Overall Risk Assessment

Key risk categories include 1) financial risks such as credit risk (including settlement and transfer risk), market risk (trading, non-trading and traded default risk), liquidity risk, business risk (including tax and strategic risk), and 2) non-financial risks including reputational risk and operational risk (with important sub-categories compliance risk, legal risk, model risk, information security risks, fraud risks, and money laundering risks). Deutsche Bank manages the identification, assessment and mitigation of top and emerging risks through an internal governance process and the use of risk management tools and processes. Its approach to identification and impact assessment aims to ensure that Deutsche Bank mitigates the impact of these risks on its financial results, long-term strategic goals and reputation. Please

refer to section "*13.4 Risk and Capital Management*" for detailed information on the management of Deutsche Bank's material risks.

As part of Deutsche Bank's 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 Deutsche Bank to capture not only risk drivers that have an impact across its risk inventories and business divisions but also those that are relevant only to specific portfolios.

Political risks remained at a heightened level during the fourth quarter of 2016. Markets generally reacted positively following the November 2016 U.S. presidential election, as the U.S. dollar appreciated and bond yields increased in anticipation of potential fiscal stimulus and higher economic growth, although emerging markets underperformed amid capital outflows. In Italy, the 'No' vote in December on the constitutional reform referendum was widely expected by markets, with near-term risks centered on the fragile banking system. Oil prices rebounded as OPEC agreed to implement production cuts. Deutsche Bank expects that political uncertainty will continue to dominate risks in the euro area in 2017, with elections in several key European economies to occur against a backdrop of potentially tense Brexit negotiations following the triggering of Article 50 of the Treaty on the European Union by the UK, which is expected to occur by end-March 2017. A potential shift towards a more protectionist policy stance in the U.S. would put pressure on its key trading partners including China and Mexico. Selected emerging markets face elevated political and security risks.

The assessment of the potential impacts of these risks is integrated into Deutsche Bank's group-wide stress tests which assess its ability to absorb these events should they occur. The results of these tests showed that the currently available capital and liquidity reserves, in combination with available mitigation measures, would allow Deutsche Bank to absorb the impact of these risks if they were to materialize in line with the tests' parameters. Information about risk and capital positions for its portfolios can be found in section "*13.5 Risk and Capital Performance*" of this Prospectus.

Consistent with prior years, 2016 continued to demonstrate the trend of increasing global regulation of the financial services industry, which Deutsche Bank views as likely to persist through the coming years. Deutsche Bank is focused on identifying potential political and regulatory changes and assessing the possible impact on its business model and processes.

The overall focus of risk and capital management throughout 2016 was on maintaining its risk profile in line with its risk strategy, increasing its capital base and supporting its strategic management initiatives with a focus on balance sheet optimization. This approach is reflected across the different risk metrics summarized below.

13.2.3 Risk Profile

The table below shows Deutsche Bank's overall risk position as measured by the economic capital usage calculated for credit, market, operational and business risk for the dates specified. To determine its overall (economic capital) risk position, Deutsche Bank generally considers diversification benefits across risk types.

Overall risk position as measured by economic capital usage by risk type

(unaudited) in € m. (unless stated otherwise)	December 31, 2016	December 31, 2015	2016 increase (decrease) from 2015	
			in € m.	in %
Credit risk	13,105	13,685	(580)	(4)
Market risk	14,593	17,436	(2,843)	(16)
Trading market risk	4,229	4,557	(328)	(7)
Nontrading market risk	10,364	12,878	(2,514)	(20)
Operational risk	10,488	10,243	245	2
Business risk	5,098	5,931	(833)	(14)
Diversification benefit[1]	(7,846)	(8,852)	1,006	(11)
Total economic capital usage	**35,438**	**38,442**	**(3,004)**	**(8)**

1 Diversification benefit across credit, market, operational and strategic risk (largest part of business risk).

As of December 31, 2016, Deutsche Bank's economic capital usage amounted to € 35.4 billion, which was € 3.0 billion or 8 %, below the € 38.4 billion economic capital usage as of December 31, 2015. The decrease was mainly driven by the sale of Deutsche Bank's participation in Hua Xia Bank.

The economic capital usage for credit risk was € 580 million or 4 % lower as of December 31, 2016 compared to year-end 2015 mainly due to a lower settlement risk component.

The economic capital usage for trading market risk decreased to € 4.2 billion as of December 31, 2016, compared to € 4.6 billion at year-end 2015. The decrease was primarily driven by reductions in exposures in the Non-Core Operations Unit, the sale of Abbey Life and lower levels of inventory in the securitization and corporate real estate business areas. The nontrading market risk economic capital usage decreased by € 2.5 billion or 20 % compared to December 31, 2015, mainly driven by a considerable decrease in the investment risk from the sale of Deutsche Bank's participation in Hua Xia Bank and due to lower structural foreign exchange risk exposure resulting from a reduced shareholders equity position in foreign currency.

The operational risk economic capital usage totaled € 10.5 billion as of December 31, 2016, which is € 245 million or 2 % higher than the € 10.2 billion economic capital usage as of December 31, 2015. The increase was mainly driven by legal operational risk losses including legal provisions and an increased operational risk loss profile of the industry as a whole. This is reflected in the operational risk loss data that has given rise to the increased economic capital usage and which is largely due to the outflows related to litigation, investigations and regulatory enforcement actions.

Deutsche Bank's business risk economic capital methodology captures strategic risk, which also implicitly includes elements of non-standard risks including refinancing and reputational risk, and a tax risk component. The business risk decreased by € 833 million compared to December 31, 2015, to € 5.1 billion as of December 31, 2016. This decrease reflected a lower economic capital usage for the strategic risk component driven by an updated earnings outlook.

The inter-risk diversification effect of the economic capital usage across credit, market, operational and strategic risk decreased by € 1.0 billion mainly due to overall lower economic capital usage.

Deutsche Bank's mix of various business activities results in diverse risk taking by its business divisions. Deutsche Bank also measures the key risks inherent in their respective business models through the undiversified Total Economic Capital (EC) metric, which mirrors each business division's risk profile before taking into account cross-risk effects at the Group level.

Risk profile of Deutsche Bank's business divisions as measured by economic capital

(unaudited) in € m. (unless stated otherwise)	December 31, 2016								
	Global Markets	**Corporate & Investment Banking**	**Private Wealth & Commercial Clients**	**Deutsche Asset Management**	**Postbank**	**Non-Core Operations Unit**	**Consolidation & Adjustments and Other**	**Total**	**Total in %**
Credit Risk	4,984	3,202	1,726	62	2,582	108	442	13,106	37
Market Risk	4,444	897	360	2,197	1,352	332	5,010	14,592	41
Operational Risk	6,567	1,763	833	561	604	160	0	10,488	30
Business Risk	4,582	171	32	100	0	245	(32)	5,098	14
Diversification Benefit[1]	(4,990)	(1,018)	(477)	(441)	(562)	(110)	(248)	(7,846)	(22)
Total EC	**15,587**	**5,015**	**2,473**	**2,480**	**3,976**	**735**	**5,172**	**35,438**	**100**
Total EC in %	44	14	7	7	11	2	15	100	N/M

N/M – Not meaningful

1 Diversification benefit across credit, market, operational and strategic risk (largest part of business risk).

(unaudited) in € m. (unless stated otherwise)	December 31, 2015[1]								
	Global Markets	**Corporate & Investment Banking**	**Private Wealth & Commercial Clients**	**Deutsche Asset Management**	**Postbank**	**Non-Core Operations Unit**	**Consolidation & Adjustments and Other**	**Total**	**Total in %**
Credit Risk	4,838	3,899	1,678	90	2,601	537	42	13,685	36
Market Risk	4,971	819	2,564	2,095	1,611	899	4,478	17,437	45
Operational Risk	6,274	1,613	958	282	600	452	64	10,243	27
Business Risk	5,154	405	1	0	0	261	110	5,931	15
Diversification Benefit[2]	(5,123)	(1,172)	(964)	(373)	(647)	(369)	(204)	(8,852)	(23)
Total EC	**16,113**	**5,564**	**4,237**	**2,094**	**4,165**	**1,780**	**4,490**	**38,442**	**100**
Total EC in %	42	14	11	5	11	5	12	100	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, 2016.

2 Diversification benefit across credit, market, operational and strategic risk (largest part of business risk).

Global Markets (GM) 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. The share of the operational risk in GM's risk profile reflects the high loss profile in the industry and internal losses. The remainder of GM's risk profile is derived from business risk reflecting earnings volatility risk. The economic capital usage for market and business risk decreased in 2016 partly offset by increased usage for operational risk. The decrease in economic capital usage for market risk is driven by lower exposure to the traded default risk component and the sale of Abbey Life.

Corporate & Investment Banking's (CIB) revenues are generated from various products with different risk profiles. The vast majority of its risk relates to credit risk in the Trade Finance and Corporate Finance businesses, while other businesses attract low to no credit risk. The economic capital usage for credit risk decreased in 2016 mainly due to a lower counterparty risk component. Market risk mainly results from modelling of client deposits and trading.

Private, Wealth & Commercial Clients' (PW&CC) risk profile comprises credit risk from retail, small and medium-sized enterprises lending and wealth management activities as well as nontrading market risk from investment risk, modeling of client deposits and credit spread risk. The divestment of Hua Xia Bank resulted in a significant decrease in economic capital usage for nontrading market compared to the year-end 2015.

The main risk driver of Deutsche Asset Management's (Deutsche AM) business are guarantees on investment funds, which Deutsche Bank reports as nontrading market risk. Otherwise Deutsche AM's advisory and commission focused business attracts primarily operational risk. The economic capital usage for operational risk and business risk increased compared to the year-end 2015.

Postbank's risk profile is mainly driven by lending and deposit business with retail and corporate customers attracting credit risk, credit spread risks in the banking book covered under market risk and some operational risk.

The Non-Core Operations Unit (NCOU) portfolio included activities that were non-core to Deutsche Bank's future strategy; 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 covered risks across the entire range of its operations, which primarily comprised credit and market risks targeted where possible for accelerated de-risking. The economic capital usage for market risk was lower compared to year-end 2015 mainly due to general wind-down of non-strategic assets.

Consolidation & Adjustments mainly comprises nontrading market risk for structural foreign exchange risk, pension risk and equity compensation risk. The increase of economic capital usage for credit risk in 2016 was mainly due to changes in the business structure of Deutsche Bank.

13.3 Risk and Capital Framework

13.3.1 Risk Management Principles and Governance

The diversity of Deutsche Bank's business model requires Deutsche Bank to identify, assess, measure, aggregate and manage its risks, and to allocate its capital among its businesses. 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 managers and senior risk management committees responsible for execution and oversight.
- Deutsche Bank operates a "Three Lines of Defense" risk management model. The first line of defense is all the business divisions and service providing infrastructure areas (Group Technology Operations and Corporate Services) who are the "owners" of the risks. The second line of defense is all the independent risk and control infrastructure functions. The third line of defense is Group Audit, which assures the effectiveness of its controls. The Three Line of Defense model and the underlying design principles apply to all levels of the organization i.e. group-level, regions, countries, branches and legal entities. All Three Lines of Defense are independent of one another and accountable for maintaining structures that ensure adherence to the design principles at all levels.
- The risk strategy is approved by the Management Board on an annual basis and is defined based on the Group Risk Appetite and the 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 material risk types, including credit risk, market risk, operational risk, liquidity risk, business risk and reputational risk, are managed via risk management processes. Modeling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types. Reputational risk is implicitly covered in Deutsche Bank's economic capital framework, primarily within operational and strategic risk. For more details, refer to section "*13.4 Risk and Capital Management*" for the management process of its material risks.
- 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 Deutsche Bank's risk management capability.
- Recovery planning provides the escalation path for crisis management governance and supplies senior management with a set of actions designed to improve the capital and liquidity positions in a stress event.
- Resolution planning is the responsibility of Deutsche Bank's resolution authority, the Single Resolution Board. It provides a strategy to manage Deutsche Bank in case of default. It is designed to prevent major disruptions to the financial system or the wider economy through maintaining critical services.

13.3.2 Risk Governance

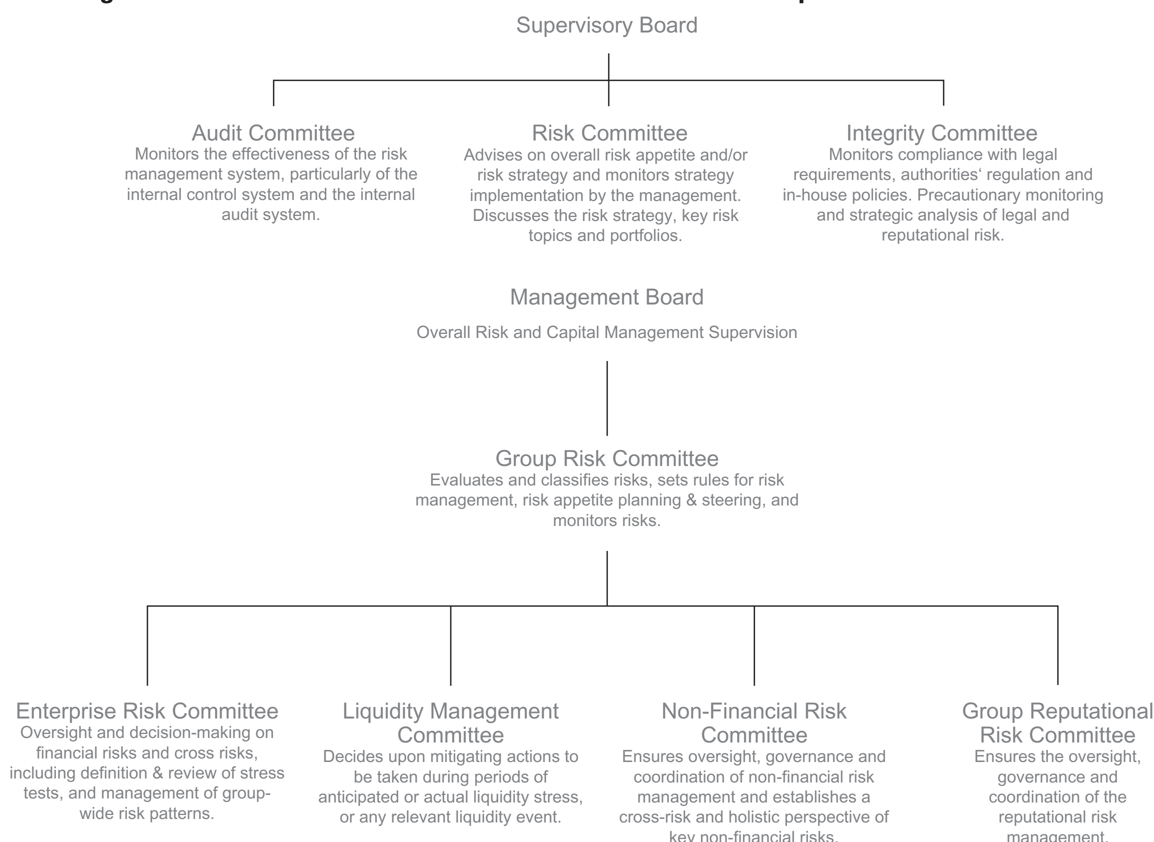
Deutsche Bank's operations throughout the world are regulated and supervised by relevant authorities in each of the jurisdictions in which it conducts business. Such regulation focuses on licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting 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 Deutsche Bank's primary supervisors to monitor its compliance with the German Banking Act and other applicable laws and regulations as well as the CRR/CRD 4 framework and respective implementations into German law.

European banking regulators assess Deutsche Bank's capacity to assume risk in several ways, which are described in more detail in section "*13.5.1.1 Regulatory Capital*" of this Prospectus.

Several layers of management provide cohesive risk governance:

- The Supervisory Board is informed regularly on Deutsche Bank's risk situation, risk management and risk controlling, as well as on Deutsche Bank's 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 key risk portfolios, on risk strategy and on matters of special importance due to the risks they entail. It also reports on loans requiring a Supervisory Board resolution pursuant to law or the Articles of Association. The Risk Committee deliberates with the Management Board on issues of the aggregate risk position and the risk strategy and supports the Supervisory Board in monitoring the implementation of this strategy.
    - The Integrity Committee, among other matters, 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, and, upon request, supports the Risk Committee in monitoring and analyzing the Bank's legal and reputational risks.
    - The Audit Committee, among other matters, monitors 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 appropriate and effective risk management. The Management Board established the Group Risk Committee in April 2016 as the central forum for review and decision on material risk topics, by merging the Capital and Risk Committee and the Risk Executive Committee. The Group Risk Committee is supported by four sub-committees: the Group Reputational Risk Committee, the Non-Financial Risk Committee, the Enterprise Risk Committee, and the Liquidity Management Committee, the roles of which are described in more detail below.

Risk Management Governance Structure of the Deutsche Bank Group



The following functional committees are central to the management of risk at Deutsche Bank:

- The Group Risk Committee has various duties and dedicated authority, including approval of key risk management principles or recommendation thereof to the Management Board for approval, recommendation of the Group Recovery Plan and the Contingency Funding Plan to the Management Board for approval, recommendation of overarching risk appetite parameters and recovery triggers to the Management Board for approval, setting of risk limits for risk resources available to the Business Divisions, and supporting the Management Board during group-wide Risk and Capital planning processes. Further duties include review of high-level risk portfolios and risk exposure developments, review of internal and regulatory group-wide stress testing results and making recommendations of required actions and monitoring of the development of risk culture across the Group.

- The Group Non-Financial Risk Committee oversees, governs and coordinates the management of non-financial risks in Deutsche Bank Group and establishes a cross-risk and holistic perspective of the key non-financial risks of the Group. It is tasked to define the non-financial risk appetite framework, to monitor and control the non-financial risk operating model, including the Three Lines of Defense principles and interdependencies between business divisions and control functions and within control functions.

- The Group Reputational Risk Committee is responsible for the oversight, governance and coordination of reputational risk management and provides for an appropriate look-back and a lessons learnt process. It reviews and decides all reputational risk issues escalated by the Regional Reputational Risk Committees and Regional Reputational Risk Committee decisions which have been appealed by the Business Units. It provides guidance on Group-wide reputational risk matters, including communication of sensitive topics, to the appropriate levels of Deutsche Bank Group. The Regional Reputational Risk Committees which are sub-committees of the Group Reputational Risk Committee, are responsible for the oversight, governance and coordination of the management of reputational risk in the respective regions on behalf of the Management Board.

- The Enterprise Risk Committee has been established as a successor of the Portfolio Risk Committee with a mandate to focus on enterprise-wide risk trends, events and cross-risk portfolios, bringing together risk experts from various risk disciplines. The Enterprise Risk Committee approves the annual country risk portfolio overviews, establishes product limits, reviews risk portfolio concentrations across the Group, monitors group-wide stress tests used for managing the Group's risk appetite, and reviews topics with enterprise-wide risk implications like risk culture.

- The Liquidity Management Committee decides upon mitigation actions to be taken during periods of anticipated or actual liquidity stress or any relevant event. In that capacity, the committee is responsible for making a detailed assessment of the liquidity position of Deutsche Bank, including the ability to fulfill all payment obligations under market related stress, idiosyncratic stress, or a combination of both. The Liquidity Management Committee is also responsible for overseeing the execution of liquidity countermeasures in a timely manner and monitoring the liquidity position of Deutsche Bank on an ongoing basis, during the stress period.

Deutsche Bank's 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, 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.

The CRO has direct management responsibility for various risk management functions which are established with the mandate to:

- Foster consistency with the risk appetite set by the Group Risk Committee within a framework established by the Management Board and applied to business divisions;
- Determine and implement risk and capital management policies, procedures and methodologies that are appropriate to the businesses within each division;
- Establish and approve 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 specialized risk management functions, Deutsche Bank's Enterprise Risk Management (ERM) function covers overarching aspects of risk management. Its mandate is to provide an increased focus on holistic risk management and cross-risk oversight to further enhance Deutsche Bank's risk portfolio steering. Key objectives are to:

- Drive key strategic cross-risk initiatives and establish greater cohesion between defining portfolio strategy and governing execution;
- Provide a strategic and forward-looking perspective on the key risk issues for discussion at senior levels within Deutsche Bank (risk appetite, stress testing framework);
- Strengthen risk culture in Deutsche Bank; and
- Foster the implementation of consistent risk management standards.

ERM also develops Deutsche Bank-wide risk management framework aimed at identifying and controlling risks across the institution within the agreed risk appetite.

The specialized risk management functions Enterprise Risk Management have a reporting line to the CRO.

Deutsche Bank's Finance, Risk and Group Audit functions operate independently of the Business divisions. It is the responsibility of the Finance and Risk departments to quantify and verify the risk that Deutsche Bank assumes. Group Audit as Deutsche Bank's third line of defense, independently 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 Deutsche Bank's 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
- Alignment to key Group risk policies

The key risk management committees of Postbank 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 Chief Risk Officer of Postbank or senior risk managers of Deutsche Bank are voting members of the committees listed above.

13.3.3 Risk Culture

Deutsche Bank seeks to promote a strong risk culture throughout its organization. Deutsche Bank's aim is to help reinforce its resilience by encouraging a holistic approach to the management of risk and return throughout its organization as well as the effective management of its risk, capital and reputational profile. Deutsche Bank actively takes risks in connection with its business and as such the following principles underpin risk culture within its 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. Deutsche Bank expects employees to exhibit behaviors that support a strong risk culture. To promote this its policies require that behavior assessment is incorporated into its performance assessment and compensation processes. Deutsche Bank has communicated the following risk culture behaviors through various communication vehicles:

- Being fully responsible for Deutsche Bank's 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 its risk culture, Deutsche Bank conducts a number of group-wide activities. Its Board members and senior management frequently communicate the importance of a strong risk culture to support a consistent tone from the top. To support these behaviors, in 2016, Deutsche Bank ran an internal educational campaign entitled "We're all risk managers", which included a video and intranet messages from Board members and other senior leaders.

The red flags process continues to provide a link between risk-related conduct and performance management. It allows Deutsche Bank to monitor adherence to certain risk-related policies and processes, whereby a breach leads to an appropriately risk-weighted red flag. In 2016, the process was enhanced through the introduction of IT-enabled reporting. Individual red flag results are considered in promotion, compensation and performance management decisions.

Deutsche Bank has continued to develop its training curriculum to raise risk awareness. In 2016, Deutsche Bank launched a revised Risk Awareness course for all employees, which included new sections on reputational risk and risk appetite.

13.3.4 Risk Appetite and Capacity

Risk appetite expresses the aggregate level of risk that Deutsche Bank is willing to assume within its risk capacity in order to achieve its business objectives, as defined by a set of minimum quantitative metrics and qualitative statements. Risk capacity is defined as the maximum level of risk Deutsche Bank can assume before breaching regulatory constraints and its obligations to stakeholders.

Risk appetite is an integral element in Deutsche Bank's business planning processes via its Risk Plan and Strategy to promote the appropriate alignment of risk, capital and performance targets, while at the same

time considering risk capacity and appetite constraints from both financial and non-financial risks. Compliance of the plan with Deutsche Bank's risk appetite and capacity is also tested 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 Deutsche Bank's 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 Deutsche Bank's strategy, business and regulatory environment and stakeholders' requirements.

In order to determine its risk appetite and capacity, Deutsche Bank sets different group level triggers and thresholds on a forward looking basis and defines the escalation requirements for further action. Deutsche Bank assigns risk metrics that are sensitive to the material risks to which it is exposed and which are able to function as key indicators of financial health. In addition to that, it links its risk and recovery management governance framework with the risk appetite framework. In detail, Deutsche Bank assesses a suite of metrics under stress (CRR/CRD 4 phase-in and fully loaded Common Equity Tier 1 (CET 1) ratio and Leverage Ratio (LR), Internal Capital Adequacy (ICA) ratio, and Stressed Net Liquidity Position (SNLP)) within the regularly performed benchmark and more severe group-wide stress tests.

Reports relating to Deutsche Bank's risk profile as compared to its risk appetite and strategy and its monitoring thereof are presented regularly up to the Management Board. In the event that Deutsche Bank's 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. Amendments to the risk appetite and capacity must be approved by the Group Risk Committee or the full Management Board, depending on their significance.

13.3.5 Risk and Capital Plan

13.3.5.1 Strategic and Capital Plan

Deutsche Bank conducts annually an integrated strategic planning process which lays out the development of its future strategic direction as a group and for its business areas/units. The strategic plan aims to create a holistic perspective on capital, funding and risk under risk-return considerations. This process translates Deutsche Bank's long-term strategic targets into measurable short- to medium-term financial targets and enables intra-year performance monitoring and management. Thereby Deutsche Bank aims to identify 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 – Deutsche Bank's key targets for profit and loss (including revenues and costs), capital supply, and capital demand as well as leverage, funding and liquidity are discussed for the group and the key business areas. In this process, the targets for the next five years are based on Deutsche Bank's 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; year two is planned per quarter and years three to five 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 Deutsche Bank's 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 Management Board for discussion and approval. The final plan is presented to the Supervisory Board.

The Strategic and Capital Plan is designed to support Deutsche Bank's 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 business planning within the liquidity risk appetite and regulatory requirements.

The Strategic and Capital Planning process allows Deutsche Bank to:

- Set earnings and key risk and capital adequacy targets considering Deutsche Bank's strategic focus and business plans;
- Assess Deutsche Bank's 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. for regulatory capital demand, economic capital, and leverage exposures are derived from the Strategic and Capital Plan to align risk, capital and performance targets at all relevant levels of the organization.

All externally communicated financial targets are monitored on an ongoing basis in appropriate management committees. Any projected shortfall from targets is discussed together with potential mitigating strategies to ensure that Deutsche Bank remains on track to achieve its targets. Amendments to the strategic and capital plan must be approved by the Management Board. Achieving its externally communicated solvency targets ensures that Deutsche Bank also complies with the Group Supervisory Review and Evaluation Process requirements as articulated by its home supervisor. On December 8, 2016, Deutsche Bank was informed by the European Central Bank ("ECB") of its decision regarding prudential minimum capital requirements for 2017, following the results of the 2016 Supervisory Review and Evaluation Process ("SREP"). The decision requires Deutsche Bank to maintain a phase-in CET 1 ratio of at least 9.51% on a consolidated basis, beginning on January 1, 2017. This CET 1 capital requirement comprises the Pillar 1 minimum capital requirement of 4.50%, the Pillar 2 requirement (SREP add-on) of 2.75%, the phase-in capital conservation buffer of 1.25%, the countercyclical buffer (currently 0.01%) and the phase-in G-SII buffer following Deutsche Bank's designation as a global systemically important institution ("G-SII") of 1.00%. The new CET 1 capital requirement of 9.51% for 2017 is lower than the CET1 capital requirement of 10.76%, which was applicable to Deutsche Bank in 2016. Correspondingly, 2017 requirements for Deutsche Bank's Tier 1 capital ratio are at 11.01% and for its total capital ratio at 13.01%. Also following the results of the 2016 SREP, the ECB communicated to Deutsche Bank an individual expectation to hold a further "Pillar 2" CET 1 capital add-on, commonly referred to as the "Pillar 2" guidance. The capital add-on pursuant to the "Pillar 2" guidance is separate from and in addition to the Pillar 2 requirement. The ECB has stated that it expects banks to meet the "Pillar 2" guidance although it is not legally binding, and failure to meet the "Pillar 2" guidance does not automatically trigger legal action.

13.3.5.2 Internal Capital Adequacy Assessment Process

The Internal Capital Adequacy Assessment Process requires banks to identify and assess risks, maintain sufficient capital to face these risks and apply appropriate risk-management techniques to maintain adequate capitalization on an ongoing and forward-looking basis, i.e., internal capital supply to exceed internal capital demand (figures are described in more detail in the section "*13.5.1.6.1 Internal Capital Adequacy*").

At a Group level, Deutsche Bank complies with the ICAAP as required under Pillar 2 of Basel 3 and its local implementation in Germany, the Minimum Requirements for Risk Management (MaRisk), through a Group-wide risk management and governance framework, methodologies, processes and infrastructure.

In line with MaRisk and Basel requirements, the key instruments to help Deutsche Bank maintain its adequate capitalization on an ongoing and forward looking basis are:

- A strategic planning process which aligns risk strategy and appetite with commercial objectives;
- A continuous monitoring process against approved risk, leverage and capital targets set;
- Regular risk, leverage and capital reporting to management; and
- An economic capital and stress testing framework which also includes specific stress tests to underpin its recovery monitoring processes.

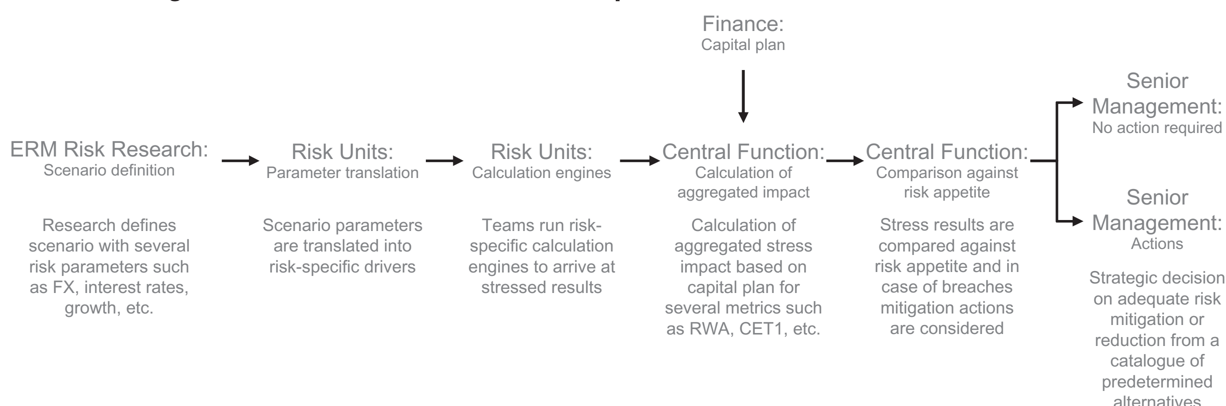
13.3.5.3 Stress Testing

Deutsche Bank has a strong commitment to stress testing performed on a regular basis in order to assess the impact of a severe economic downturn on its risk profile and financial position. These exercises

complement traditional risk measures and represent an integral part of its strategic and capital planning process. Deutsche Bank's stress testing framework comprises regular Group-wide stress tests based on internally defined benchmark and more severe macroeconomic global downturn scenarios. Deutsche Bank includes all material risk types into its stress testing exercises. The time-horizon of internal stress tests is generally one year and can be extended to multi-year, if required by the scenario assumptions. Deutsche Bank's methodologies undergo regular scrutiny from its internal validation team (Global Model Validation and Governance) 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 Deutsche Bank's regulators on group or legal entity level. Examples of regulatory stress tests performed in 2016 are the EBA stress test at the Deutsche Bank Group level and the CCAR stress test for the U.S. entity. Moreover, capital plan stress testing is performed to assess the viability of Deutsche Bank's 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 Deutsche Bank to assess the impact of ad-hoc scenarios that simulate potential imminent financial or geopolitical shocks.

The initial phase of Deutsche Bank's internal stress tests consists of defining a macroeconomic downturn scenario by Enterprise Risk Management risk research in cooperation with business specialists. Enterprise Risk Management risk research 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 Deutsche Bank's business. The scenario parameters are translated into specific risk drivers by subject matter experts in the risk units. Based on Deutsche Bank's internal models framework for stress testing, the following major metrics are calculated under stress: risk-weighted assets, impacts on profit and loss and economic capital by risk type. These results are aggregated at the Group level, and key metrics such as the SNLP, the CET 1 ratio, ICA ratio and Leverage Ratio under stress are derived. Prior to the impact assessment the scenarios are discussed and approved by the Enterprise Risk Committee (ERC) which also reviews the final stress results. After comparing these results against Deutsche Bank's defined risk appetite, the ERC also discusses 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 recovery planning which is crucial for the recoverability of Deutsche 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 Deutsche Bank. The group wide stress tests performed in 2016 indicated that Deutsche Bank's capitalization together with available mitigation measures allow it to reach the internally set stress exit level being well above regulatory early intervention levels. A reverse stress test is performed annually in order to challenge its business model to determine the severity of scenarios that would cause Deutsche Bank to become unviable. Such a reverse stress test is based on a hypothetical macroeconomic scenario and idiosyncratic events and takes into account severe impacts of major risks on Deutsche Bank's results. Comparing the hypothetical scenario that would be necessary to result in its non-viability according to the reverse stress, to the current economic environment, Deutsche Bank considers the probability of occurrence of such a hypothetical macroeconomic scenario as extremely low. Given the extremely low probability of the reverse stress test scenario, Deutsche Bank does not believe that its business continuity is at risk.

Stress Testing Framework of Deutsche Bank Group



13.3.5.4 Risk Reporting and Measurement Systems

Deutsche Bank's risk data systems support 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. The risk infrastructure incorporates the relevant legal entities and business divisions and provides the basis for 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. Deutsche Bank's risk management systems are reviewed by Group Audit following a risk-based audit approach.

The main reports on risk and capital management that are used to provide the central governance bodies with information relating to Group risk profile are the following:

- Deutsche Bank's Risk and Capital Profile is presented monthly to the Group Risk Committee 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 internal capital adequacy.
- An overview of Deutsche Bank's capital, liquidity and funding is presented to the Group Risk Committee 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 its 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 frequently are reported to and discussed at the Enterprise Risk Committee.

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.

13.3.5.5 Recovery and Resolution Planning

The 2007/2008 financial crisis exposed banks and the broader financial market to unprecedented pressures. These pressures led to certain banks seeking significant support from 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, a number of jurisdictions (such as the member states of the European Union, including Germany and the UK as well as the U.S.) have enacted new regulations requiring banks or competent regulatory authorities to develop recovery and resolution plans. The Group recovery plan ("Recovery Plan") is updated and submitted to Deutsche Bank's regulators at least annually to reflect changes in the business and the regulatory requirements.

The Recovery Plan prepares Deutsche Bank to restore its financial strength and viability during an extreme stress situation. The Recovery Plan's more specific purpose is to outline how Deutsche Bank can respond to a financial stress situation that would significantly impact its capital or liquidity position. Therefore it lays out a set of defined actions aimed to protect Deutsche Bank, its customers and the markets and prevent a potentially more costly resolution event. In line with regulatory guidance, Deutsche Bank has 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 lead to severe capital and liquidity impacts as well as impacts on its performance and balance sheet. The Recovery Plan, including its corresponding policy, is intended to enable Deutsche Bank to effectively monitor, escalate, plan and execute recovery actions in the event of a crisis situation.

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 applicable to Deutsche Bank in the European Union ("EU") under the Bank Recovery and Resolution Directive (as implemented in Germany) and the Single Resolution Mechanism Regulation as well as other key jurisdictions. Furthermore, the plan incorporates feedback from extensive discussions with its Supervisory authority and the EU College of Supervisors as well as by the Crisis Management Group formed by key home and host authorities.

Deutsche Bank is also working closely with its resolution authority, the Single Resolution Board, to create a Group Resolution Plan for Deutsche Bank as set out in the Bank Recovery and Resolution Directive, the Single Resolution Mechanism Regulation and the German Recovery and Resolution Act ("*Sanierungs- und Abwicklungsgesetz*").

In addition, Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank 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, 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 U.S. Resolution Plan"). For foreign-based covered companies including Deutsche Bank, the Title I U.S. 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, Deutsche Bank Trust Company Americas, one of Deutsche Bank's insured depository institutions ("IDIs") in the United States, became subject in 2014 to the FDIC's final rule. This rule requires IDIs with total assets of U.S.$ 50 billion or more to periodically submit a resolution plan to the FDIC (the "IDI Plan" and, together with the Title I U.S. Resolution Plan, the "US Resolution Plan") under the Federal Deposit Insurance Act (the "IDI Rule"). In 2014, Deutsche Bank expanded its Title I U.S. Resolution Plan to also be responsive to the IDI Rule requirements. In accordance with regulatory requirements, Deutsche Bank filed its most recent U.S. Resolution and IDI Plans in July 2015. In June 2016, Deutsche Bank received guidance from the Federal Reserve and the FDIC that the filing dates for Deutsche Bank's U.S. Resolution Plan had been extended until July 2017. The core elements of its 2015 U.S. Resolution Plan are Material Entities ("MEs"), Core Business Lines ("CBLs"), Critical Operations ("COs") and, for purposes of the IDI Plan, Critical Services. The 2015 U.S. 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 U.S. Resolution Plan also discusses the strategy for continuing Critical Services in resolution. Key factors addressed in the U.S. 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 2015 U.S. Resolution Plan was drafted in coordination with the U.S. businesses and infrastructure groups so that it accurately reflects the business, critical infrastructure and key interconnections.

13.3.5.6 MREL and TLAC

Under the Single Resolution Mechanism ("SRM") Regulation, the Bank Recovery and Resolution Directive ("BRRD") and the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) banks in the EU are required to meet at all times a robust minimum requirement for own funds and eligible liabilities ("MREL") which is determined on a case-by-case basis by the competent resolution authority. In addition, on November 9, 2015, the Financial Stability Board ("FSB") published a standard that will require, when implemented as law, global systemically important banks to meet a new firm-specific minimum requirement for total loss-absorbing capacity ("TLAC") starting on January 1, 2019. Both the TLAC and MREL requirements are specifically designed to require banks to maintain a sufficient amount of instruments which are eligible to absorb losses in resolution with the aim of ensuring that failing banks can be resolved without recourse to taxpayers' money.

On 23 November 2016, the European Commission proposed a revision of the Capital Requirements Regulation (CRR) to implement TLAC into EU legislation. In addition, it proposed amendments to the BRRD and the SRM Regulation. Under the Commission's CRR revision proposal, the loss absorbency regime for EU Global Systemically Important Institutions ("G-SIIs") would be closely aligned with the international TLAC term sheet. The instruments which qualify under TLAC are Common Equity Tier 1 instruments, Additional Tier 1 instruments, Tier 2 instruments and certain eligible unsecured liabilities. The TLAC term sheet introduces a minimum requirement of 16 percent of Risk Weighted Assets ("RWAs") or 6 percent of leverage exposure by January 1, 2019; and 18 percent of RWAs and 6.75 percent of leverage exposure by 2022. The resolution authority would be able to request a firm-specific add-on if deemed necessary. For non-G-SIIs banks, the MREL would still be set on a case-by-case basis.

Furthermore, under the German Banking Act, as amended by the German Resolution Mechanism Act, which was published in November 2015, senior bonds will rank junior to other senior liabilities, without constituting subordinated debt, in insolvency proceedings opened on or after January 1, 2017.

13.4 Risk and Capital Management

13.4.1 Capital Management

Deutsche Bank's Treasury function manages solvency, capital adequacy and leverage ratios at Group level and locally in each region. Treasury implements its capital strategy, which itself is developed by the Group Risk Committee and approved by the Management Board, including issuance and repurchase of shares and capital instruments, hedging of capital ratios against foreign exchange swings, limit setting for key financial resources, design of book equity allocation, and regional capital planning. Deutsche Bank is fully committed to maintaining its sound capitalization both from an economic and regulatory perspective. Deutsche Bank continuously monitors and adjusts its overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include book equity based on IFRS accounting standards, regulatory and economic capital as well as specific capital requirements from rating agencies.

Treasury manages the issuance and repurchase of capital instruments, namely Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments. Treasury constantly monitors the market for liability management trades. Such trades represent a countercyclical opportunity to create Common Equity Tier 1 capital by buying back issuances below par.

Deutsche Bank's core currencies are Euro, U.S. Dollar and Pound Sterling. Treasury manages the sensitivity of Deutsche Bank's capital ratios against swings in core currencies. The capital invested into its foreign subsidiaries and branches in the other non-core currencies is largely hedged against foreign exchange swings. Treasury determines which currencies are to be hedged, develops suitable hedging strategies in close cooperation with Risk Management and finally executes these hedges.

In connection with MREL and TLAC requirements, Deutsche Bank reviews its issuance portfolio of senior bonds to make them eligible under bail-in rules. Deutsche Bank intends to comply with potential requirements as they become effective.

13.4.2 Resource Limit Setting

Usage of key financial resources is influenced through the following governance processes and incentives.

Target resource capacities are reviewed in Deutsche Bank's annual strategic plan in line with its CET 1 and Leverage Ratio ambitions. In a quarterly process, the Group Risk Committee approves divisional resource limits for Total Capital Demand and leverage exposure that are based on the strategic plan but adjusted for market conditions and the short-term outlook. The limits are enforced through a close monitoring process and an excess charging mechanism.

Overall regulatory capital requirements are driven by the higher of Deutsche Bank's CET 1 ratio (solvency) and leverage ratio (leverage) requirements. In terms of order for the internal capital allocation, solvency-based allocation comes first, then an incremental leverage-driven allocation, if required. The allocation methodology utilizes a two-step approach: Allocation of Shareholders Equity is solvency-based first until the externally communicated target of a 12.5% CET 1 solvency ratio is met, and then incremental leverage capital is allocated based on pro-rata leverage exposure of divisions to satisfy the externally communicated target of a 4.5% leverage ratio, if required. The allocation thresholds are reviewed as and when externally communicated targets for the CET 1 or leverage ratio are adjusted. In Deutsche Bank's performance measurement, its methodology also applies different rates for the cost of equity for each of the business segments, reflecting in a more differentiated way the earnings volatility of the individual business models. This enables improved performance management and investment decisions.

Regional capital plans covering the capital needs of Deutsche Bank's branches and subsidiaries across the globe are prepared on an annual basis and presented to the Group Investment Committee. Most of Deutsche Bank's subsidiaries are subject to legal and regulatory capital requirements. In developing, implementing and testing its capital and liquidity, Deutsche Bank fully takes such legal and regulatory requirements into account.

Further, Treasury is represented on the Investment Committee of the largest Deutsche Bank pension fund which sets the investment guidelines. This representation is intended to ensure that pension assets are aligned with pension liabilities, thus protecting Deutsche Bank's capital base.

13.4.3 Risk Identification and Assessment

Deutsche Bank faces a variety of risks as a result of its business activities; these risks include credit risk, market risk, business risk, liquidity risk, operational risk and reputational risk as described in the following sections below. Deutsche Bank's risk identification and assessment processes utilize its Three Lines of Defense operating model with the first line identifying the key risks and the second line complementing and

aggregating identified risks into Deutsche Bank's global risk type taxonomy and assessing identified risks for their materiality. Operating processes are in place across the organization to capture relevant measures and indicators. The core aim of all processes is to provide adequate transparency and understanding of existing and emerging risk issues, and to ensure a holistic cross-risk perspective. Deutsche Bank updates the risk inventory at least once a year or at other times if needed, by running a risk identification and materiality assessment process in line with MaRisk.

To align with the Three Lines of Defense taxonomy, Deutsche Bank categorizes its material risks into financial risks and non-financial risks effective January 1, 2016. Financial risks comprise credit risk (including settlement and transfer risks), market risk (including non-trading, trading and traded default risk), liquidity risk and business (strategic) risk. Non-financial risks comprise operational risks and reputational risks with compliance risk, legal risk, model risk and information security risk captured in Deutsche Bank's operational risk framework. For all material risks common risk management standards apply including having a dedicated risk management function, defining a risk type specific risk appetite and the decision on the amount of capital to be held.

Credit risk, market risk and operational risk attract regulatory capital. As part of Deutsche Bank's internal capital adequacy assessment process, Deutsche Bank calculates the amount of economic capital for credit, market, operational and business risk to cover risks generated from its business activities taking into account diversification effects across those risk types. Furthermore, Deutsche Bank's economic capital framework embeds additional risks, e.g. reputational risk and refinancing risk, for which no dedicated economic capital models exist. Deutsche Bank excludes liquidity risk from economic capital.

13.4.4 Credit Risk Management

13.4.4.1 Credit Risk Framework

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which Deutsche Bank refers to collectively as "counterparties") exist, including those claims that Deutsche Bank plans to distribute. These transactions are typically part of its traditional nontrading lending activities (such as loans and contingent liabilities). Additionally, traded bonds and debt securities form part of Deutsche Bank's direct trading activity with clients (such as over-the-counter ("OTC") derivatives like foreign exchange forwards and Forward Rate Agreements). Carrying values of equity investments are also disclosed in section "*13.6 Credit Risk Exposure*". Deutsche Bank manages the respective positions within its market risk and credit risk frameworks.

Based on the annual risk identification and materiality assessment, credit risk contains four material categories, namely default risk, industry risk, country risk, and product risk.

- Default 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;
- Industry risk is the risk of adverse developments in the operating environment for a specific industry segment leading to deterioration in the financial profile of counterparties operating in that segment and resulting in increased credit risk across this portfolio of counterparties;
- Country risk is the risk that Deutsche Bank 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; and
- Product Risk captures product-specific credit risk of transactions that could arise with respect to specific borrowers or group of borrowers. It takes into account whether obligations have a similar risk characteristics and market place behaviors.

Deutsche Bank measures, manages/mitigates and reports/monitors its credit risk using the following philosophy and principles:

- Deutsche Bank's credit risk management function is independent from its business divisions and in each of its divisions, credit decision standards, processes and principles are consistently applied.
- A key principle of credit risk management is client credit due diligence. Deutsche Bank's client selection is achieved in collaboration with its business division counterparts who stand as a first line of defense.
- Deutsche Bank aims 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 its risk appetite.

- Deutsche Bank maintains underwriting standards aiming to avoid large credit risk on a counterparty and portfolio level. In this regard Deutsche Bank assumes unsecured cash positions and actively use hedging for risk mitigation purposes. Additionally, Deutsche Bank strives to secure its 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. Deutsche Bank assigns credit approval authorities to individuals according to their qualifications, experience and training, and it reviews these periodically.
- Deutsche Bank measures and consolidates all its credit exposures to each obligor across its consolidated Group on a global basis, in line with regulatory requirements.
- Deutsche Bank manages 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.
- Deutsche Bank has 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.

13.4.4.2 Measuring Credit Risk

Credit risk is measured by credit rating, regulatory and internal capital demand and key credit metrics mentioned below.

The credit rating is an essential part of the Bank's underwriting and credit process and builds the basis for risk appetite determination on a counterparty and portfolio level, credit decision and transaction pricing as well the determination of credit risk regulatory capital. Each counterparty must be rated and each rating has to be reviewed at least annually. Ongoing monitoring of counterparties helps keep ratings 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 Deutsche Bank's non-homogenous portfolios are rated by its independent Credit Risk Management function. Country risk related ratings are provided by Enterprise Risk Management research.

Deutsche Bank's rating analysis is based on a combination of qualitative and quantitative factors. When rating a counterparty Deutsche Bank applies in-house assessment methodologies, scorecards and its 21-grade rating scale for evaluating the credit-worthiness of its counterparties.

Changes to existing credit models and introduction of new models are approved by the Regulatory Credit Risk Model Committee chaired by the Head of CRM, as well as by the Head of the Model Risk Function or its delegate, where appropriate, before the methodologies are used for credit decisions and capital calculation for the first time or before they are significantly changed. Proposals with high impact are recommended for approval to the Management Board. Additionally, the Risk Committee of the Supervisory Board has to be informed regularly about all model changes that have been brought to the attention of the Management Board. Regulatory approval may also be required. The methodology validation is performed independently of model development by Global Model Validation and Governance. The results of the regular validation processes as stipulated by internal policies have to be brought to the attention of the Regulatory Credit Risk Model Committee, even if the validation results do not lead to a change. The validation plan for rating methodologies is presented to Regulatory Credit Risk Model Committee at the beginning of the calendar year and a status update is given on a quarterly basis.

For Postbank, responsibility for implementation, validation and monitoring of internal rating systems effectiveness is with Postbank's Group Risk Controlling function and overseen by the model and validation committee, chaired by Postbank's Head of Group Risk Controlling. An independent model risk and validation function has been established in 2016 in addition to the model risk development unit. 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.

Deutsche Bank measures risk-weighted assets to determine the regulatory capital demand for credit risk using the "advanced", "foundation" and "standard" approaches of which advanced and foundation are approved by its regulator.

The advanced Internal Ratings Based Approach ("IRBA") is the most sophisticated approach available under the regulatory framework for credit risk and allows Deutsche Bank to make use of its internal credit rating methodologies as well as internal estimates of specific further risk parameters. These methods and parameters represent long-used key components of the internal risk measurement and management process supporting the credit approval process, the economic capital and expected loss calculation and the internal monitoring and reporting of credit risk. The relevant parameters include the probability of default, the loss given default and the maturity driving the regulatory risk-weight and the credit conversion factor as part of the regulatory exposure at default estimation. For the majority of derivative counterparty exposures as well as securities financing transactions ("SFT"), Deutsche Bank makes use of the internal model method in accordance with CRR and German Solvency Regulation (*Solvabilitätsverordnung*) to calculate exposure at default. For most of Deutsche Bank's internal rating systems more than seven years of historical information is available to assess these parameters. Deutsche Bank's internal rating methodologies aim at point-in-time rather than a through-the-cycle rating.

Deutsche Bank applies the foundation IRBA to the majority of its remaining foundation IRBA eligible credit portfolios at Postbank to the extent these have not been newly assigned to the advanced IRBA during 2016. The foundation IRBA is an approach available under the regulatory framework for credit risk allowing institutions to make use of their internal rating methodologies while using pre-defined regulatory values for all other risk parameters. Parameters subject to internal estimates include the probability of default while the loss given default and the credit conversion factor are defined in the regulatory framework.

Deutsche Bank applies the standardized approach to a subset of its credit risk exposures. The standardized approach measures credit risk either pursuant to fixed risk weights, which are predefined by the regulator, or through the application of external ratings. Deutsche Bank assigns certain credit exposures permanently to the standardized approach in accordance with Article 150 CRR. These are predominantly exposures to the Federal Republic of Germany and other German public sector entities as well as exposures to central governments of other European Member States that meet the required conditions. These exposures make up the majority of the exposures carried in the standardized approach and receive predominantly a risk weight of zero percent. For internal purposes, however, these exposures are subject to an internal credit assessment and fully integrated in the risk management and economic capital processes.

In addition to the above described regulatory capital demand, Deutsche Bank determines the internal capital demand for credit risk via an economic capital model.

Deutsche Bank calculates economic capital for the default risk, country risk and settlement risk as elements of credit risk. In line with its 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. Deutsche Bank's 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 Deutsche Bank's own alpha factor when deriving the exposure at default for derivatives and securities financing transactions under the CRR. Deutsche Bank allocates expected losses and economic capital derived from loss distributions down to transaction level to enable management on transaction, customer and business level.

Besides the credit rating the key credit risk metric Deutsche Bank applies for managing its credit portfolio, including transaction approval and the setting of risk appetite, Deutsche Bank establishes internal limits and credit exposures under these limits. Credit limits set forth maximum credit exposures Deutsche Bank is willing to assume over specified periods. In determining the credit limit for a counterparty, Deutsche Bank considers the counterparty's credit quality by reference to its 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, Deutsche Bank looks at current market values and the potential future exposure over the lifetime of a transaction. Deutsche Bank generally also takes into consideration the Risk-Return characteristics of individual transactions and portfolios. Risk-Return metrics explain the development of client revenues as well as capital consumption. In this regard Deutsche Bank also looks at the client revenues with respect to the balance sheet consumption.

13.4.4.3 Managing and Mitigation of Credit Risk

13.4.4.3.1 Managing Credit Risk on Counterparty Level

Credit-related counterparties are principally allocated to credit officers within credit teams which are aligned to types of counterparty (such as financial institutions, corporates 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. Deutsche Bank also has 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 Deutsche Bank has 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". Deutsche Bank aims to identify counterparties that, on the basis of the application of its 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 Deutsche Bank's credit culture and is intended to ensure that greater attention is paid to such exposures.

Credit limits are established by the Credit Risk Management function via the execution of assigned credit authorities. This also applies to settlement risk that must fall within limits pre-approved by Credit Risk Management considering risk appetite and in a manner that reflects expected settlement patterns for the subject counterparty. 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 commensurate 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. Where personal and committee authorities are insufficient to establish appropriate limits, the case is referred to the Management Board for approval.

13.4.4.3.2 Mitigation of Credit Risk on Counterparty Level

In addition to determining counterparty credit quality and its risk appetite, Deutsche Bank also uses 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 loss arising from the probability of default risk of an obligor to a third party including hedging executed by the Credit Portfolio Strategies Group.
- Netting and collateral arrangements which reduce the credit exposure from derivatives and repo- and repo-style transactions.

13.4.4.3.3 Collateral

Deutsche Bank regularly agrees 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 counterparty 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 and a thorough assessment of the debt service ability of the counterparty.

Deutsche Bank segregates collateral received into the following two types:

- Financial and other collateral, which enables Deutsche Bank to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the counterparty 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 counterparty'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.

Deutsche Bank's processes seek to ensure that the collateral it accepts 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. Deutsche Bank has collateral type specific haircuts in place which are regularly reviewed and approved. In this regard, Deutsche Bank strives to avoid "wrong-way" risk characteristics where the counterparty's 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 counterparties.

13.4.4.3.4 Risk Transfers

Risk transfers to third parties form a key part of Deutsche Bank's 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 the 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 the corporate divisions of GM and CIB.

Acting as a central pricing reference, CPSG provides the respective GM and CIB 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.

13.4.4.3.5 Netting and Collateral Arrangements for Derivatives and Securities Financing Transactions

Netting is applicable to both exchange traded derivatives and OTC derivatives. 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 exchange traded derivatives are cleared through central counterparties ("CCPs"), which interpose themselves between the trading entities by becoming the counterparty to each of the entities. Where available and to the extent agreed with its counterparties, Deutsche Bank also uses CCP clearing for its OTC derivative transactions.

The Dodd-Frank Act and related Commodity Futures Trading Commission ("CFTC") rules introduced in 2013 mandatory CCP clearing in the United States for certain standardized OTC derivative transactions, including certain interest rate swaps and index credit default swaps. Additionally, the CFTC adopted final rules in 2016 that require additional interest rate swaps to be cleared on a phased implementation schedule ending in October 2018. The European Regulation (EU) No 648/2012 on OTC Derivatives, Central Counterparties and Trade Repositories ("EMIR") and the Commission Delegated Regulations (EU) 2015/2205, (EU) 2015/592 and (EU) 2016/1178 based thereupon introduced mandatory CCP clearing in the EU clearing for certain standardized OTC derivatives transactions. Mandatory CCP clearing in the EU began for certain interest rate derivatives on June 21, 2016 and for certain additional interest rate derivatives on February 9, 2017. Article 4 (2) of EMIR authorizes competent authorities to exempt intragroup transactions from mandatory CCP clearing, provided certain requirements, such as full consolidation of the intragroup transactions and the application of an appropriate centralized risk evaluation, measurement and control procedure are met. The Bank successfully applied for the clearing exemption for most of its regulatory-consolidated subsidiaries with intragroup derivatives, including e.g., Deutsche Bank Securities Inc. and Deutsche Bank Luxembourg S.A. As of January 16, 2016, Deutsche Bank has obtained intragroup exemptions from the EMIR clearing obligation for 71 bilateral intragroup relationships.

The rules and regulations of CCPs typically provide for the bilateral set off of all amounts payable on the same day and in the same currency ("payment netting") thereby reducing Deutsche Bank's settlement risk. Depending on the business model applied by the CCP, this payment netting applies either to all of Deutsche Bank's 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 Deutsche Bank's credit

risk. In its risk measurement and risk assessment processes Deutsche Bank applies close-out netting only to the extent it has satisfied itself 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, Deutsche Bank regularly seeks the execution of standard master agreements (such as master agreements for derivatives published by the International Swaps and Derivatives Association, Inc. or the German Master Agreement for Financial Derivative Transactions) with its 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 (e.g., foreign exchange transactions) Deutsche Bank also enters into master agreements under which payment netting applies in respect to transactions covered by such master agreements, reducing its settlement risk. In its risk measurement and risk assessment processes Deutsche Bank applies close-out netting only to the extent it has satisfied itself of the legal validity and enforceability of the master agreement in all relevant jurisdictions.

Also, Deutsche Bank enters into credit support annexes to master agreements in order to further reduce its derivatives-related credit risk. These annexes generally provide risk mitigation through periodic, usually daily, margining of the covered exposure. The credit support annexes also provide for the right to terminate the related derivative transactions upon the counterparty's failure to honor a margin call. As with netting, when Deutsche Bank believes the annex is enforceable, it reflect this in its exposure measurement.

The Dodd-Frank Act and CFTC rules thereunder, including CFTC rules § 23.504 and § 23.158, as well as EMIR and Commission Delegated Regulation based thereupon, namely Commission Delegated Regulation (EU) 2016/2251 introduced the mandatory use of master agreements and related credit support annexes, which must be executed prior to or contemporaneously with entering into an uncleared OTC derivative transaction. Under U.S. margin rules adopted by U.S. prudential regulators (the Office of the Comptroller of the Currency, the Federal Reserve, the Federal Deposit Insurance Corporation, the Farm Credit Administration and Federal Housing Finance Agency) and the CFTC, Deutsche Bank is required to post and collect initial margin and variation margin for its derivatives exposures with other derivatives dealers, as well as with its counterparties that (a) are "financial end users," as that term is defined in the U.S. margin rules, and (b) have an average daily aggregate notional amount of uncleared swaps, uncleared security-based swaps, foreign exchange forwards and foreign exchange swaps exceeding U.S.$ 8 billion in June, July and August of the previous calendar year. The U.S. margin rules additionally require Deutsche Bank to post and collect variation margin for its derivatives with other financial end-user counterparties. These margin requirements are subject to a U.S. $ 50 million threshold for initial margin and a zero threshold for variation margin, with a combined U.S. $ 500,000 minimum transfer amount. The U.S. margin requirements have been in effect for large banks since September 2016, with additional variation margin requirements having come into effect on March 1, 2017 and additional initial margin requirements phased in on an annual basis from September 2017 through September 2020. Under EMIR, the credit support annex must provide for daily valuation and daily variation margining based on a zero threshold and a maximum transfer amount of € 500,000. For large derivative exposures exceeding € 8 billion, initial margin has to be posted as well. The variation margin requirements under EMIR apply as of March 1, 2017; the initial margin requirements will be subject to a staged phase-in until September 1, 2020. Pursuant to Article 11 (5) to (10) of EMIR competent authorities are authorized to exempt intragroup transactions from the margining obligation, provided certain requirements are met. While some of those requirements are the same as for the EMIR clearing exemptions (see above), there are additional requirements such as the absence of any current or foreseen practical or legal impediment to the prompt transfer of funds or repayment of liabilities between intragroup counterparties. Deutsche Bank plans to make use of this exemption.

Certain credit support annexes to master agreements provide for rating-dependent triggers, where additional collateral must be pledged if a party's rating is downgraded. Deutsche Bank also enters into master agreements that provide for an additional termination event upon a party's rating downgrade. These downgrading provisions in credit support annexes and master agreements usually apply to both parties but in some agreements may apply to Deutsche Bank only. Deutsche Bank analyzes and monitors its potential contingent payment obligations resulting from a rating downgrade in its stress testing approach for liquidity risk on an ongoing basis. For an assessment of the quantitative impact of a downgrading of Deutsche Bank's credit rating please refer to table in section "*13.10.6 Stress Testing and Scenario Analysis*".

13.4.4.3.6 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. Deutsche Bank uses

a range of quantitative tools and metrics to monitor its 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 "*13.6.1 Maximum Exposure to Credit Risk*".

13.4.4.3.7 Managing Credit Risk on Portfolio Level

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.

Deutsche Bank's portfolio management framework supports a comprehensive assessment of concentrations within its credit risk portfolio in order to keep concentrations within acceptable levels.

13.4.4.3.8 Industry Risk Management

To manage industry risk, Deutsche Bank has grouped its 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 its credit portfolio, reviews concentration risks, analyses 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 have been presented to the Credit Risk Management Portfolio Committee. 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 have been prepared for the Credit Risk Management Portfolio Committee to discuss recent developments and to agree on actions where necessary.

13.4.4.3.9 Country Risk Management

Avoiding undue concentrations from a regional perspective is also an integral part of Deutsche Bank's 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 the Management Board or by Deutsche Bank's Enterprise Risk Committee, pursuant to delegated authority, and by the Management Board at Postbank for respective portfolios.

In Deutsche Bank's Country Limit framework, limits are established for counterparty credit risk exposures in a given country to manage the aggregated 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 which apply to any cross-border exposures (credit and trading) with Deutsche Bank's clients in above countries. Also, gap risk limits are set to control the risk of loss due to intra-country wrong-way risk exposure.

Beyond credit risk, Deutsche Bank's Country Risk Framework comprises market risk in trading positions in emerging markets and is set based on the profit and loss impact of potential stressed market events on these positions. Furthermore Deutsche Bank takes in consideration treasury risk comprising capital positions and exposure of Deutsche Bank entities in above countries (Funding, Margin or Guarantees) which are subject to limits given the transfer risk inherent in these cross-border positions.

Deutsche Bank's country risk ratings represent a key tool in its management of country risk. They are established by the independent Enterprise Risk Management research 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 Deutsche Bank's event risk scenarios, as described in the section "Market Risk Monitoring" of this report.

All sovereign and transfer risk ratings are reviewed, at least quarterly, by the Enterprise Risk Committee, although more frequent reviews are undertaken when deemed necessary.

13.4.4.3.10 Product specific Risk Management

Complementary to its counterparty, industry and country risk approach, Deutsche Bank focuses on product specific risk concentrations and selectively sets 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.

A key focus is put on underwriting caps in CIB and GM. These caps limit the combined risk for transactions where Deutsche Bank underwrites 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 Deutsche Bank may not be successful in the distribution of the facilities, meaning that it 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. Deutsche Bank dynamically hedges this credit spread risk to be within the approved market risk limit framework.

Furthermore, in its PW&CC businesses, Deutsche Bank applies product-specific strategies setting its 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 concentrations along products as well as based on type and liquidity of collateral.

13.4.5 Market Risk Management

13.4.5.1 Market Risk Framework

The vast majority of Deutsche Bank's businesses are subject to market risk, defined as the potential for change in the market value of its trading and invested positions. Risk can arise from changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility and market implied default probabilities.

One of the primary objectives of Market Risk Management, a part of Deutsche Bank's independent Risk function, is to ensure that its business units, risk exposure is within the approved appetite commensurate with its defined strategy. To achieve this objective, Market Risk Management works closely together with risk takers ("the business units") and other control and support groups.

Deutsche Bank distinguishes between three substantially different types of market risk:

- Trading market risk arises primarily through the market-making activities of the Global Markets Division. This involves taking positions in debt, equity, foreign exchange, other securities and commodities as well as in equivalent derivatives.
- Traded default risk arising from defaults and rating migrations relating to trading instruments.
- Nontrading market risk arises from market movements, primarily outside the activities of Deutsche Bank's trading units, in its 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 Deutsche Bank's 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.

Market Risk Management governance is designed and established to promote oversight of all market risks, effective decision-making and timely escalation to senior management.

Market Risk Management defines and implements a framework to systematically identify, assess, monitor and report Deutsche Bank's market risk. Market risk managers identify market risks through active portfolio analysis and engagement with the business areas.

13.4.5.2 Market Risk Measurement

Deutsche Bank aims to accurately measure all types of market risks by a comprehensive set of risk metrics reflecting economic and regulatory requirements.

In accordance with economic and regulatory requirements, Deutsche Bank measures market risks by several internally developed key risk metrics and regulatory defined market risk approaches.

13.4.5.3 Trading Market Risk

Deutsche Bank's primary mechanism to manage trading market risk is the application of its risk appetite framework of which the limit framework is a key component. Its Management Board supported by Market Risk Management, sets group-wide value-at-risk, economic capital and portfolio stress testing limits for market risk in the trading book. Market Risk Management allocates this overall appetite to the corporate divisions and individual business units within them based on established and agreed business plans. Deutsche Bank also has business aligned heads within Market Risk Management to establish business limits, by allocating the limit down to individual portfolios or geographical regions.

Value-at-risk, economic capital and Portfolio Stress Testing limits are used for managing all types of market risk at an overall portfolio level. As an additional and complementary tool for managing certain portfolios or risk types, Market Risk Management performs risk analysis and business specific stress testing. Limits are also set on sensitivity and concentration/liquidity, business-level stress testing and event risk scenarios.

Business units are responsible for adhering to the limits against which exposures are monitored and reported. The market risk limits set by Market Risk Management are monitored on a daily, weekly and monthly basis.

13.4.5.4 Internally developed Market Risk Models

13.4.5.4.1 Value-at-Risk (VaR)

Value at Risk ("VaR") is a quantitative measure of the potential loss (in value) of fair value positions due to market movements that will not be exceeded in a defined period of time and with a defined confidence level.

Deutsche Bank's value-at-risk for the trading businesses is based on its own internal model. In October 1998, the German Banking Supervisory Authority (now the BaFin) approved Deutsche Bank's internal model for calculating the regulatory market risk capital for its general and specific market risks. Since then the model has been continually refined and approval has been maintained.

Deutsche Bank calculates VaR using a 99% confidence level and a one day holding period. This means Deutsche Bank estimates there is a 1 in 100 chance that a mark-to-market loss from its trading positions will be at least as large as the reported VaR. For regulatory purposes, which include the calculation of its capital requirements and risk-weighted assets, the holding period is ten days.

Deutsche Bank uses one year of historical market data as input to calculate VaR. The calculation employs a Monte Carlo Simulation technique, and Deutsche Bank assumes that changes in risk factors follow a well-defined distribution, e.g. normal or non-normal (t, skew-t, Skew-Normal). To determine its aggregated VaR, Deutsche Bank uses observed correlations between the risk factors during this one year period.

Deutsche Bank's VaR model is designed to take into account a comprehensive set of risk factors across all asset classes. Key risk factors are swap/government curves, index and issuer-specific credit curves, funding spreads, single equity and index prices, foreign exchange rates, commodity prices as well as their implied volatilities. To help ensure completeness in the risk coverage, second order risk factors, e.g. CDS index vs. constituent basis, money market basis, implied dividends, option-adjusted spreads and precious metals lease rates are considered in the VaR calculation.

For each business unit a separate VaR is calculated for each risk type, e.g. interest rate risk, credit spread risk, equity risk, foreign exchange risk and commodity risk. For each risk type this is achieved by deriving the sensitivities to the relevant risk type and then simulating changes in the associated risk drivers. "Diversification effect" reflects the fact that the total VaR on a given day will be lower than the sum of the VaR relating to the individual risk types. Simply adding the VaR figures of the individual risk types to arrive at an aggregate VaR would imply the assumption that the losses in all risk types occur simultaneously.

The model incorporates both linear and, especially for derivatives, nonlinear effects through a combination of sensitivity-based and revaluation approaches on grids.

The VaR measure enables Deutsche Bank to apply a consistent measure across all of its trading businesses and products. It allows a comparison of risk in different businesses, and also provides a means of aggregating and netting positions within a portfolio to reflect correlations and offsets between different asset classes. Furthermore, it facilitates comparisons of Deutsche Bank's market risk both over time and against its daily trading results.

When using VaR estimates a number of considerations should be taken into account. These include:

- The use of historical market data may not be a good indicator of potential future events, particularly those that are extreme in nature. This "backward-looking" limitation can cause VaR to understate risk (as in 2008), but can also cause it to be overstated.
- Assumptions concerning the distribution of changes in risk factors, and the correlation between different risk factors, may not hold true, particularly during market events that are extreme in nature. The one day holding period does not fully capture the market risk arising during periods of illiquidity, when positions cannot be closed out or hedged within one day.
- VaR does not indicate the potential loss beyond the 99th quantile.
- Intra-day risk is not reflected in the end of day VaR calculation.
- There may be risks in the trading book that are partially or not captured by the VaR model.

Deutsche Bank is committed to the ongoing development of its internal risk models, and it allocates substantial resources to reviewing, validating and improving them. Additionally, Deutsche Bank has further developed and improved its process of systematically capturing and evaluating risks currently not captured in its value-at-risk model. An assessment is made to determine the level of materiality of these risks and material risks are prioritized for inclusion in Deutsche Bank's internal model. Risks not in value-at-risk are monitored and assessed on a regular basis through the risk not in VaR framework.

13.4.5.4.2 Stressed Value-at-Risk

Stressed Value-at-Risk calculates a stressed value-at-risk measure based on a one year period of significant market stress. Deutsche Bank calculates a stressed value-at-risk measure using a 99% confidence level. The holding period is one day for internal purposes and ten days for regulatory purposes. Its stressed value-at-risk calculation utilizes the same systems, trade information and processes as those used for the calculation of value-at-risk. The only difference is that historical market data and observed correlations from a period of significant financial stress (i.e., characterized by high volatilities) is used as an input for the Monte Carlo Simulation.

The time window selection process for the stressed value-at-risk calculation is based on the identification of a time window characterized by high levels of volatility in the top value-at-risk contributors. The identified window is then further validated by comparing the stressed value-at-risk results to neighboring windows using the complete DB Group portfolio.

13.4.5.4.3 Incremental Risk Charge

Incremental Risk Charge captures default and credit migration risks for credit-sensitive positions in the trading book. It applies to credit products over a one-year capital horizon at a 99.9% confidence level, employing a constant position approach. Deutsche Bank uses a Monte Carlo Simulation for calculating incremental risk charge as the 99.9% quantile of the portfolio loss distribution and for allocating contributory incremental risk charge to individual positions.

The model captures the default and migration risk in an accurate and consistent quantitative approach for all portfolios. Important parameters for the incremental risk charge calculation are exposures, recovery rates, maturity ratings with corresponding default and migration probabilities and parameters specifying issuer correlations.

13.4.5.4.4 Comprehensive Risk Measure

Comprehensive Risk Measure captures incremental risk for the correlation trading portfolio calculated using an internal model subject to qualitative minimum requirements as well as stress testing requirements. The comprehensive risk measure for the correlation trading portfolio is based on Deutsche Bank's own internal model.

Deutsche Bank calculates the comprehensive risk measure based on a Monte Carlo Simulation technique to a 99.9% confidence level and a capital horizon of one year. Deutsche Bank's model is applied to the eligible corporate correlation trading positions where typical products include collateralized debt obligations, nth-to-default credit default swaps, and commonly traded index- and single-name credit default swaps.

Trades subject to the comprehensive risk measure have to meet minimum liquidity standards to be eligible. The model incorporates concentrations of the portfolio and nonlinear effects via a full revaluation approach.

For regulatory reporting purposes, the comprehensive risk measure represents the higher of the internal model spot value at the reporting dates, their preceding 12-week average calculation, and the floor, where

the floor is equal to 8% of the equivalent capital charge under the standardized approach securitization framework. Since the first quarter of 2016, the Credit Risk Management risk-weighted assets calculations include two regulatory-prescribed add-ons which cater for (a) stressing the implied correlation within nth-to-default baskets and (b) any stress test loss in excess of the internal model spot value.

13.4.5.5 Market Risk Standardized Approach

Market Risk Management monitors exposures and addresses risk issues and concentrations for certain exposures under the specific Market Risk Standardized Approach ("MRSA"). Deutsche Bank uses the MRSA to determine the regulatory capital charge for the specific market risk of trading book securitizations which fall outside the scope of the regulatory correlation trading portfolio.

Deutsche Bank also uses the MRSA to determine the regulatory capital charge for longevity risk as set out in CRR/CRD 4 regulations. Longevity risk is the risk of adverse changes in life expectancies resulting in a loss in value on longevity linked policies and transactions. For risk management purposes, stress testing and economic capital allocations are also used to monitor and manage longevity risk. Furthermore, certain types of investment funds require a capital charge under the MRSA. For risk management purposes, these positions are also included in Deutsche Bank's internal reporting framework.

13.4.5.6 Market Risk Stress Testing

Stress testing is a key risk management technique, which evaluates the potential effects of extreme market events and extreme movements in individual risk factors. It is one of the core quantitative tools used to assess the market risk of Deutsche Bank's positions and complements VaR and Economic Capital. Market Risk Management performs several types of stress testing to capture the variety of risks: Portfolio Stress Testing, individual specific stress tests, Event Risk Scenarios, and also contributes to Group-wide stress testing.

13.4.5.7 Trading Market Risk Economic Capital

Deutsche Bank's trading market risk economic capital model - scaled stressed value at risk-based Economic Capital - comprises two core components, the "common risk" component covering risk drivers across all businesses and the "business-specific risk" component, which enriches the common risk via a suite of business-specific stress tests. Both components are calibrated to historically observed severe market shocks. Common risk is calculated using a scaled version of the regulatory stressed VaR framework while business-specific stress tests is designed to capture more product/business-related bespoke risks (e.g. complex basis risks) as well as higher order risks not captured in the common risk component.

13.4.5.8 Traded Default Risk Economic Capital

Traded Default Risk Economic Capital captures the relevant credit exposures across Deutsche Bank's trading and banking books. Trading book exposures are monitored by Market Risk Management via single name concentration and portfolio thresholds which are set based upon rating, size and liquidity. Single name concentration risk thresholds are set for two key metrics: default exposure, i.e., the profit and loss impact of an instantaneous default at the current recovery rate, and bond equivalent Market Value, i.e. default exposure at 0% recovery. In order to capture diversification and concentration effects Deutsche Bank performs a joint calculation for traded default risk economic capital and credit risk economic capital. Important parameters for the calculation of traded default risk are exposures, recovery rates and default probabilities as well as maturities. The probability of joint rating downgrades and defaults is determined by the default and rating correlations of the portfolio model. These correlations are specified through systematic factors that represent countries, geographical regions and industries.

13.4.5.9 Trading Market Risk Reporting

Market Risk Management reporting creates transparency on the risk profile and facilitates the understanding of core market risk drivers to all levels of the organization. The Management Board and Senior Governance Committees receive regular reporting, as well as ad hoc reporting as required, on market risk, regulatory capital and stress testing. Senior Risk Committees receive risk information at a number of frequencies, including weekly or monthly.

Additionally, Market Risk Management produces daily and weekly Market Risk specific reports and daily limit excess reports for each asset class.

13.4.5.10 Regulatory prudent valuation of assets carried at fair value

Pursuant to Article 34 CRR institutions shall apply the prudent valuation requirements of Article 105 CRR to all assets measured at fair value and shall deduct from CET 1 capital the amount of any additional value adjustments necessary.

Deutsche Bank determined the amount of the additional value adjustments based on the methodology defined in the Commission Delegated Regulation (EU) 2016/101.

At December 31, 2016, the amount of the additional value adjustments was € 1.4 billion.

Based on Article 159 CRR the total amount of general and specific credit risk adjustments and additional value adjustments for exposures that are treated under the Internal Ratings Based Approach for credit risk and that are in scope of the expected loss calculation may be subtracted from the total expected loss amount related to these exposures. Any remaining positive difference must be deducted from CET 1 capital pursuant to Article 36 (1) lit. d. CRR.

At December 31, 2016, the reduction of the expected loss from subtracting the additional value adjustments was € 0.5 billion, which partly mitigated the negative impact of the additional value adjustments on Deutsche Bank's CET 1 capital.

13.4.5.11 Nontrading Market Risk

Nontrading market risk arises primarily from outside the activities of Deutsche Bank trading units, in its banking book and from certain off-balance sheet items. Significant market risk factors the Bank is exposed to and are overseen by risk management groups in that area are:

- Interest rate risk (including risk from embedded optionality and changes in behavioral patterns for certain product types), credit spread risk, foreign exchange risk, equity risk (including investments in public and private equity as well as real estate, infrastructure and fund assets).
- Market risks from off-balance sheet items such as pension schemes and guarantees as well as structural foreign exchange risk and equity compensation risk.

13.4.5.11.1 Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is the current or prospective risk, to both Deutsche Bank's capital and earnings, which arises from adverse movements in interest rates, which affect its banking book exposures. This includes gap risk arising from the term structure of banking book instruments, basis risk, which describes the impact of relative changes in interest rates for financial instruments that are priced using different interest rate curves as well as option risk, which arises from option derivative positions or from optional elements embedded in Deutsche Bank's on- and off-balance sheet items.

Deutsche Bank measures the impact of interest rate risk in the banking book on Deutsche Bank's economic value as well as on Deutsche Bank's earnings. The Group Treasury division is mandated to manage on a fiduciary basis the interest rate risk centrally, with Market Risk Management acting as an independent oversight function.

Deutsche Bank employs mitigation techniques to immunize the economic value interest rate risk arising from nontrading positions. The majority of Deutsche Bank's interest rate risk arising from nontrading asset and liability positions, with the exception of some entities and portfolios, has been transferred through internal transactions to Treasury Pool Management, subject to banking book value at risk limits. Treasury Pool Management hedges the transferred net banking book risk with Global Markets' trading books. Global Markets' interest rate risk is managed on the basis of trading book value-at-risk, as reflected in trading portfolio figures. The treatment of interest rate risk in Deutsche Bank's trading portfolios and the application of the value-at-risk model is discussed in section "*13.4.5.3 Trading Market Risk*" of this Prospectus.

The most notable exceptions from the aforementioned paragraph are in Postbank and some PW&CC entities. These entities manage interest rate risk separately through their entity specific Asset and Liability Management departments. In addition, Deutsche Bank holds selected economic value risk positions managed by Treasury, predominately to mitigate earnings volatility.

The measurement and reporting of economic value interest rate risk is performed daily, earnings risk is monitored on a monthly basis.

The following table shows the variation of the economic value for Deutsche Bank's banking book positions resulting from upward and downward interest rate shocks by currency. In total, the estimated change in the economic value resulting from the impact of the regulatory required parallel yield curve shifts of (200) and +200 basis points (floored by a rate of zero) would be € (0.4) billion and € (0.3) billion, respectively, at December 31, 2016.

Economic value interest rate risk in the banking book by currency

(unaudited) In € bn.	December 31, 2016	
	-200 bp[1]	+200 bp
EUR	(0.5)	(0.1)
GBP	0	(0.1)
USD	0.2	(0.2)
JPY	0	0
Other	0	0
Total	**(0.4)**	**(0.3)**

1 Floored at zero

A sudden parallel increase in yield curves would positively impact Deutsche Bank's earnings (net interest income) from its banking book positions. Deutsche Bank estimates that the total one-year net interest income change resulting from parallel yield curve shifts of (200) and +200 basis points (floored by a rate of zero) would be € (0.6) billion and € 2.1 billion, respectively, at December 31, 2016.

The PW&CC and CIB businesses are subject to risk of changes in Deutsche Bank's clients' behavior with regard to their deposits as well as loan products. A main component of the economic value of Deutsche Bank's banking book positions is the maturity transformation of contractually short term deposits. The effective duration of contractually short term deposits is based upon observable client behavior, elasticity of deposit rates to market interest rates ("DRE") and the volatility of deposit balances. Additionally, Deutsche Bank considers early prepayment behavior of Deutsche Bank's customers for loan products. The parameters are based on historical observations, statistical analyses and expert assessments. If the future evolution of balances, rates or client behavior differs from these assumptions, then this could have an impact on Deutsche Bank's interest rate risks in the banking book.

13.4.5.11.2 Credit Spread Risk in the Banking Book

Deutsche Bank is exposed to credit spread risk of bonds held in the banking book. This risk category is closely associated with interest rate risk in the banking book as basis risk describing the impact of relative changes in interest rates for financial instruments that are priced using product specific curves. Within nontrading market risk the basis between a product specific bond curve and a risk free interest rate curve is represented under the category credit spread risk in the banking book.

13.4.5.11.3 Foreign Exchange Risk

Foreign exchange risk arises from Deutsche Bank's nontrading asset and liability positions, denominated in currencies other than the functional currency of the respective entity. The majority of this foreign exchange risk is transferred through internal hedges to trading books within GM and is therefore reflected and managed via the value-at-risk figures in the trading books. The remaining foreign exchange risks that have not been transferred are mitigated through match funding the investment in the same currency, therefore only residual risk remains in the portfolios. Small exceptions to above approach follow the general Market Risk Management monitoring and reporting process, as outlined for the trading portfolio.

The bulk of nontrading foreign exchange risk is related to unhedged structural foreign exchange exposure, mainly in its U.S., UK and China entities. Structural foreign exchange exposure arises from local capital (including retained earnings) held in the Bank's consolidated subsidiaries and branches and from investments accounted for at equity. Change in foreign exchange rates of the underlying functional currencies result in revaluation of capital and retained earnings and are recognized in other comprehensive income booked as Currency Translation Adjustments.

The primary objective for managing Deutsche Bank's structural foreign exchange exposure is to stabilize consolidated capital ratios from the effects of fluctuations in exchange rates. Therefore the exposure remains unhedged for a number of core currencies with considerable amounts of risk-weighted assets denominated in that currency in order to avoid volatility in the capital ratio for the specific entity and the Group as a whole.

13.4.5.11.4 Investment Risk

Nontrading market risk from investment exposure is predominantly the equity risk arising from Deutsche Bank's non-consolidated investment holdings in the banking book categorized into strategic and alternative investment assets.

Strategic investments typically relate to acquisitions made to support Deutsche Bank's business franchise and are undertaken with a medium to long-term investment horizon. Alternative assets are comprised of

principal investments and other non-strategic investment assets. Principal investments are direct investments in private equity (including leveraged buy-out fund commitments and equity bridge commitments), real estate (including mezzanine debt) and venture capital, undertaken for capital appreciation. In addition, principal investments are made in hedge funds and mutual funds in order to establish a track record for sale to external clients. Other non-strategic investment assets comprise assets recovered in the workout of distressed positions or other legacy investment assets in private equity and real estate of a non-strategic nature.

13.4.5.11.5 Pension Risk

Deutsche Bank is exposed to market risk from a number of defined benefit pension schemes for past and current employees. The ability of the pension schemes to meet the projected pension payments, is maintained through investments and ongoing plan contributions. Market risk materializes due to a potential decline in the market value of the assets or an increase in the liability of each of the pension plans. Market Risk Management monitors and reports all market risks both on the asset and liability side of Deutsche Bank's defined benefit pension plans including interest rate risk, inflation risk, credit spread risk, equity risk and longevity risk. For details on Deutsche Bank's defined benefit pension obligation see Note 36 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section "*23. Financial Statements*" of this Prospectus.

13.4.5.11.6 Other Risks

In addition to the above risks, Market Risk Management has the mandate to monitor and manage market risks that arise from capital, funding and liquidity risk management activities of Deutsche Bank's treasury department. Besides the structural foreign exchange capital hedging process, this includes market risks arising from Deutsche Bank's equity compensation plans.

Market risks in Deutsche Bank's asset management activities in Deutsche AM, primarily results from principal guaranteed funds or accounts, but also from co-investments in its funds.

13.4.5.12 Nontrading market risk measurement

Non-trading market risk economic capital is being calculated either by applying the standard traded market risk EC methodology (Stressed Value at Risk based Economic Capital model) or through the use of non-traded market risk models that are specific to each risk class and which consider, among other factors, large historically observed market moves, the liquidity of each asset class, and changes in client's behavior in relation to products with behavioral optionalities.

13.4.6 Operational Risk Management

13.4.6.1 Operational Risk Framework

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.

Group Operational Risk Management has the responsibility for the design, implementation and maintenance of the Operational Risk Management Framework including the associated governance structures. Group Operational Risk Management also has the responsibility for providing a cross-risk assessment and aggregation of risks to provide a holistic portfolio view of the non-financial risk profile of the Bank, which includes oversight of risk and control mitigation plans to return risk within risk appetite, where required.

Deutsche Bank makes decisions to manage operational risks, both strategically as well as in day-to-day business. Four principles form the foundation of the Operational Risk Management Framework at Deutsche Bank:

Operational Risk Principle I: risk owners have full accountability for their operational risks and have to manage against a defined risk specific appetite. Risk owners are defined to be: First Line of Defense (GM, CIB, Deutsche AM, PW&CC, NCOU and first line of defense Infrastructure Functions), for all of their operational risks and second line of defense control functions (Infrastructure Functions), for the operational risks that arise in their own activities and processes.

Risk owners are accountable for managing all operational risks in their business/processes with an end-to-end process view, within a defined operational risk specific appetite and for identifying, establishing and maintaining risk owner (i.e. Level 1) controls. In addition they mitigate identified and assessed risk within the risk specific appetite through remediation actions, insurance or by ceasing/reducing business activities.

Divisional Control Officers, or the equivalent in infrastructure functions, support the risk owners. They are responsible for embedding the Operational Risk Management Framework within the relevant business division or infrastructure function. They assess the effectiveness of the Level 1 Controls, monitor the aggregated risk profile and put the appropriate control and mitigating actions in place within the relevant division. The Divisional Control Officers also establish appropriate governance forums to oversee the operational risk profile and are involved in decision making processes.

Operational Risk Principle II: Risk Type Controllers are independent second Line of Defense control functions that control specific risk types as identified in the Operational Risk Type Taxonomy.

Risk Type Controllers are responsible for establishing an effective risk management framework for the risk type they control. They define risk type taxonomy and minimum control standards and set the risk specific appetite. Risk Type Controllers challenge, assess and report the risks in their remit and perform Level 2 Controls, complementary to the Level 1 Controls. Finally they establish independent operational risk governance, and prepare aggregated reporting into the Group Non-Financial Risk Committee.

Operational Risk Principle III: Group Operational Risk Management establishes and maintains the Group Operational Risk Management Framework. Group Operational Risk Management develops and maintains the Group's framework, defining the roles and responsibilities for the management of operational risk across Deutsche Bank and the process to identify, assess, mitigate, monitor, report and escalate operational risks. Group Operational Risk Management also maintains the operational risk type taxonomy and oversees the completeness of coverage of risk types identified in the taxonomy by second line of defense control functions, in line with the Group wide risk taxonomy standards. It also provides the tools for, and monitors execution and results of, Deutsche Bank's Risk and Control Assessment process.

Group Operational Risk Management also provides independent challenge of the Group's operational risk profile providing independent risk views to facilitate forward looking management of the risks. The function independently reviews, monitors and assesses material risks and key controls at a divisional and infrastructure level across the Bank. It further monitors and reports on the Group's operational risk profile in comparison to the Bank's Group Risk Appetite, to systematically identify operational risk themes and concentrations, and to oversee that risk mitigating measures and priorities have been agreed. Group Operational Risk Management establishes reporting and escalating procedures up to the Management Board for risk assessment results and identified material control gaps, while informing Group Audit of material control gaps.

Operational Risk Principle IV: Group Operational Risk Management aims to maintain sufficient capital to underpin operational risk. Group Operational Risk Management is accountable for the design, implementation and maintenance of an appropriate approach to determine a sufficient level of capital demand for operational risk for recommendation to the Management Board. To fulfil this requirement Group operational risk management is accountable for the calculation and allocation of Operational Risk Capital demand and Expected Loss planning under the Advanced Measurement Approach. Group Operational Risk Management is also accountable for the facilitation of the annual operational risk capital planning and monthly review process.

13.4.6.2 Organizational & Governance Structure

Group Operational Risk Management is part of the Group Risk function which is headed by the Chief Risk Officer (CRO). The CRO appoints the Head of Group Operational Risk Management.

Within Group Operational Risk Management the Head of Group Operational Risk Management is accountable for the design, implementation and maintenance of an effective and efficient Group Operational Risk Management Framework, including the operational risk capital model.

The Non-Financial Risk Committee, which is co-chaired by the CRO and the Chief Regulatory Officer, is responsible for the oversight, governance and coordination of the management of operational risk in the Deutsche Bank Group on behalf of the Management Board by establishing a cross-risk and holistic perspective of the key operational risks of the Group. Its decision-making and policy related authorities include the review, advice and management of all operational risk issues which may impact the risk profile of Deutsche Bank's business divisions and infrastructure functions.

The Head of Group Operational Risk Management is fully accountable for the setup and maintenance of the Operational Risk Management Framework, including the adherence to all applicable legal and regulatory requirements. He is the owner of the Group's operational risk capital model and oversees its ongoing development as well as the capital calculation process. As the Model Owner, he manages relevant model risks and sets up appropriate controls. He approves quantitative and qualitative changes impacting Deutsche Bank's regulatory or economic capital, within the limits defined by the CRO.

While the day-to-day management of operational risk is the primary responsibility of Deutsche Bank's business divisions and infrastructure functions, Group Operational Risk Management oversees the Group-wide management of operational risks, identifies and reports risk concentrations and promotes a consistent application of the Operational Risk Management Framework across Deutsche Bank.

In 2016, Deutsche Bank further embedded and refined its "Three Lines of Defense" model across the Bank. Deutsche Bank's core areas of focus were on business leaders continuing to assume primary accountability for the risks and controls in their units and the second Line of Defense risk type controllers developing their risk management capabilities via the implementation of minimum standards.

13.4.6.3 Managing Deutsche Bank's Operational Risk

Deutsche Bank manages operational risk using the Operational Risk Management Framework which enables it to determine its operational risk profile in comparison to its risk appetite, to systematically identify operational risk themes and concentrations, and to define risk mitigating measures and priorities.

In order to cover the broad range of risk types underlying operational risk, Deutsche Bank's framework contains a number of operational risk management techniques. These aim to efficiently manage the operational risk in its business and are used to identify, assess and mitigate operational risks:

Loss Data Collection: The continuous collection of operational risk loss events, as a prerequisite for operational risk management, includes analyses and provision of timely information to senior management. All losses above € 10,000 are collected in its incident reporting system.

The Lessons Learned process is triggered for events, including near misses, starting from € 500 thousand. This process includes, but is not limited to:

- systematic risk analyses, including a description of the business environment in which the loss occurred, previous events, near misses and event-specific Key Risk Indicators ("KRI"),
- root cause analysis,
- review of control improvements and other actions to prevent or mitigate the recurrence, and
- assessment of the residual risk exposure.

The execution of corrective actions identified in this process are systematically tracked and reported monthly to senior management.

Scenario Analyses: Deutsche Bank completes its risk profile using a set of scenarios including relevant external cases provided by a public database and additional internal scenarios. Deutsche Bank thereby systematically utilizes information on external loss events occurring in the banking industry to prevent similar incidents from happening to Deutsche Bank, for example through particular deep dive analyses or risk profile reviews.

Emerging Risk Identification: Deutsche Bank assesses and approve the impact of changes on its risk profile as a result of new products, outsourcing activities, strategic initiatives, acquisitions and divestments as well as material systems and process changes. Once operational risks are identified and assessed, they are compared to the relevant specific risk appetite statement and either mitigated or accepted. Risks that violate applicable national or international regulations and legislation cannot be accepted; once identified, such risks must always be mitigated.

Read-across Analysis: Deutsche Bank continuously seeks to enhance the process to assess whether identified issues require a broader approach across multiple entities and locations within Deutsche Bank. A review of material findings is performed in order to assess their relevance to areas of the Bank other than where they originated. Deutsche Bank is developing business intelligence software to identify risk clusters across Deutsche Bank accessing various sources of information. Deutsche Bank aims to increase its predictive analysis and clustering capabilities and to identify risk concentrations in a timely manner through the use of this tool.

Risk Mitigation: When Deutsche Bank implements risk mitigating measures, it systematically monitors their resolution. Residual operational risks rated "significant" or above, which the risk owner decides not to remediate, need to be formally risk accepted by the risk owner of the risk bearing division. The decision is reviewed by relevant second line of defense functions and Group Operational Risk Management. The Non-Financial Risk Committee has the right to veto the decision.

Deutsche Bank performs top risk analyses in which the results of the aforementioned activities are considered. The Top Risk Analyses are a primary input for the annual operational risk management strategy and planning process and aim to identify Deutsche Bank's most critical risks in terms of probability and severity.

Key Risk Indicators are used to monitor the operational risk profile and alert the organization to impending problems in a timely fashion. KRIs enable the monitoring of Deutsche Bank's control culture and business environment and trigger risk mitigating actions. They facilitate the forward looking management of operational risks, based on early warning signals.

In Deutsche Bank's bottom-up self-assessment process, areas with high risk potential are highlighted, and risk mitigating measures to resolve issues are identified. On a regular basis Deutsche Bank conducts risk workshops aiming to evaluate risks specific to local legal entities and the countries it operates in, and takes appropriate risk mitigating actions. Deutsche Bank is in the course of replacing this existing self-assessment process by an enhanced Risk and Control Assessment process, supported by a group wide IT tool. During 2016, business divisions and infrastructure control functions have completed risk & control assessments to achieve over 90% risk coverage. Deutsche Bank will complete the remaining assessments to achieve 100% coverage with a target date of end of first quarter of 2017.

Additional functions, methodologies and tools implemented by the responsible second Line of Defense Risk Type Controllers are utilized to complement the Group Operational Risk Framework and address specific risk types. These include:

- **Compliance Risk** is 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 diminish an institution's reputation. Compliance Risk is managed by Deutsche Bank's compliance department (supported by Deutsche Bank's business divisions and infrastructure functions) through identification of the adherence to material rules and regulations where non-compliance could lead to endangerment of Deutsche Bank's assets as well as acting to implement effective procedures for compliance and the setup of the corresponding controls. The compliance department further provides advisory services on the above and performs monitoring activities in relation to the coverage of new or changed material rules and regulations and assesses the corresponding control environment; regularly reporting the results to the Management Board and Supervisory Board.
- **Financial crime** risks are managed by Deutsche Bank's Anti-Financial Crime (AFC) function via maintenance and development of a dedicated program. The AFC program is based on regulatory and supervisory requirements. AFC has defined roles and responsibilities and established dedicated functions for the identification and management of financial crime risks resulting from money laundering, terrorism financing, non-compliance with sanctions and embargoes as well as other criminal activities including fraud, corruption and other crimes. AFC assures further update of its strategy on financial crime prevention via regular development of internal policies and procedures, institution-specific risk analysis and staff training.
- The Legal Department, with the assistance of its Legal Risk Management function, is committed to the management of the Bank's **legal risk**. On behalf of Legal, Legal Risk Management undertakes a broad variety of tasks aimed at proactively managing legal risk, including: oversight of Legal's participation in the Risk and Control Assessment in respect of those risks for which legal is the risk type controller; agreeing and participating in resulting portfolio reviews and mitigation plans; overseeing the Legal Lessons Learned process; and conducting quality assurance reviews on Legal´s processes, thereby assessing the robustness of the legal control framework and identifying control enhancements.
- **Information and Resilience Risk Management** is the risk type controller for a number of risks in Deutsche Bank's Operational Risk Type Taxonomy. These include controls over infrastructure risks to prevent technology or process disruption, maintain information security and ensure businesses have robust plans in place to recover critical business processes and functions in the event of disruption from technical or building outage, or the effects of cyber-attack or natural disaster. Information and Resilience Risk Management also manages the risks arising from Deutsche Bank's outsourced activities via the provision of a comprehensive vendor risk management framework.
- **Model Risk** has been classified as a material risk for the Bank and is managed by a dedicated second Line of Defense model risk function. For further details, please refer to section "*13.4.10 Model Risk Management*" of this Prospectus.

13.4.6.4 Measuring Deutsche Bank's Operational Risks

Deutsche Bank calculates and measure the regulatory and economic capital requirements for operational risk using the Advanced Measurement Approach methodology. Its Advanced Measurement Approach capital calculation is based upon the Loss Distribution Approach. Gross losses from historical internal and external loss data (Operational Risk data eXchange Association consortium data) and external scenarios from a public database (IBM OpData) complemented by internal scenario data are used to estimate the risk

profile (i.e., a loss frequency and a loss severity distribution). Deutsche Bank's Loss Distribution Approach model includes conservatism by recognizing losses on events that arise over multiple years as single events in its historical loss profile.

Within the Loss Distribution Approach model, the frequency and severity distributions are combined in a Monte Carlo simulation to generate potential losses over a one year time horizon. Finally, the risk mitigating benefits of insurance are applied to each loss generated in the Monte Carlo simulation. Correlation and diversification benefits are applied to the net losses in a manner compatible with regulatory requirements to arrive at a net loss distribution at Group level, covering expected and unexpected losses. Capital is then allocated to each of the business divisions after considering qualitative adjustments and expected loss.

The regulatory capital requirement for operational risk is derived from the 99.9% percentile. The economic capital is set at a level to absorb at a 99.98% percentile very severe aggregate unexpected losses within one year. Both regulatory and economic capital requirements are calculated for a time horizon of one year.

The Regulatory and Economic Capital demand calculations are performed on a quarterly basis. Group Operational Risk Management aims to ensure that for the approach for capital demand quantification appropriate development, validation and change governance processes are in place, whereby the validation is performed by an independent validation function and in line with Deutsche Bank's model risk management process.

13.4.6.5 Drivers for Operational Risk Capital Development

In 2016, Deutsche Bank's operational risk losses have been predominantly driven by losses and provisions arising from civil litigation and regulatory enforcement. Such losses account for more than 90% of operational risk losses and account for the majority of operational risk regulatory and economic capital demand. For a description of Deutsche Bank's current legal and regulatory proceedings, please see section "*10.8 Legal Proceedings*". Deutsche Bank's non-legal operational risk losses were lower compared to 2015.

Deutsche Bank's operational risk management fosters a forward-looking risk management with regard to monitoring of potential profits and losses, focusing on regular review of civil litigations and regulatory enforcement matters, trend analysis based upon available losses and key risk indicator data.

This is particularly reflected in the management and measurement of Deutsche Bank's open civil litigation and regulatory enforcement matters where it relies both on information from internal as well as external data sources to consider developments in legal matters that affect Deutsche Bank specifically but also the banking industry as a whole. Reflecting the multi-year nature of legal proceedings the measurement of these risks furthermore takes into account changing levels of certainty by capturing the risks at various stages throughout the lifecycle of a legal matter.

Conceptually, Deutsche Bank measures operational risk including legal risk by determining the maximum loss that will not be exceeded with a given probability. This maximum loss amount includes a component that due to the IFRS criteria is reflected in its financial statements and a component that is expressed as regulatory or economic capital demand that is above the amount reflected as provisions within Deutsche Bank's financial statements.

- The legal losses which Deutsche Bank expects with a likelihood of more than 50% are already reflected in its IFRS group financial statements. These losses include net changes in provisions for existing and new cases in a specific period where the loss is deemed probable and is reliably measurable in accordance with IAS 37. The development of its legal provisions for civil litigations and regulatory enforcement is outlined in detail in section "10.8 Legal Proceedings" and Note 30 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section *"23. Financial Statements"* of this Prospectus.
- Uncertain legal losses which are not reflected in Deutsche Bank's financial statements as provisions because they do not meet the recognition criteria under IAS 37 are expressed as "regulatory or economic capital demand" reflecting Deutsche Bank's risk exposure that consumes regulatory and economic capital.

To quantify the litigation losses in the Advanced Measurement Approach model, Deutsche Bank takes into account historic losses, provisions, contingent liabilities and legal forecasts. Legal forecasts are generally comprised of ranges of potential losses from legal matters that are not deemed probable but are reasonably possible. Reasonably possible losses may result from ongoing and new legal matters which are reviewed at least quarterly by the attorneys handling the legal matters.

Deutsche Bank includes the legal forecasts in the "Relevant Loss Data" used in its Advanced Measurement Approach model. Hereby the projection range of the legal forecasts is not restricted to the

one year capital time horizon but goes beyond and conservatively assumes early settlement of the underlying losses in the reporting period - thus considering the multi-year nature of legal matters. This reflection of legal forecasts within the Advanced Measurement Approach model has been in place since 2014 as part of a proactive implementation of a model change request that was approved by Deutsche Bank's European supervisory authority, the ECB, in August 2016.

13.4.7 Liquidity Risk Management

Liquidity risk is the risk arising from Deutsche Bank's potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. The objective of the Group's liquidity risk management framework is to ensure that the Group can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The framework considers relevant and significant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

13.4.7.1 Liquidity Risk Management Framework

In accordance with the ECB's Supervisory Review and Evaluation Process (SREP), Deutsche Bank has implemented an annual Internal Liquidity Adequacy Assessment Process, which is reviewed and approved by the Management Board. The Internal Liquidity Adequacy Assessment Process provides comprehensive documentation of the Bank's Liquidity Risk Management framework, including: identifying the key liquidity and funding risks to which the Group is exposed; describing how these risks are identified, monitored and measured and describing the techniques and resources used to manage and mitigate these risks.

The Management Board defines the liquidity and funding risk strategy for Deutsche Bank, as well as the risk appetite, based on recommendations made by the Group Risk Committee. At least annually the Management Board reviews and approves the limits which are applied to the Group to measure and control liquidity risk as well as Deutsche Bank's long-term funding and issuance plan.

Treasury is mandated to manage the overall liquidity and funding position of Deutsche Bank, with Liquidity Risk Control acting as an independent control function, responsible for reviewing the liquidity risk framework, proposing the risk appetite to the Group Risk Committee, and the validation of liquidity risk models which are developed by Treasury, to measure and manage the Group's liquidity risk profile.

Treasury manages liquidity and funding, in accordance with the Management Board-approved risk appetite across a range of relevant metrics, and implements a number of tools to monitor these and ensure compliance. In addition, Treasury works closely in conjunction with Liquidity Risk Control, and the business, to analyze and understand the underlying liquidity characteristics of the business portfolios. These parties are engaged in regular and frequent dialogue to understand changes in Deutsche Bank's position arising from business activities and market circumstances. Dedicated business targets are allocated to ensure the Group meets its overall liquidity and funding appetite.

The Management Board is informed of performance against the risk appetite metrics, via a weekly Liquidity Scorecard. As part of the annual strategic planning process, Deutsche Bank projects the development of the key liquidity and funding metrics based on the underlying business plans to ensure that the plan is in compliance with its risk appetite.

13.4.7.2 Capital Markets Issuance

Deutsche Bank has a wide range of funding sources, including retail and institutional deposits, unsecured and secured wholesale funding and debt issuance in the capital markets. Debt issuance, encompassing senior unsecured bonds, covered bonds as well as capital securities, is a key source of term funding for the Bank and is managed directly by Treasury. At least once a year Treasury submits an annual long-term Funding Plan to the Group Risk Committee for recommendation and then to the Management Board for approval. This plan is driven by global and local funding and liquidity requirements based on expected business development. Deutsche Bank's capital markets portfolio is dynamically managed through its yearly issuance plans to avoid excessive maturity concentrations.

13.4.7.3 Short-term Liquidity and Wholesale Funding

Deutsche Bank tracks all contractual cash flows from wholesale funding sources, on a daily basis, over a 12-month horizon. For this purpose, Deutsche Bank considers wholesale funding to include unsecured liabilities raised primarily by Treasury Pool Management, as well as secured liabilities raised by the Global Markets division. Its wholesale funding counterparties typically include corporates, banks and other financial institutions, governments and sovereigns.

Deutsche Bank has implemented a set of Management Board approved limits to restrict its exposure to wholesale counterparties, which have historically shown to be the most susceptible to market stress.

These wholesale funding limits are calibrated against monthly stress-testing results, to ensure the Group remains liquid under its most severe stress scenario, even if limits are fully utilized.

The wholesale funding limits are monitored daily, and apply to the total combined currency amount of all wholesale funding currently outstanding, both secured and unsecured with specific tenor limits covering the first 8 weeks. Its liquidity reserves are the primary mitigant against potential stress in short-term wholesale funding market.

The tables in section "*13.10.6.2 Maturity Analysis of Assets and Financial Liabilities*" show the contractual maturity of Deutsche Bank's short-term wholesale funding and capital markets issuance.

13.4.7.4 Liquidity Stress Testing and Scenario Analysis

Global liquidity stress testing and scenario analysis is one of the key tools for measuring liquidity risk and evaluating the Group's short-term liquidity position within the liquidity framework. It complements the intraday operational liquidity management process and the long-term liquidity strategy, represented by the funding matrix.

Deutsche Bank's global liquidity stress testing process is managed by Treasury in accordance with the Management Board approved risk appetite. Treasury is responsible for the design of the overall methodology, including the definition of the stress scenarios, the choice of liquidity risk drivers and the determination of appropriate assumptions (parameters) to translate input data into model results. Liquidity Risk Control is responsible for the independent validation of liquidity risk models. Treasury Reporting & Analysis (LTRA) is responsible for implementing these methodologies in conjunction with Treasury and IT as well as for the stress test calculation.

Deutsche Bank uses stress testing and scenario analysis to evaluate the impact of sudden and severe stress events on its liquidity position. The scenarios Deutsche Bank applies are based on historic events, such as the 2008 financial markets crisis.

Deutsche Bank has selected five scenarios to calculate the Group's stressed Net Liquidity Position. These scenarios capture the historical experience of Deutsche Bank during periods of idiosyncratic and/or market-wide stress and are assumed to be both plausible and sufficiently severe as to materially impact the Group's liquidity position. A global market crisis, for example, is covered by a specific stress scenario (systemic market risk) that models the potential consequences observed during the financial crisis of 2008. Additionally, Deutsche Bank has introduced regional market stress scenarios. Under each of the scenarios Deutsche Bank assumes a high degree of maturing loans to non-wholesale customers is rolled-over, to support its business franchise. Wholesale funding, from the most risk sensitive counterparties (including banks, and money-market mutual funds) is assumed to roll-off at contractual maturity or even be bought back, in the acute phase of the stress.

In addition, Deutsche Bank includes the potential funding requirements from contingent liquidity risks which might arise, including credit facilities, increased collateral requirements under derivative agreements, and outflows from deposits with a contractual rating linked trigger.

Deutsche Bank then models the actions it would take to counterbalance the outflows incurred. Countermeasures include utilizing its liquidity reserve and generating liquidity from unencumbered, marketable assets.

Stress testing is conducted at a global level and for defined individual legal entities. In addition to the global stress test, stress tests for material currencies (EUR, USD and GBP) are performed. Deutsche Bank reviews its stress-testing assumptions on a regular basis and have made further enhancements to the methodology and severity of certain parameters through the course of 2016.

Deutsche Bank runs the liquidity stress test over an eight-week horizon, which it considers the most critical time span in a liquidity crisis, and applies the relevant stress assumptions to risk drivers from on-balance sheet and off-balance sheet products on a daily basis. Beyond the eight week time horizon, Deutsche Bank analyzes the impact of a more prolonged stress period, extending to twelve months. This stress testing analysis is performed daily and on a monthly basis considering additional balance sheet information.

Deutsche Bank's internal risk appetite through 2016 was to maintain a surplus of at least € 5 billion throughout the 8-week stress horizon under all scenarios for its monthly aggregate currency stress test. The target minimum risk appetite surplus has been increased to € 10 billion from January 2017.

For the results of Deutsche Bank's internal liquidity stress test under the various different scenarios, see section "*13.10.6 Stress Testing and Scenario Analysis*".

13.4.7.5 Liquidity Coverage Ratio

In addition to Deutsche Bank's internal stress test result, the Group has a Management Board approved risk appetite for the Liquidity Coverage Ratio (LCR). Finalized by the Basel Committee in January 2013, the LCR is intended to promote the short-term resilience of a bank's liquidity risk profile over a 30 day stress scenario. The ratio is defined as the amount of High Quality Liquid Assets ("HQLA") that could be used to raise liquidity, measured against the total volume of net cash outflows, arising from both actual and contingent exposures, in a stressed scenario.

This requirement has been implemented into European law, via the Commission Delegated Regulation (EU) 2015/61, adopted in October 2014. Compliance with the LCR was required in the EU from October 1, 2015. The Liquidity Coverage Ratio is subject to a transitional phase-in period, of 70% from January 1, 2016, rising to 80% in 2017 and 100% in 2018.

The LCR complements the internal stress testing framework. By maintaining a ratio in excess of minimum regulatory requirements, the LCR seeks to ensure that the Group holds adequate liquidity resources to mitigate a short-term liquidity stress.

Deutsche Bank's internal risk appetite is to maintain a LCR ratio of at least 105%.

Key differences between the liquidity stress test and LCR include the time horizon (eight weeks versus 30 days), classification and haircut differences between liquidity reserves and the LCR HQLA, outflow rates for various categories of funding, and inflow assumption for various assets (for example, loan repayments). Deutsche Bank's liquidity stress test also includes outflows related to intraday liquidity assumptions, which the LCR excludes.

13.4.7.6 Funding Risk Management

13.4.7.6.1 Structural Funding

Deutsche Bank's primary tool for monitoring and managing funding risk is the funding matrix. The funding matrix assesses the Group's structural funding profile for the greater than one year time horizon. To produce the funding matrix, all funding-relevant assets and liabilities are mapped into time buckets corresponding to their contractual or modeled maturities. This allows the Group to identify expected excesses and shortfalls in term liabilities over assets in each time bucket, facilitating the management of potential liquidity exposures.

The liquidity maturity profile is based on contractual cash flow information. If the contractual maturity profile of a product does not adequately reflect the liquidity maturity profile, it is replaced by modelling assumptions. Short-term balance sheet items (less than 1yr) or matched funded structures (asset and liabilities directly matched with no liquidity risk) can be excluded from the term analysis.

The bottom-up assessment by individual business line is combined with a top-down reconciliation against the Group's IFRS balance sheet. From the cumulative term profile of assets and liabilities beyond 1 year, any long-funded surpluses or short-funded gaps in the Group's maturity structure can be identified. The cumulative profile is thereby built up starting from the above 10 year bucket down to the above 1 year bucket.

The strategic liquidity planning process, which incorporates the development of funding supply and demand across business units, together with Deutsche Bank's targeted key liquidity and funding metrics, provides the key input parameter for Deutsche Bank's annual capital markets issuance plan. Upon approval by the Management Board the capital markets issuance plan establishes issuing targets for securities by tenor, volume and instrument. Deutsche Bank also maintains a stand-alone U.S. dollar and GBP funding matrix which limits the maximum short position in any time bucket (more than 1 year to more than 10 years) to € 10 billion and € 5 billion respectively. This supplements the risk appetite for Deutsche Bank's aggregate currency funding matrix which requires it to maintain a positive funding position in any time bucket (more than 1 year to more than 10 years).

13.4.7.6.2 Net Stable Funding Ratio

The Net Stable Funding Ratio was proposed as part of Basel 3, as the regulatory metric for assessing a bank's structural funding profile. The Net Stable Funding Ratio is intended to reduce medium to long-term funding risks by requiring banks to maintain a stable funding profile in relation to their on- and off-balance sheet activities. The ratio is defined as the amount of Available Stable Funding (the portion of capital and liabilities expected to be a stable source of funding), relative to the amount of Required Stable Funding (a function of the liquidity characteristics of various assets held).

Although the NSFR is scheduled to become a minimum standard internationally, by January 1, 2018, the ratio is subject to national implementation. In the EU, on November 23, 2016, the Commission published a

legislative proposal to amend the CRR. The proposal defines, *inter alia*, a mandatory quantitative NSFR requirement and which would apply two years after the proposal's entry into force. The proposal remains subject to change in the EU legislative process. Therefore, for banks domiciled in the EU, the final definition of the ratio and associated implementation timeframe has not yet been confirmed.

Deutsche Bank is currently in the process of assessing the impacts of the Net Stable Funding Ratio, and would expect to formally embed this metric within its overall liquidity risk management framework, once the relevant rules and timing within the EU have been finally determined.

13.4.7.6.3 Funding Diversification

Diversification of Deutsche Bank's funding profile in terms of investor types, regions, products and instruments is an important element of its liquidity risk management framework. Deutsche Bank's most stable funding sources come from capital markets and equity, retail, and transaction banking clients. Other customer deposits and secured funding and shorts are additional sources of funding. Unsecured wholesale funding represents unsecured wholesale liabilities sourced primarily by Deutsche Bank's Treasury Pool division. Given the relatively short-term nature of these liabilities, they are primarily used to fund cash and liquid trading assets.

To promote the additional diversification of its refinancing activities, Deutsche Bank holds a Pfandbrief license allowing it to issue mortgage Pfandbriefe. In addition, Deutsche Bank has established a program for the purpose of issuing Covered Bonds under Spanish law (*Cedulas*).

Unsecured wholesale funding comprises a range of unsecured products such as certificates of deposit ("CDs"), commercial paper ("CP") as well as term, call and overnight deposits across tenors primarily up to one year.

To avoid any unwanted reliance on these short-term funding sources, and to promote a sound funding profile, which complies with the defined risk appetite, Deutsche Bank has implemented limits (across tenors) on these funding sources, which are derived from its monthly stress testing analysis. In addition, Deutsche Bank limits the total volume of unsecured wholesale funding to manage the reliance on this funding source as part of the overall funding diversification.

The chart in section "*13.10.2 Funding Diversification*" shows the composition of Deutsche Bank's external funding sources that contribute to the liquidity risk position, both in € billion and as a percentage of its total external funding sources.

13.4.7.6.4 Funds Transfer Pricing

The funds transfer pricing framework applies to all businesses and regions and promotes pricing of (i) assets in accordance with their underlying liquidity risk, (ii) liabilities in accordance with their liquidity value and funding maturity and (iii) contingent liquidity exposures in accordance with the cost of providing for commensurate liquidity reserves to fund unexpected cash requirements.

Deutsche Bank's funds transfer pricing framework reflects regulatory principles and guidelines. Within this framework all funding and liquidity risk costs and benefits are allocated to the firm's business units based on market rates. Those market rates reflect the economic costs of liquidity for Deutsche Bank. Treasury might set further financial incentives in line with Deutsche Bank's liquidity risk guidelines. While the framework promotes a diligent group-wide allocation of Deutsche Bank's funding costs to the liquidity users, it also provides an incentive based compensation framework for businesses generating stable long-term and stress compliant funding. Funding relevant transactions are subject to liquidity (term) premiums and/or other funds transfer pricing mechanisms depending on market conditions. Liquidity premiums are set by Treasury and reflected in a segregated Treasury liquidity account which is the aggregator of liquidity costs and benefits. The management and allocation of the liquidity account cost base is the key variable for funds transfer pricing within Deutsche Bank.

13.4.7.6.5 Liquidity Reserves

Liquidity reserves comprise available cash and cash equivalents, highly liquid securities (includes government, agency and government guaranteed) as well as other unencumbered central bank eligible assets.

The volume of Deutsche Bank's liquidity reserves is a function of its expected daily stress result, both at an aggregate level as well as at an individual currency level. To the extent Deutsche Bank receives incremental short-term wholesale liabilities which attract a high stress roll-off, it will largely keep the proceeds of such liabilities in cash or highly liquid securities as a stress mitigant. Accordingly, the total volume of Deutsche Bank's liquidity reserves will fluctuate as a function of the level of short-term wholesale liabilities held,

although this has no material impact on its overall liquidity position under stress. Its liquidity reserves include only assets that are freely transferable within the Group, or can be applied against local entity stress outflows. Deutsche Bank holds the vast majority of its liquidity reserves centrally, at its parent and its foreign branches with further reserves held at key locations in which it is active. While Deutsche Bank holds its reserves across major currencies, their size and composition are subject to regular senior management review.

13.4.7.6.6 Asset Encumbrance

Encumbered assets primarily comprise those on- and off-balance sheet assets that are pledged as collateral against secured funding, collateral swaps, and other collateralized obligations. Deutsche Bank generally encumbers loans to support long-term capital markets secured issuance such as Pfandbriefe or other self-securitization structures, while financing debt and equity inventory on a secured basis is a regular activity for the Global Markets business. Additionally, in line with the European Banking Authority technical standards on regulatory asset encumbrance reporting, Deutsche Bank considers assets placed with settlement systems, including default funds and initial margins as encumbered, as well as other assets pledged which cannot be freely withdrawn such as mandatory minimum reserves at central banks. Deutsche Bank also includes derivative margin receivable assets as encumbered under these European Banking Authority guidelines.

13.4.8 Business (Strategic) Risk Management

Strategic risk is the risk of suffering operating income shortfall due to a decrease in revenues which cannot be compensated by cost reduction. It is a material risk type that may arise from Deutsche Bank's failure to execute its strategy, its failure to position the Bank strategically, or its ineffective response to material negative plan deviations caused by external or internal factors.

The management of strategic risk involves minimizing potential operating income shortfall that can have an adverse impact on Group capital. This is accomplished using risk controls at the Group level and at its different business units.

13.4.9 Reputational Risk Management

Within its risk management process, Deutsche Bank defines reputational risk as the risk of possible damage to its brand and reputation, and the associated risk to earnings, capital or liquidity, arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with DB's values and beliefs.

Deutsche Bank's reputational risk is governed by the Reputational Risk Framework (the Framework). The Framework was established to provide consistent standards for the identification, assessment and management of reputational risk issues. While every employee has a responsibility to protect Deutsche Bank's reputation, the primary responsibility for the identification, assessment, management, monitoring and, if necessary, referring or reporting, of reputational risk matters lies with its Business Divisions. Each employee is under an obligation, within the scope of his or her activities, to be alert to any potential causes of reputational risk and to address them according to the Framework.

If a potential reputational risk is identified, it is required to be referred for further consideration within the Business Division through their Unit Reputational Risk Assessment Process. In the event that a matter is deemed to carry a material reputational risk and/or meets one of the mandatory referral criteria, it must be referred through to one of the four Regional Reputational Risk Committees for further review as the second line of defense. The Regional Reputational Risk Committees are sub-committees of the Group Reputational Risk Committee, which is itself a sub-committee of the Group Risk Committee, and are responsible for the oversight, governance and coordination of the management of reputational risk in their respective regions of Deutsche Bank on behalf of the Management Board. In exceptional circumstances, matters can also be referred by the Regional Reputational Risk Committees to the Group Reputational Risk Committee.

The modelling and quantitative measurement of reputational risk internal capital is implicitly covered in Deutsche Bank's economic capital framework primarily within operational and strategic risk.

13.4.10 Model Risk Management

Model risk is the potential for adverse consequences from incorrect or misused model outputs and reports using these outputs. Model risk can lead to financial loss, poor business or strategic decision making, or damage to Deutsche Bank's reputation. In this context, the term 'model' refers to a quantitative method, system, or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates.

Model risk is managed across pricing models, risk and capital models, and other models:

- Pricing models are used to generate asset and liability fair value measurements reported in official books and records and/or risk sensitivities which feed Market Risk Management processes;
- Risk and capital models are related to risks used for regulatory or internal capital requirements, e.g. value at risk, internal model methodology, stress tests, etc.;
- Other models are those outside of Deutsche Bank's pricing and risk and capital models.

Model risk appetite is aligned to Deutsche Bank's qualitative statements, ensuring that model risk management is embedded in a strong risk culture and that risks are minimized to the extent possible.

The management of model risk includes:

- Performing robust independent model validation that provides effective challenge to the model development process and includes identification of conditions for use, methodological limitations that may require adjustments or overlays, and validation findings that require remediation;
- Establishing a strong model risk management and governance framework, including senior forums for monitoring and escalation of model risk related topics;
- Creating Deutsche Bank-wide model risk related policies, aligned to regulatory requirements with clear roles and responsibilities for key stakeholders across the model life cycle; and
- Assessing the model control environment and reporting to the Management Board on a periodic basis.

13.4.11 Insurance Specific Risk Management

Following the sale of Abbey Life, Deutsche Bank's exposure to insurance risk relates primarily to its defined benefit pension obligations which are described in greater detail in Note 36 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section *"23. Financial Statements"* of this Prospectus. In Deutsche Bank's risk management framework, it considers insurance-related risks from pension obligations as non-trading market risk. In addition, there is also some insurance-related risk within the pensions and insurance risk markets business which Deutsche Bank considers as trading market risk. Deutsche Bank monitors the underlying assumptions in the calculation of these risks regularly and seeks risk mitigating measures such as reinsurances. Within the pensions and insurance risk markets business, most insurance-related risks are hedged so that Deutsche Bank is exposed to residual risks only. Risks arise primarily from:

- **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; and
- **Persistency risk**: the risk of a higher or lower than expected percentage of lapsed policies.

13.4.12 Risk Concentration and Risk Diversification

13.4.12.1 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 Deutsche Bank.

The most senior governance body for the oversight of risk concentrations throughout 2016 was the Enterprise Risk Committee, which is a subcommittee of the Group Risk Committee.

13.4.12.2 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.

13.5 Risk and Capital Performance

13.5.1 Capital and Leverage Ratio

13.5.1.1 Regulatory Capital

The calculation of Deutsche Bank's regulatory capital incorporates the capital requirements following 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") as implemented into German law. The information in this section as well as in section "*13.5.1.5 Development of Risk-weighted Assets*" is based on the regulatory principles of consolidation.

When referring to results according to full application of the final CRR/CRD 4 framework (without consideration of applicable transitional methodology), Deutsche Bank uses 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, e.g., to the risk weighting of certain categories of assets and include rules permitting the grandfathering of equity investments at a risk-weight of 100%. In this regard, Deutsche Bank assumes in its CRR/CRD 4 fully loaded methodology for a limited subset of equity positions 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 by end of 2017.

This section refers to the capital adequacy of the group of institutions consolidated for banking regulatory purposes pursuant to the CRR and the German Banking Act (Kreditwesengesetz, "KWG"). Therein not included are insurance companies or companies outside the finance sector. Deutsche Bank's insurance companies are included in an additional capital adequacy (also "solvency margin") calculation under the German Solvency Regulation for Financial Conglomerates. Deutsche Bank's solvency margin as a financial conglomerate remains dominated by its banking activities.

The total regulatory capital pursuant to the effective regulations as of year-end 2016 comprises Tier 1 and Tier 2 (T2) capital. Tier 1 capital is subdivided into Common Equity Tier 1 (CET 1) capital and Additional Tier 1 (AT1) capital.

Common Equity Tier 1 (CET 1) capital consists primarily of common share capital (reduced by own holdings) including related share premium accounts, retained earnings (including losses for the financial year, if any) and accumulated other comprehensive income, subject to regulatory adjustments (i.e. prudential filters and deductions). Prudential filters for CET 1, according to Articles 32 to 35 CRR, include (i) securitization gain on sale, (ii) cash flow hedges and changes in the value of own liabilities, and (iii) additional value adjustments. CET 1 capital deductions comprise (i) intangible assets, (ii) deferred tax assets that rely on future profitability, (iii) negative amounts resulting from the calculation of expected loss amounts, (iv) net defined benefit pension fund assets, (v) reciprocal cross holdings in the capital of financial sector entities and (vi) significant and non-significant investments in the capital (CET 1, AT1, T2) of financial sector entities above certain thresholds. All items not deducted (i.e., amounts below the threshold) are subject to risk-weighting.

Additional Tier 1 (AT1) capital consists of AT1 capital instruments and related share premium accounts as well as noncontrolling interests qualifying for inclusion in consolidated AT1, and during the transitional period grandfathered instruments eligible under earlier frameworks. To qualify as AT1 under CRR/CRD 4, instruments must have principal loss absorption through a conversion to common shares or a write-down mechanism allocating losses at a trigger point and must also meet further requirements (perpetual with no incentive to redeem; institution must have full dividend/coupon discretion at all times, etc.).

Tier 2 ("T2") capital comprises eligible capital instruments, the related share premium accounts and subordinated long-term debt, certain loan loss provisions and noncontrolling interests that qualify for inclusion in consolidated T2. To qualify as T2, capital instruments or subordinated debt must have an original maturity of at least five years. Moreover, eligible capital instruments may inter alia not contain an incentive to redeem, a right of investors to accelerate repayment, or a credit sensitive dividend feature.

Capital instruments that no longer qualify as AT1 or T2 capital under the CRR/CRD 4 fully loaded rules are subject to grandfathering rules during transitional period and are phased out from 2013 to 2022 with their recognition capped at 60% in 2016 and the cap decreasing by 10% every year.

13.5.1.2 Capital Instruments

The 2015 Annual General Meeting granted the Management Board the authority to buy back up to 137.9 million shares before the end of April 2020. Thereof 69.0 million shares can be purchased by using derivatives. These authorizations replaced the authorizations of the 2014 Annual General Meeting. Deutsche Bank has received approval for compensation related share buybacks from the BaFin for 2015 and from the ECB for 2016 according to new CRR/CRD 4 rules. During the period from the 2015 Annual General Meeting until the 2016 Annual General Meeting (May 19, 2016), Deutsche Bank purchased 37.9 million shares, of which 4.7 million shares through exercise of call options. The shares purchased were used for equity compensation purposes in the same period or were to be used in the upcoming period so that the number of shares held in Treasury from buybacks was 12.1 million as of the 2016 Annual General Meeting.

The 2016 Annual General Meeting granted the Management Board the approval to buy back up to 137.9 million shares before the end of April 2021. Thereof 69.0 million shares can be purchased by using derivatives. These authorizations substitute the authorizations of the previous year. During the period from the 2016 Annual General Meeting until December 31, 2016, 0.9 million shares have been repurchased. The shares purchased were used for equity compensation purposes in the same period so that no shares from buybacks were held in Treasury as of December 31, 2016.

Since the 2015 Annual General Meeting, and as of December 31, 2016, authorized capital available to the Management Board was € 1,760 million (688 million shares). As of December 31, 2016, the conditional capital stood at € 486 million (190 million shares).

Deutsche Bank's legacy Hybrid Tier 1 capital instruments (substantially all noncumulative trust preferred securities) are not fully recognized under fully loaded CRR/CRD 4 rules, mainly because they have no write-down or equity conversion feature. However, they are to a large extent recognized as Additional Tier 1 capital under CRR/CRD 4 transitional provisions and can still be partially recognized as Tier 2 capital under the fully loaded CRR/CRD 4 rules. During the transitional phase-out period the maximum recognizable amount of Additional Tier 1 instruments from Basel 2.5 compliant issuances as of December 31, 2012 will be reduced at the beginning of each financial year by 10 % or € 1.3 billion, through 2022. For December 31, 2016, this resulted in eligible Additional Tier 1 instruments of € 11.1 billion (i.e. € 4.6 billion newly issued AT1 Notes plus € 6.5 billion of legacy Hybrid Tier 1 instruments recognizable during the transition period). One Hybrid Tier 1 capital instrument with a notional of $ 0.2 billion and an eligible equivalent amount of € 0.1 billion had been called in 2016. € 6.0 billion of the legacy Hybrid Tier 1 instruments can still be recognized as Tier 2 capital under the fully loaded CRR/CRD 4 rules. Additional Tier 1 instruments recognized after regulatory adjustments under fully loaded CRR/CRD 4 rules amounted to € 4.6 billion as of December 31, 2016.

On May 19, 2016, Deutsche Bank issued fixed rate subordinated Tier 2 notes with an aggregate amount of € 750 million. The notes have a denomination of € 100,000 and are due April 19, 2026. They were issued in transactions outside of the United States, not subject to the registration requirements of the U.S. Securities Act of 1933, as amended, and were not offered or sold in the United States.

Furthermore, Deutsche Bank issued fixed rate subordinated Tier 2 notes with an aggregate amount of € 31 million on June 15, 2016. The notes have a denomination of € 100,000 and are due June 15, 2026. They were issued in transactions outside of the United States, not subject to the registration requirements of the U.S. Securities Act of 1933, as amended, and were not offered or sold in the United States.

The total of Deutsche Bank's Tier 2 capital instruments as of December 31, 2016 recognized after regulatory adjustments during the transition period under CRR/CRD 4 was € 6.7 billion. As of December 31, 2016, there are no further legacy Hybrid Tier 1 instruments that are counted as Tier 2 capital under transitional rules. The gross notional value of the Tier 2 capital instruments was € 8.0 billion. No Tier 2 capital instrument had been called in 2016. Tier 2 instruments recognized under fully loaded CRR/CRD 4 rules amounted to € 12.7 billion as of December 31, 2016 (including the € 6.0 billion legacy Hybrid Tier 1 capital instruments only recognizable as Additional Tier 1 capital during the transitional period).

13.5.1.3 Minimum capital requirements and additional capital buffers

The Pillar 1 CET 1 minimum capital requirement applicable to Deutsche Bank is 4.50 % of risk-weighted assets (RWA). The Pillar 1 total capital requirement of 8.00 % demands further resources that may be met with up to 1.50 % Additional Tier 1 capital and up to 2.00 % Tier 2 capital.

Failure to meet minimum capital requirements can result in supervisory measures such as restrictions of profit distributions or limitations on certain businesses such as lending. Deutsche Bank complied with the regulatory capital adequacy requirements in 2016. Deutsche Bank's subsidiaries which were not included in its regulatory consolidation due to their immateriality did not have to comply with own minimum capital standards in 2016.

In addition to these minimum capital requirements, the following combined capital buffer requirements have been phased in since 2016 (other than the systemic risk buffer, if any, which is not subject to any phase-in) and will become fully effective from 2019 onwards. The buffer requirements must be met in addition to the Pillar 1 minimum capital requirements, but can be drawn down in times of economic stress.

In March 2015, Deutsche Bank was designated as a G-SII by the German Federal Financial Supervisory Authority (BaFin) in agreement with Deutsche Bundesbank resulting in a G-SII buffer requirement of 2.00 % CET 1 capital of RWA in 2019. This is in line with the Financial Stability Board (FSB) assessment of systemic importance based on the indicators as published in 2015. The additional buffer requirement of 2.00 % for G-SIIs was phased in with 0.50 % in 2016 and in 2017 amounts to 1.00 %.

The capital conservation buffer is implemented in Section 10c German Banking Act based on Article 129 CRD 4 and equals a requirement of 2.50 % CET 1 capital of RWA. The additional buffer requirement of 2.50 % was phased in with 0.625 % in 2016 and in 2017 amounts to 1.25 %.

The countercyclical capital buffer is deployed in a jurisdiction when excess credit growth is associated with an increase in system-wide risk. It may vary between 0 % and 2.50 % CET 1 capital of RWA by 2019. In exceptional cases, it could also be higher than 2.50 %. The institution specific countercyclical buffer that applies to Deutsche Bank is the weighted average of the countercyclical capital buffers that apply in the jurisdictions where Deutsche Bank's relevant credit exposures are located. As per December 31, 2016 (and currently), the institution-specific countercyclical capital buffer was at 0.01 %.

In addition to the aforementioned buffers, national authorities, such as the BaFin, may require a systemic risk buffer to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks that are not covered by the CRR. They can require an additional buffer of up to 5.00 % CET 1 capital of RWA. As of the year-end 2016 (and currently), no systemic risk buffer applied to Deutsche Bank.

Additionally, Deutsche Bank AG has been classified by BaFin as other systemically important institution (O-SII) with an additional buffer requirement of 2.00 % that has to be met on a consolidated level. For Deutsche Bank, the O-SII buffer is applied in steps of 0.66 % in 2017, 1.32 % in 2018 and 2.00 % in 2019. As of the year-end 2016, no O-SII buffer applied to Deutsche Bank.

Unless certain exceptions apply, only the higher of the systemic risk buffer, G-SII buffer and O-SII buffer must be applied. Accordingly, the O-SII buffer is currently not applied because it is lower than the G-SII buffer.

In addition, pursuant to the Pillar 2 Supervisory Review and Evaluation Process (SREP), the European Central Bank (ECB) may impose capital requirements on individual banks which are more stringent than statutory requirements (so-called Pillar 2 requirement). On December 4, 2015, the ECB informed Deutsche Bank that the consolidated Group has to keep a CET 1 ratio of at least 10.25 % on a phase-in basis under applicable transitional rules under CRR/CRD 4 at all times. Considering the G-SII buffer of 0.50 % and the countercyclical buffer of 0.01 %, Deutsche Bank's overall CET 1 requirements amounted to 10.76 % as of December 31, 2016. Correspondingly the requirements for Deutsche Bank's Tier 1 capital ratio were at 12.26 % and total capital ratio at 14.26 % as of December 31, 2016.

On December 8, 2016, Deutsche Bank has been informed by the ECB of its decision regarding prudential minimum capital requirements for 2017, following the results of the 2016 SREP. The decision requires Deutsche Bank to maintain a phase-in CET 1 ratio of at least 9.51 % on a consolidated basis, beginning on January 1, 2017. This CET 1 capital requirement comprises the Pillar 1 minimum capital requirement of 4.50 %, the Pillar 2 requirement (SREP Add-on) of 2.75 %, the phase-in capital conservation buffer of 1.25 %, the countercyclical buffer (currently 0.01%) and the phase-in G-SII buffer following Deutsche Bank's designation as a global systemically important institution ("G-SII") of 1.00 %. The new CET 1 capital requirement of 9.51 % for 2017 is lower than the CET 1 capital requirement of 10.76%, which was applicable to Deutsche Bank in 2016. Correspondingly, 2017 requirements for Deutsche Bank's Tier 1 capital ratio are at 11.01 % and for its total capital ratio at 13.01 %. Also, following the results of the 2016 SREP, the ECB communicated to Deutsche Bank an individual expectation to hold a further "Pillar 2" CET 1 capital add-on, commonly referred to as the '"Pillar 2" guidance'. The capital add-on pursuant to the "Pillar 2" guidance is separate from and in addition to the Pillar 2 requirement. The ECB has stated that it expects banks to meet the "Pillar 2" guidance although it is not legally binding, and failure to meet the "Pillar 2" guidance does not automatically trigger legal action.

The following table gives an overview of the different Pillar 1 and Pillar 2 minimum capital requirements (but excluding the "Pillar 2" guidance) as well as capital buffer requirements applicable to Deutsche Bank in the years 2016 and 2017 (articulated on a phase-in basis):

Overview total capital requirements and capital buffers

	2016	**2017**
Pillar 1		
Minimum CET1 requirement	4.50%	4.50%
Capital Conservation Buffer	0.625%	1.25%
Countercyclical Buffer	0.01%	0.01%[1]
G-SII Buffer[3]	0.50%	1.00%
O-SII Buffer[3]	0.00%	0.66%
Systemic Risk Buffer[3]	0.00%	0.00%[2]
Pillar 2		
Pillar 2 SREP Add-on of CET1 capital (excluding the "Pillar 2" guidance)	5.125%	2.75%
SREP CET1 Requirement	10.25%	8.50%
Total CET1 requirement from Pillar 1 and 2[4]	10.76%	9.51%
Total Tier 1 requirement from Pillar 1 and 2	12.26%	11.01%
Total capital requirement from Pillar 1 and 2	**14.26%**	**13.01%**

1 Deutsche Bank's countercyclical buffer requirement is subject to country-specific buffer rates decreed by EBA and the Basel Committee of Banking Supervision (BCBS) as well as Deutsche Bank's relevant credit exposures as per respective reporting date. The countercyclical buffer rate for 2017 has been assumed to be 0.01 % due to unavailability of 2017 data.

2 The systemic risk buffer has been assumed to remain at 0 % for the projected year 2017, subject to changes based on further directives.

3 Unless certain exceptions apply only the higher of the systemic risk buffer, G-SII and O-SII buffer must be applied.

4 The total Pillar 1 and Pillar 2 CET 1 requirement (excluding the "Pillar 2" guidance) is calculated as the sum of the SREP requirement, the higher of the G-SII, O-SII and systemic risk buffer requirement as well as the countercyclical buffer requirement.

13.5.1.4 Development of Regulatory Capital

Deutsche Bank's CRR/CRD 4 Tier 1 capital as of December 31, 2016 amounted to € 55.5 billion, consisting of a Common Equity Tier 1 (CET 1) capital of € 47.8 billion and Additional Tier 1 (AT1) capital of € 7.7 billion. The CRR/CRD 4 Tier 1 capital was € 2.7 billion lower than at the end of 2015, primarily driven by a decrease in CET 1 capital of € 4.6 billion since year end 2015 while AT1 capital increased by € 1.9 billion in the same period.

The € 4.6 billion decrease of CRR/CRD 4 CET 1 capital was largely the result of increased regulatory adjustments due to the higher phase-in rate of 60 % in 2016 compared to 40 % in 2015 and the net loss attributable to Deutsche Bank shareholders and additional equity components of € 1.4 billion in 2016. The Decision (EU) (2015/4) of the ECB requires the recognition of the year end loss in CET1 capital. On March 5, 2017, the Management Board decided to recommend a dividend per share of € 0.19 paid out of the distributable profit for 2016 to the 2017 annual General Meeting scheduled to take place in May 2017. Based on this decision, regulatory capital as of year-end 2016 was impacted by an accrual deduction of € 0.4 billion. This dividend accrual is in line with the ECB Decision (EU) (2015/4) on the recognition of interim or year-end profits in CET 1 capital. The positive year-on year effect of € 0.6 billion under the CRR/CRD 4 transitional rules resulting from the reversal of the 15 % threshold related deductions due to the sale of Deutsche Bank's participation in Hua Xia Bank was more than offset by a number of negative effects including remeasurement losses relating to defined benefit pension plans of € 0.5 billion as well as an additional capital deduction of € 0.3 billion that was imposed on Deutsche Bank effective from October 2016 onwards based on a notification by the ECB pursuant to Article 16(1)(c), 16(2)(b) and (j) of Regulation (EU) No 1024/2013.

The € 1.9 billion increase in CRR/CRD 4 AT1 capital was mainly the result of reduced regulatory adjustments (€ 1.9 billion lower than at year end 2015) that were phased out from AT1 capital. These items reflect the residual amount of certain CET 1 deductions that are subtracted from CET 1 capital under fully loaded rules, but are allowed to reduce AT1 capital during the transitional period. The phase-in rate for these deductions on the level of CET 1 capital increased to 60 % in 2016 (40 % in 2015) and decreased correspondingly on the level of AT1 capital to 40 % in 2016 (60 % in 2015).

Deutsche Bank's fully loaded CRR/CRD 4 Tier 1 capital as of December 31, 2016 was € 46.8 billion, compared to € 48.7 billion at the end of 2015. Its fully loaded CRR/CRD 4 CET 1 capital amounted to € 42.3 billion as of December 31, 2016, compared to € 44.1 billion as of December 31, 2015. Its fully loaded CRR/CRD 4 Additional Tier 1 capital amounted to € 4.6 billion as per end of December 2016, unchanged compared to year end 2015.

The decrease of Deutsche Bank's fully loaded CET 1 capital of € 1.8 billion compared to year end 2015 capital was largely the result of its negative net income of € 1.4 billion and the dividend accrual of € 0.4 billion. The positive year-on-year effect of € 1.8 billion resulting from the reversal of the 15 % threshold-related deductions due to the sale of Deutsche Bank's participation in Hua Xia Bank was almost entirely offset by a number of negative effects including higher CET 1 capital deductions of deferred tax assets on unused tax losses of € 0.5 billion, remeasurement losses related to defined benefit pension plans of € 0.5 billion, the additional capital deduction of € 0.3 billion that was imposed on Deutsche Bank effective from October 2016 onwards and a further decrease of € 0.5 billion mainly driven by net unrealized losses on financial assets available for sale.

Transitional template for regulatory capital, RWA and capital ratios

	December 31, 2016		December 31, 2015	
in € m.	CRR/ CRD 4 fully loaded	CRR/ CRD 4	CRR/CRD 4 fully loaded	CRR/ CRD 4
	(unaudited)	*(audited)*	*(unaudited)*	*(audited)*
Common Equity Tier 1 (CET 1) capital: instruments and reserves				
Capital instruments and the related share premium accounts	37,290	37,290	37,088	37,088
Retained earnings	20,113	20,113	27,607	27,607
Accumulated other comprehensive income (loss), net of tax	3,708	3,645	4,096	4,281
Independently reviewed interim profits net of any foreseeable charge or dividend[1]	(2,023)	(2,023)	(7,025)	(7,025)
Other	0	79	0	92
Common Equity Tier 1 (CET 1) capital before regulatory adjustments	**59,088**	**59,104**	**61,766**	**62,042**
Common Equity Tier 1 (CET 1) capital: regulatory adjustments				
Additional value adjustments (negative amount)	(1,398)	(1,398)	(1,877)	(1,877)
Other prudential filters (other than additional value adjustments)	(639)	(428)	(622)	(330)
Goodwill and other intangible assets (net of related tax liabilities) (negative amount)	(8,436)	(5,062)	(8,439)	(3,376)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (negative amount)	(3,854)	(2,312)	(3,310)	(1,324)
Negative amounts resulting from the calculation of expected loss amounts	(297)	(188)	(106)	(58)
Defined benefit pension fund assets (negative amount)	(945)	(567)	(1,173)	(469)
Direct, indirect and synthetic holdings by an institution of own CET 1 instruments (negative amount)	(59)	(41)	(76)	(39)
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % / 15 % thresholds and net of eligible short positions) (negative amount)	0	0	(818)	(278)
Deferred tax assets arising from temporary differences (net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (amount above the 10 % / 15 % thresholds) (negative amount)	(590)	(354)	(953)	(324)
Other regulatory adjustments[2]	(591)	(971)	(291)	(1,537)
Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital	**(16,810)**	**(11,321)**	**(17,665)**	**(9,613)**
Common Equity Tier 1 (CET 1) capital	**42,279**	**47,782**	**44,101**	**52,429**

in € m.	December 31, 2016 CRR/CRD 4 fully loaded (unaudited)	December 31, 2016 CRR/CRD 4 (audited)	December 31, 2015 CRR/CRD 4 fully loaded (unaudited)	December 31, 2015 CRR/CRD 4 (audited)
Additional Tier 1 (AT1) capital: instruments				
Capital instruments and the related share premium accounts	4,676	4,676	4,676	4,676
Amount of qualifying items referred to in Art. 484 (4) CRR and the related share premium accounts subject to phase out from AT1	N/M	6,516	N/M	6,482
Additional Tier 1 (AT1) capital before regulatory adjustments	**4,676**	**11,191**	**4,676**	**11,157**
Additional Tier 1 (AT1) capital: regulatory adjustments				
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(125)	(51)	(125)	(48)
Residual amounts deducted from AT1 capital with regard to deduction from CET 1 capital during the transitional period pursuant to Art. 472 CRR	N/M	(3,437)	N/M	(5,316)
Other regulatory adjustments	0	0	0	0
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**(125)**	**(3,488)**	**(125)**	**(5,365)**
Additional Tier 1 (AT1) capital	**4,551**	**7,703**	**4,551**	**5,793**
Tier 1 capital (T1 = CET 1 + AT1)	**46,829**	**55,486**	**48,651**	**58,222**
Tier 2 (T2) capital	**12,673**	**6,672**	**12,325**	**6,299**
Total capital (TC = T1 + T2)	**59,502**	**62,158**	**60,976**	**64,522**
Total risk-weighted assets	**357,518**	**356,235**	**396,714**	**397,382**
Capital ratios				
Common Equity Tier 1 capital ratio (as a percentage of risk-weighted assets)	11.8	13.4	11.1	13.2
Tier 1 capital ratio (as a percentage of risk-weighted assets)	13.1	15.6	12.3	14.7
Total capital ratio (as a percentage of risk-weighted assets)	**16.6**	**17.4**	**15.4**	**16.2**

N/M – Not meaningful

1 Reflects Management Board's decision to propose a dividend per share of € 0.19 out of the distributable profit for 2016.

2 Including an additional capital deduction of € 0.3 billion that was imposed on Deutsche Bank effective from October 2016 onwards based on a notification by the ECB pursuant to Article 16(1)(c), 16(2)(b) and (j) of Regulation (EU) No 1024/2013 as well as the additional filter for funds for home loans and savings protection ("*Fonds für bauspartechnische Absicherung*") of € 0.2 billion.

Reconciliation of shareholders' equity to regulatory capital

(audited) in € m.	December 31, 2016 CRR/CRD 4	December 31, 2015 CRR/CRD 4
Total shareholders' equity per accounting balance sheet	**59,833**	**62,678**
Deconsolidation/Consolidation of entities	(123)	(681)
Thereof:		
Additional paid-in capital	(6)	(5)
Retained earnings	(276)	(369)
Accumulated other comprehensive income (loss), net of tax	159	(307)
Total shareholders' equity per regulatory balance sheet	**59,710**	**61,997**
Noncontrolling interest based on transitional rules	79	92
Accrual for dividend and AT1 coupons[1]	(621)	(231)
Reversal of deconsolidation/consolidation of the position Accumulated other comprehensive income (loss),net of tax, during transitional period	(63)	184
Common Equity Tier 1 (CET 1) capital before regulatory adjustments	**59,104**	**62,042**
Additional value adjustments	(1,398)	(1,877)
Other prudential filters (other than additional value adjustments)	(428)	(330)
Regulatory adjustments relating to unrealized gains and losses pursuant to Art. 467 and 468 CRR	(380)	(1,246)
Goodwill and other intangible assets (net of related tax liabilities)	(5,062)	(3,376)
Deferred tax assets that rely on future profitability	(2,666)	(1,648)
Defined benefit pension fund assets	(567)	(469)
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	0	(278)
Other regulatory adjustments	(820)	(389)
Common Equity Tier 1 capital	**47,782**	**52,429**

1 Reflects Management Board's decision to propose a dividend per share of € 0.19 paid out of the distributable profit for 2016.

Development of regulatory capital

(unaudited, unless stated otherwise) in € m.	CRR/CRD 4 December 31, 2016	December 31, 2015
Common Equity Tier 1 (CET 1) capital – opening amount	**52,429**[1]	**60,103**[1]
Common shares, net effect	0	0
Additional paid-in capital	192	(53)
Retained earnings	(1,826)	(6,097)
Common shares in treasury, net effect/(+) sales (–) purchase	10	(3)
Movements in accumulated other comprehensive income	231	2,759
Accrual for dividend and Additional Tier 1 (AT1) coupons[2]	(621)	(231)
Additional value adjustments	479	(1,877)
Goodwill and other intangible assets (net of related tax liabilities)	(1,686)	(780)
Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)	(988)	(800)
Negative amounts resulting from the calculation of expected loss amounts	(130)	89
Defined benefit pension fund assets	(97)	(277)
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	278	(194)
Securitization positions not included in risk-weighted assets	0	0
Deferred tax assets arising from temporary differences (amount above 10% and 15% threshold, net of related tax liabilities where the conditions in Art. 38 (3) CRR are met)	(30)	(191)
Other, including regulatory adjustments	(457)	(19)
Common Equity Tier 1 (CET 1) capital – closing amount	**47,782**[1]	**52,429**[1]
Additional Tier 1 (AT1) Capital – opening amount	**5,793**[1]	**3,794**[1]
New Additional Tier 1 eligible capital issues	0	0
Matured and called instruments	(76)	(4,289)
Transitional arrangements	1,879	5,529
Thereof:		
Goodwill and other intangible assets (net of related tax liabilities)	1,689	5,320
Other, including regulatory adjustments	108	759
Additional Tier 1 (AT1) Capital – closing amount	**7,703**[1]	**5,793**[1]
Tier 1 capital	**55,486**[1]	**58,222**[1]
Tier 2 (T2) capital – closing amount	**6,672**[1]	**6,299**[1]
Total regulatory capital	**62,158**[1]	**64,522**[1]

1 Audited.
2 Reflects Management Board's decision to propose a dividend per share of € 0.19 paid out of the distributable profit for 2016.

13.5.1.5 Development of Risk-weighted Assets

The table below provides an overview of RWA broken down by model approach and business division. They include the aggregated effects of the segmental reallocation of infrastructure related positions, if applicable, as well as reallocations between the segments.

Within credit risk, the line item "Other" in advanced IRBA reflects RWA from securitization positions in the banking book, specific equity positions and other non-credit obligation assets. Within the Standardized Approach, the line item "Other" includes RWA from banking book securitizations as well as exposures assigned to the further exposure classes apart from central governments or central banks, institutions, corporates and retail.

Risk-weighted assets by model approach and business division according to transitional rules

(unaudited, unless stated otherwise) in € m.	December 31, 2016							
	Global Markets	Corporate & Investment Banking	Private Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Credit Risk	61,288	62,997	36,161	3,758	36,561	4,075	15,505	220,345
Segment reallocation	1,594	2,397	990	191	0	77	(5,249)	0
Advanced IRBA	52,218	58,214	31,924	1,713	29,901	2,318	19,167	195,454
Central Governments and Central Banks	1,840	1,023	39	1	10	0	14,523	17,436
Institutions	7,903	3,168	140	31	1,205	47	778	13,272
Corporates	34,237	47,541	8,678	234	7,450	466	1,785	100,392
Retail	124	28	22,237	0	18,507	421	0	41,317
Other	8,114	6,454	830	1,447	2,729	1,383	2,081	23,038
Foundation IRBA	2,021	190	0	0	3,505	0	0	5,716
Central Governments and Central Banks	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	6	0	0	6
Corporates	2,021	190	0	0	3,499	0	0	5,710
Standardized Approach	5,270	2,196	3,247	1,854	3,035	1,678	1,587	18,867
Central Governments or Central Banks	22	0	2	0	50	0	0	75
Institutions	430	5	11	0	40	1	23	509
Corporates	2,136	1,351	1,103	834	731	697	1,096	7,948
Retail	1	187	1,543	0	1,656	83	0	3,470
Other	2,681	652	587	1,020	558	898	468	6,866
Risk exposure amount for default funds contributions	185	1	0	0	121	0	0	308
Settlement Risk	36	0	0	0	0	0	0	36
Credit Valuation Adjustment (CVA)	8,846	39	43	139	252	90	8	9,416
Internal Model Approach	8,808	39	25	139	242	90	4	9,347
Standardized Approach	38	0	18	0	10	0	3	69
Market Risk	29,409	788	0	0	62	3,502	0	33,762
Internal Model Approach	25,595	788	0	0	0	2,780	0	29,163
Standardized Approach	3,814	0	0	0	62	722	0	4,599
Operational Risk	58,032	15,578	7,362	4,957	5,334	1,413	0	92,675
Advanced measurement approach	58,032	15,578	7,362	4,957	5,334	1,413	0	92,675
Total	**157,612**	**79,403**	**43,565**	**8,854**	**42,209**	**9,079**	**15,512**	**356,235**[1]

1 Audited.

(unaudited, unless stated otherwise) in € m.	December 31, 2015							
	Global Markets	Corporate & Investment Banking	Private Wealth & Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Credit Risk	61,132	70,748	41,310	8,194	37,553	11,558	11,524	242,019
Segment reallocation	(93)	2,016	1,133	272	5	71	(3,404)	0
Advanced IRBA	53,512	63,054	36,009	6,243	30,177	7,424	13,805	210,223
Central Governments and Central Banks	3,569	993	26	1	13	6	10,013	14,619
Institutions	7,744	3,948	111	78	1,293	342	633	14,149
Corporates	32,853	53,313	7,661	277	7,701	2,620	1,034	105,459
Retail	176	39	20,877	0	18,234	655	0	39,980
Other	9,170	4,761	7,334	5,888	2,937	3,801	2,125	36,016
Foundation IRBA	2,082	175	1	0	3,075	0	0	5,333
Central Governments and Central Banks	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	5	0	0	5
Corporates	2,082	175	1	0	3,070	0	0	5,329
Standardized Approach	4,812	5,501	4,167	1,679	4,186	4,063	1,123	25,530
Central Governments or Central Banks	14	30	3	0	144	0	10	202
Institutions	538	34	14	1	81	2	0	671
Corporates	2,268	3,713	946	715	918	736	587	9,884
Retail	6	239	2,499	0	1,763	512	0	5,018
Other	1,985	1,485	705	962	1,279	2,813	525	9,755
Risk exposure amount for default funds contributions	820	2	0	0	111	0	0	933
Settlement Risk	9	0	0	0	0	0	0	9
Credit Valuation Adjustment (CVA)	11,971	8	74	309	391	3,082	41	15,877
Internal Model Approach	11,949	8	55	307	378	3,081	2	15,780
Standardized Approach	22	0	19	2	14	1	40	97
Market Risk	32,502	1,191	6	1,262	32	14,286	275	49,553
Internal Model Approach	27,643	1,032	6	367	0	8,741	275	38,063
Standardized Approach	4,860	159	0	895	32	5,545	0	11,491
Operational Risk	54,777	14,165	8,518	2,739	5,266	3,972	487	89,923
Advanced measurement approach	54,777	14,165	8,518	2,739	5,266	3,972	487	89,923
Total	**160,391**	**86,112**	**49,909**	**12,504**	**43,242**	**32,898**	**12,326**	**397,382**[1]

1 Audited.

The RWA according to CRR/CRD 4 were € 356.2 billion as of December 31, 2016, compared to € 397.4 billion at the end of 2015. The overall decrease of € 41.1 billion largely reflects decreases in credit and market risk RWA. Credit Risk RWA are € 21.7 billion lower mainly resulting from the sales of Deutsche Bank's Hua Xia and Abbey Life stakes as well as from continued de-risking activities in the Non-Core Operations Unit and optimization initiatives in Corporate & Investment Banking, including securitizations, hold book reductions and client portfolio optimization. Lower exposures mainly in Corporate & Investment Banking and Global Markets also contributed to the decrease. The decrease in RWA for market risk since December 31, 2015 was primarily driven by a reduction in risk levels predominantly in the Non-Core Operations Unit and to lesser extent from lower levels of exposure in Global Markets. The € 6.5 billion reduction in RWA for CVA was mainly driven by further de-risking of the portfolio and changes resulting from model refinements. The increase in Operational Risk RWA was mainly driven by large operational risk events which are reflected in Deutsche Bank's AMA model, such as settlements of regulatory matters by financial institutions partially offset by a slight decrease in GM.

RWA calculated on CRR/CRD 4 fully loaded basis were € 357.5 billion as of December 31, 2016 compared with € 396.7 billion at the end of 2015. The decrease was driven by the same movements as outlined for the transitional rules. The fully loaded RWA were € 1.3 billion higher than the risk-weighted assets under the transitional rules due to the application under the transition rules of the equity investment

grandfathering rule according to Article 495 CRR, pursuant to which certain equity investments receive a 100 % risk weight instead of a risk weight between 190 % and 370 % determined based on Article 155 CRR that would apply under the CRR/CRD 4 fully loaded rules.

Despite this grandfathering rule not applying under full application of the CRR/CRD 4 framework, Deutsche Bank continues to apply it in Deutsche Bank's CRR/CRD 4 fully loaded methodology for a limited subset of equity positions, based on Deutsche Bank's intention to mitigate the impact of the expiration of the grandfathering rule through sales of the underlying assets or other measures prior to its expiration at end of 2017. Deutsche Bank's portfolio of transactions, for which it will continue to apply the equity investment grandfathering rule until year end 2017, consisted of 15 transactions as of year-end 2016 amounting to € 220 million in exposures which will receive a 100 % risk weight instead of a risk weight between 190 % and 370 % in Deutsche Bank's CRR/CRD 4 fully loaded RWA figure. Deutsche Bank is closely monitoring the market and potential impacts from illiquid markets or other similar difficulties which could make it unfeasible to exit these positions. Had Deutsche Bank not applied the grandfathering rule for these transactions, their fully loaded RWA would have been not more than € 816 million, and thus the Group's fully loaded RWA would have been not more than € 358.1 billion, as of December 31, 2016, rather than the Group fully loaded RWA of € 357.5 billion that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule. Also, had Deutsche Bank calculated its fully loaded CET 1 capital ratio, Tier 1 capital ratio and Total capital ratio as of December 31, 2016 using RWAs of € 358.1 billion, such capital ratios would have remained unchanged (due to rounding) at the 11.8%, 13.1% and 16.6%, respectively, that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule.

As of December 31, 2015, Deutsche Bank's portfolio of transactions for which it applied the equity investment grandfathering rule in calculating its fully loaded RWA amounted to € 1.5 billion in exposures. Had Deutsche Bank not applied the grandfathering rule for these transactions, their fully loaded RWA would have been not more than € 5.4 billion, and thus the Group's fully loaded RWA would have been not more than € 400.7 billion as of December 31, 2015, rather than the Group's fully loaded RWA of € 396.7 billion that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule. Also, had Deutsche Bank calculated its fully loaded CET 1 capital ratio, Tier 1 capital ratio and Total capital ratio as of December 31, 2015 using RWAs of € 400.7 billion, such capital ratios would have been 11.0 %, 12.1 % and 15.2 %, respectively, instead of the 11.1 %, 12.3 % and 15.4 %, respectively, that Deutsche Bank reported on a fully loaded basis with application of the grandfathering rule.

The following tables provide an analysis of key drivers for RWA movements observed for credit risk, thereof counterparty credit risk, market and operational risk and Credit Valuation Adjustment ("CVA") in the reporting period. The classifications of key drivers are fully aligned with the recommendations of the Enhanced Disclosure Task Force.

Development of Risk-weighted Assets for Credit Risk, including Counterparty Credit Risk

	December 31, 2016		**December 31, 2015**	
(unaudited) **in € m.**	**Credit risk RWA**	**Capital requirements**	**Credit risk RWA**	**Capital requirements**
Credit risk RWA balance, beginning of year	**242,019**	**19,362**	**244,128**	**19,531**
Book size	(8,085)	(647)	(4,822)	(386)
Book quality	(3,827)	(306)	(2,103)	(168)
Model updates	2,328	186	728	58
Methodology and Policy	(1,280)	(102)	(3,346)	(268)
Acquisition and Disposals	(12,701)	(1,016)	(206)	(16)
Foreign exchange movements	350	28	10,378	830
Other	1,539	123	(2,738)	(219)
Credit risk RWA balance, end of year	**220,345**	**17,628**	**242,019**	**19,362**

Thereof: Development of Risk-weighted Assets for Counterparty Credit Risk

(unaudited) in € m.	December 31, 2016		December 31, 2015	
	Counterparty credit risk RWA	Capital requirements	Counterparty credit risk RWA	Capital requirements
Counterparty credit risk RWA balance, beginning of year	**37,276**	**2,982**	**41,117**	**3,289**
Book size	(2,740)	(219)	(6,224)	(498)
Book quality	511	41	(95)	(8)
Model updates	1,439	115	0	0
Methodology and Policy	(60)	(5)	0	0
Acquisition and Disposals	(707)	(57)	0	0
Foreign exchange movements	(106)	(8)	2,479	198
Other	0	0	0	0
Counterparty credit risk RWA balance, end of year	**35,614**	**2,849**	**37,276**	**2,982**

Organic changes in Deutsche Bank's portfolio size and composition are considered in the category "Book size". The category "Book quality" mainly represents the effects from portfolio rating migrations, loss given default, model parameter recalibrations as well as collateral coverage activities. "Model updates" include model refinements and advanced model roll out. RWA movements resulting from externally, regulatory-driven changes, e.g. applying new regulations, are considered in the "Methodology and Policy" section. "Acquisition and Disposals" is reserved to show significant exposure movements which can be clearly assigned to new businesses or disposal-related activities. Changes that cannot be attributed to the above categories are reflected in the category "Other".

The decrease in RWA for credit risk by 9 % or € 21.7 billion since December 31, 2015 is predominantly driven by reductions in "Acquisition and Disposals" and "Book Size". "Acquisition and Disposal" largely reflects the sale of Deutsche Bank's Hua Xia and Abbey Life stakes. The reduction in "Book size" is driven by Deutsche Bank's ongoing de-risking activities in the Non-Core Operations Unit as well as general exposure reductions and optimization initiatives in Global Markets and Corporate & Investment Banking. Process enhancements as well as the impact from recalibrations of Deutsche Bank's risk parameters shown in the category "Book quality" also contributed to the reduction.

The increase in "Model updates" within the counterparty credit risk table corresponds predominantly to a revised treatment of the applicable margin period of risk and general wrong way risk of specific derivatives portfolios, which was partially offset by a refinement in the calculation of effective maturity for collateralized counterparties. The increase in the category "Other" was mainly driven from the reversal of the 15 % threshold deduction due to the sale of Deutsche Bank's participation in Hua Xia Bank resulting in higher risk weighted assets for its deferred tax assets that rely on future profitability and arise from temporary differences.

Development of Risk-weighted Assets for Credit Valuation Adjustment

(unaudited) in € m.	December 31, 2016		December 31, 2015	
	CVA RWA	Capital requirements	CVA RWA	Capital requirements
CVA RWA balance, beginning of year	**15,877**	**1,270**	21,203	**1,696**
Movement risk levels	(5,600)	(448)	(5,591)	(447)
Market data changes and recalibrations	278	22	(1,552)	(124)
Model updates	(1,000)	(80)	0	0
Methodology and policy	0	0	(77)	(6)
Acquisitions and disposals	0	0	0	0
Foreign exchange movements	(139)	(11)	1,894	152
CVA RWA balance, end of year	**9,416**	**753**	**15,877**	**1,270**

The development of CVA RWA is broken down into a number of categories: movement in risk levels, which includes changes to the portfolio size and composition; market data changes and calibrations, which includes changes in market data levels and volatilities as well as recalibrations; model updates refers to changes to either the internal model method credit exposure models or the value-at-risk models that are used for CVA RWA; methodology and policy relates to changes to the regulation. Any significant business acquisitions or disposals would be highlighted on their own.

As of December 31, 2016, the RWA for CVA amounted to € 9.4 billion, representing a decrease of € 6.5 billion (40 %) compared with € 15.9 billion for December 31, 2015. The decrease was mainly driven by further derisking of the portfolio and a model update impacting the ratings used within the value-at-risk calculation.

Development of Risk-weighted Assets for Market Risk

(unaudited) in € m.	December 31, 2016						
	VaR	**SVaR**	**IRC**	**CRM**	**Other**	**Total RWA**	**Total capital requirements**
Market risk RWA balance, beginning of year	**6,931**	**17,146**	**11,608**	**2,378**	**11,491**	**49,553**	**3,964**
Movement in risk levels	(655)	(1,547)	(2,716)	(3,553)	(8,852)	(17,323)	(1,386)
Market data changes and recalibrations	403	0	0	0	2,018	2,421	194
Model updates/changes	(57)	237	(230)	0	0	(50)	(4)
Methodology and policy	(665)	(1,565)	0	1,475	0	(754)	(60)
Acquisitions and disposals	0	0	0	0	0	0	0
Foreign exchange movements	0	0	0	(27)	(58)	(84)	(7)
Other	0	0	0	0	0	0	0
Market risk RWA balance, end of year	**5,957**	**14,271**	**8,662**	**273**	**4,599**	**33,762**	**2,701**

(unaudited) in € m.	**December 31, 2016**	**December 31, 2015**
Market risk RWA balance, beginning of year	**49,553**	**64,209**
Movement in risk levels	(17,323)	(27,671)
Market data changes and recalibrations	2,421	3,919
Model updates	(50)	1,501
Methodology and policy	(754)	5,707
Acquisitions and disposals	0	0
Foreign exchange movements	(84)	1,888
Market risk RWA balance, end of year	**33,762**	**49,553**

The analysis for market risk covers movements in Deutsche Bank's internal models for value-at-risk, stressed value-at-risk, incremental risk charge and comprehensive risk measure as well as results from the market risk standardized approach, which are captured in the table under the category "Other". The market risk standardized approach covers trading securitizations and nth-to-default derivatives, longevity exposures, relevant Collective Investment Undertakings and market risk RWA from Postbank.

The market risk RWA movements due to changes in market data levels, volatilities, correlations, liquidity and ratings are included under the "Market data changes and recalibrations" category. Changes to Deutsche Bank's market risk RWA internal models, such as methodology enhancements or risk scope extensions, are included in the category of "Model updates". In the "Methodology and policy" category Deutsche Bank reflects regulatory driven changes to its market risk RWA models and calculations. Significant new businesses and disposals would be assigned to the line item "Acquisition and disposals". The impacts of "Foreign exchange movements" are only calculated for the Credit Risk Management and Standardized approach methods.

As of December 31, 2016 the RWA for market risk was € 33.8 billion. The € 15.8 billion (32 %) RWA decrease for market risk since December 31, 2015 was primarily driven by a reduction in risk levels. This resulted from significant de-risking in the Non-Core Operations Unit, particularly impacting both the comprehensive risk measure and the market risk standardized approach for securitizations. In addition, lower levels of exposure in Global Markets also contributed to the decrease in "Movement in risk levels" across the other market risk components.

Development of Risk-weighted Assets for Operational Risk

(unaudited) in € m.	December 31, 2016		December 31, 2015	
	Operational risk RWA	**Capital requirements**	**Operational risk RWA**	**Capital requirements**
Operational risk RWA balance, beginning of year	**89,923**	**7,194**	**67,082**	**5,367**
Loss profile changes (internal and external)	7,048	564	24,170	1,934
Expected loss development	(1,798)	(144)	(2,216)	(177)
Forward looking risk component	(1,140)	(91)	163	13
Model updates	(358)	(29)	724	58
Methodology and policy	(1,000)	(80)	0	0
Acquisitions and disposals	0	0	0	0
Operational risk RWA balance, end of year	**92,675**	**7,414**	**89,923**	**7,194**

Changes of internal and external loss events are reflected in the category "loss profile changes". The category "expected loss development" is based on divisional business plans and is deducted from the AMA capital figure within certain constraints. The category "forward looking risk component" reflects qualitative adjustment and as such the effectiveness and performance of the day-to-day operational risk management activities via Key Risk Indicators and Self-Assessment scores, focusing on the business environment and internal control factors. The category "model updates" covers model refinements such as the implementation of model changes. The category "methodology and policy" represents externally driven changes such as regulatory add-ons. The category "acquisition and disposals" represents significant exposure movements which can be clearly assigned to new or disposed businesses.

The overall RWA increase of € 2.8 billion was mainly driven by large operational risk events which are reflected in Deutsche Bank's AMA model as part of "loss profile changes", in particular through settlements of regulatory matters by financial institutions. The impact of the Bank's settlement with the Department of Justice in the United States (DoJ) to resolve civil claims in connection with the Bank's issuance and underwriting of residential mortgage-backed securities (RMBS) and related securitization activities between 2005 and 2007, which was announced on December 23, 2016, has been analyzed alongside other changes to Deutsche Bank's operational risk profile in 2016 to confirm the adequacy of its capital requirements.

Deutsche Bank has successfully implemented a model change in the first quarter concerning the modelling of the frequency distribution underlying its AMA capital model replacing a previous capital add-on as shown under "model updates" in the fourth quarter. Similarly, in the fourth quarter, Deutsche Bank has decommissioned an add-on in relation to IT risks after obtaining supervisory approval to use refined scenarios describing potential risks in Deutsche Bank's IT environment within its model as disclosed under "methodology and policy" in the table above.

Further impacts from the Advanced Measurement Approach model enhancements on the other operational risk RWA components are expected to materialize alongside the implementation of model changes recently approved by the joint supervisory team.

13.5.1.6 Economic Capital

13.5.1.6.1 Internal Capital Adequacy

As the primary measure of its Internal Capital Adequacy Assessment Process Deutsche Bank assesses its internal capital adequacy based on its "gone concern approach" as the ratio of its total capital supply divided by its total capital demand as shown in the table below. Deutsche Bank's capital supply definition has been further aligned with the CRR/CRD 4 capital framework in the first quarter 2016. Consequently, goodwill and other intangible assets are now deducted from Pillar 2 capital supply, instead of being added to the capital demand. The prior year information has been revised.

Total capital supply and demand

(unaudited, unless stated otherwise) in € m. (unless stated otherwise)	December 31, 2016	December 31, 2015
Capital supply		
Shareholders' equity	59,833[1]	62,678[1]
Fair value gains on own debt and debt valuation adjustments, subject to own credit risk[2]	(440)	(407)
Defined benefit pension fund assets[3]	(945)	(1,173)
Deferred tax assets	(8,666)[1]	(7,762)[1]
Additional valuation adjustments[4]	(1,398)	(1,877)
Expected loss shortfall	(297)	(106)
Home loans and savings protection	(231)	(291)
Holdings of own capital instruments	(45)	(62)
Fair value adjustments for assets reclassified where no matched funding is available[5]	(557)	(147)
Noncontrolling interests[6]	0	0
Intangible assets	(8,982)[1]	(10,078)[1]
Hybrid tier 1 capital instruments	11,259	11,962
Tier 2 capital instruments	8,003	8,016
Capital supply	**57,534**	**60,754**
Total economic capital demand		
Credit risk	13,105	13,685
Market risk	14,593	17,436
Operational risk	10,488	10,243
Business risk	5,098	5,931
Diversification benefit	(7,846)	(8,852)
Capital demand	**35,438**	**38,442**
Internal capital adequacy ratio	**162%**	**158%**

1 Audited.
2 Includes deduction of fair value gains on own credit-effect relating to own liabilities designated under the fair value option as well as the debt valuation adjustments.
3 Reported as net assets (assets minus liabilities) of a defined pension fund, i.e. applicable for overfunded pension plans.
4 As applied in the regulatory capital section.
5 Includes fair value adjustments for assets reclassified in accordance with IAS 39 and for banking book assets where no matched funding is available. A positive adjustment is not considered.
6 Includes noncontrolling interest up to the economic capital requirement for each subsidiary.

A ratio of more than 100% signifies that the total capital supply is sufficient to cover the capital demand determined by the risk positions. This ratio was 162 % as of December 31, 2016, compared with 158% as of December 31, 2015. The change of the ratio was due to the fact that capital supply decreased proportionately less than the capital demand did. Shareholders' equity decreased by € 2.8 billion mainly driven by lower net income attributable to Deutsche Bank's shareholders. Hybrid Tier 1 capital instruments decreased by € 703 million mainly driven by the redemption of instruments. The decrease in capital demand was driven by lower economic capital requirements as explained in section "*13.2.3 Risk Profile*".

The above capital adequacy measures apply to the consolidated Group as a whole (including Postbank) and form an integral part of Deutsche Bank's risk and capital management framework.

13.5.2 Leverage Ratio

Deutsche Bank manages its balance sheet on a Group level and, where applicable, locally in each region. In the allocation of financial resources Deutsche Bank favors business portfolios with the highest positive impact on its profitability and shareholder value. Deutsche Bank monitors and analyzes balance sheet developments and tracks certain market-observed balance sheet ratios. Based on this Deutsche Bank triggers discussion and management action by the Group Risk Committee. Following the publication of the CRR/CRD 4 framework, Deutsche Bank established a leverage ratio calculation according to that framework.

13.5.2.1 Leverage Ratio according to revised CRR/CRD 4 framework (fully loaded)

The CRR/CRD 4 framework introduced a non-risk based leverage ratio that is intended to act as a supplementary measure to the risk based capital requirements. Its objectives are to constrain the build-up of leverage in the banking sector, helping avoid destabilizing deleveraging processes which can damage the broader financial system and the economy, and to reinforce the risk based requirements with a simple,

non-risk based "backstop" measure. While the CRR/CRD 4 framework currently does not provide for a mandatory minimum leverage ratio to be complied with by the relevant financial institutions, a legislative proposal published by the European Commission on November 23, 2016 suggests introducing a minimum leverage ratio of 3 %. The legislative proposal provides that the leverage ratio applies two years after the proposal's entry into force and remains subject to political discussion among EU institutions.

Deutsche Bank calculates its leverage ratio exposure on a fully loaded basis in accordance with Article 429 of the CRR as per Delegated Regulation (EU) 2015/62 of October 10, 2014 published in the Official Journal of the European Union on January 17, 2015 amending Regulation (EU) No 575/2013.

Deutsche Bank's total leverage ratio exposure consists of the components derivatives, securities financing transactions (SFTs), off-balance sheet exposure and other on-balance sheet exposure (excluding derivatives and SFTs).

The leverage exposure for derivatives is calculated by using the regulatory mark-to-market method for derivatives comprising the current replacement cost plus a regulatory defined add-on for the potential future exposure. Variation margin received in cash from counterparties is deducted from the current replacement cost portion of the leverage ratio exposure measure and variation margin paid to counterparties is deducted from the leverage ratio exposure measure related to receivables recognized as an asset on the balance sheet, provided certain conditions are met. Deductions of receivables assets for cash variation margin provided in derivatives transactions are shown under derivative exposure in table leverage ratio common disclosure. The effective notional amount of written credit derivatives, i.e., the notional reduced by any negative fair value changes that have been incorporated in Tier 1 capital is included in the leverage ratio exposure measure; the resulting exposure measure is further reduced by the effective notional amount of a purchased credit derivative on the same reference name provided certain conditions are met.

The SFT component includes the gross receivables for SFTs, which are netted with SFT payables if specific conditions are met. In addition to the gross exposure a regulatory add-on for the counterparty credit risk is included.

The off-balance sheet exposure component follows the credit risk conversion factors of the standardized approach for credit risk (0%, 20%, 50%, or 100%), which depend on the risk category subject to a floor of 10%.

The other on-balance sheet exposure component (excluding derivatives and SFTs) reflects the accounting values of the assets (excluding derivatives and SFTs) as well as regulatory adjustments for asset amounts deducted in determining Tier 1 capital.

The following tables show the leverage ratio exposure and the leverage ratio, both on a fully loaded basis, on the disclosure tables of the implementing technical standards (ITS) which were adopted by the European Commission via Commission Implementing Regulation (EU) 2016/200 published in the Official Journal of the European Union on February 16, 2016.

Summary reconciliation of accounting assets and leverage ratio exposures

(unaudited, unless stated otherwise) in € bn.	**December 31, 2016**	**December 31, 2015**
Total assets as per published financial statements	**1,591**[1]	**1,629**[1]
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0	3
Adjustments for derivative financial instruments	(276)	(263)
Adjustment for securities financing transactions (SFTs)	20	25
Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	102	109
Other adjustments	(90)	(107)
Leverage ratio total exposure measure	**1,348**	**1,395**

1 Audited.

Leverage ratio common disclosure

(unaudited) in € bn. (unless stated otherwise)	December 31, 2016	December 31, 2015
Total derivative exposures	177	215
Total securities financing transaction exposures	135	164
Total off-balance sheet exposures	102	109
Other Assets	948	924
Asset amounts deducted in determining Tier 1 capital fully loaded	(15)	(17)
Tier 1 capital fully loaded	46.8	48.7
Total Exposures	1,348	1,395
Leverage Ratio – using a fully loaded definition of Tier 1 capital (in %)	3.5	3.5

13.5.2.2 Description of the factors that had an impact on the leverage ratio in 2016

As of December 31, 2016, Deutsche Bank's fully loaded CRR/CRD 4 leverage ratio was 3.5% compared to 3.5% as of December 31, 2015, taking into account as of December 31, 2016 a fully loaded Tier 1 capital of € 46.8 billion over an applicable exposure measure of € 1,348 billion (€ 48.7 billion and € 1,395 billion as of December 31, 2015, respectively).

Deutsche Bank's CRR/CRD 4 leverage ratio according to transitional provisions was 4.1 % as of December 31, 2016, calculated as Tier 1 capital according to transitional rules of € 55.5 billion over an applicable exposure measure of € 1,350 billion. The exposure measure under transitional rules is € 2 billion higher compared to the fully loaded exposure measure as the asset amounts deducted in determining Tier 1 capital are lower under transitional rules.

Over the year 2016, Deutsche Bank's leverage ratio exposure decreased by € 48 billion to € 1,348 billion. This principally reflects a decrease in derivative exposures of € 38 billion primarily related to lower add-ons for potential future exposure and effective notional amounts of written credit derivatives after offsetting. Furthermore, there was a decrease of € 29 billion in SFT exposures reflecting the overall decrease on the balance sheet in the SFT related items (securities purchased under resale agreements and securities borrowed, under both accrual and fair value accounting, and receivables from prime brokerage). In addition, off-balance sheet exposures decreased by € 7 billion corresponding to lower notional amounts for irrevocable lending commitments and contingent liabilities. The mentioned decreases in leverage ratio exposure are partly offset by an increase of € 25 billion in other assets, principally from higher cash and central bank balances on Deutsche Bank's balance sheet partly offset by reductions on its balance sheet in non-derivative trading assets, loans and financial assets available for sale.

The decrease of the leverage ratio exposure in 2016 includes foreign exchange impacts of € 11 billion mainly due to the depreciation of the euro against the U.S. dollar which was partly offset by its appreciation against the pound sterling.

Deutsche Bank's leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 25 as of December 31, 2016 compared to 24 as of December 31, 2015.

For main drivers of the Tier 1 capital development please refer to section "*13.5.1.1 Regulatory Capital*" of this Prospectus.

13.6 Credit Risk Exposure

Counterparty credit exposure arises from Deutsche Bank's traditional nontrading lending activities which include elements such as loans and contingent liabilities, as well as from its 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 Deutsche Bank's positions in equity products and traded credit products such as bonds.

Deutsche Bank defines its 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.

13.6.1 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 Deutsche Bank's 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 Deutsche Bank applies internally determined haircuts and additionally caps all collateral values at the level of the respective collateralized exposure.

Maximum Exposure to Credit Risk

	December 31, 2016				
		Credit Enhancements			
(audited) in € m.[1]	**Maximum exposure to credit risk[2]**	**Netting**	**Collateral**	**Guarantees and Credit derivatives[3]**	**Total credit enhancements**
Cash and central bank balances	181,364	0	0	0	0
Interbank balances (w/o central banks)	11,606	0	0	25	25
Central bank funds sold and securities purchased under resale agreements	16,287	0	15,944	0	15,944
Securities borrowed	20,081	0	19,193	0	19,193
Financial assets at fair value through profit or loss[4]	667,411	389,475	139,274	1,241	529,990
Trading assets	95,410	0	3,601	1,007	4,607
Positive market values from derivative financial instruments	485,150	386,727	64,438	164	451,329
Financial assets designated at fair value through profit or loss	86,850	2,748	71,235	70	74,054
thereof:					
Securities purchased under resale agreement	47,404	2,748	44,591	0	47,339
Securities borrowed	21,136	0	20,918	0	20,918
Financial assets available for sale[4]	54,275	0	560	28	589
Loans[5]	413,455	0	210,776	30,189	240,965
Securities held to maturity	3,206	0	0	0	0
Other assets subject to credit risk	76,036	39,567	1,061	80	40,708
Financial guarantees and other credit related contingent liabilities[6]	52,341	0	5,094	8,661	13,756
Irrevocable lending commitments and other credit related commitments[6]	166,063	0	8,251	7,454	15,705
Maximum exposure to credit risk	**1,662,125**	**429,042**	**400,153**	**47,679**	**876,874**

1 All amounts at carrying value unless otherwise indicated.
2 Does not include credit derivative notional sold (€ 744,159 million) and credit derivative notional bought protection.
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.

(audited) in € m.[1]	December 31, 2015				
		Credit Enhancements			
	Maximum exposure to credit risk[2]	Netting	Collateral	Guarantees and Credit derivatives[3]	Total credit enhancements
Cash and central bank balances	96,940	0	22	–	22
Interbank balances (w/o central banks)	12,842	0	57	13	70
Central bank funds sold and securities purchased under resale agreements	22,456	0	22,037	0	22,037
Securities borrowed	33,557	0	32,031	0	32,031
Financial assets at fair value through profit or loss[4]	734,449	409,317	152,858	699	562,874
Trading assets	119,991	0	4,615	519	5,134
Positive market values from derivative financial instruments	515,594	407,171	69,008	106	476,285
Financial assets designated at fair value through profit or loss	98,864	2,146	79,235	74	81,455
thereof:					
Securities purchased under resale agreement	51,073	2,146	47,664	0	49,811
Securities borrowed	21,489	0	21,154	0	21,154
Financial assets available for sale[4]	71,368	0	760	–	760
Loans[5]	432,777	0	207,923	30,188	238,111
Other assets subject to credit risk	78,978	58,478	386	365	59,229
Financial guarantees and other credit related contingent liabilities[6]	57,325	0	5,730	8,166	13,897
Irrevocable lending commitments and other credit related commitments[6]	174,549	0	6,973	6,275	13,248
Maximum exposure to credit risk	**1,715,241**	**467,795**	**428,777**	**45,707**	**942,279**

1 All amounts at carrying value unless otherwise indicated.
2 Does not include credit derivative notional sold (€ 655,584 million) and credit derivative notional bought protection.
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.

The overall decrease in maximum exposure to credit risk for December 31, 2016 was driven by a € 30.4 billion decrease in positive market values from derivative financial instruments, € 24.6 billion decrease in trading assets, € 19.3 billion decrease in loans, € 17.1 billion decrease in financial assets available for sale and € 12.0 billion decrease in financial assets designated at fair value through profit or loss during the period, partly offset by a € 84.4 billion increase in cash and central bank balances.

Included in the category of trading assets as of December 31, 2016, were traded bonds of € 81.3 billion (€ 103.2 billion as of December 31, 2015) that were over 81 % investment-grade (over 79 % as of December 31, 2015). The above mentioned financial assets available for sale category primarily reflected debt securities of which more than 98 % were investment-grade (more than 95 % as of December 31, 2015).

Credit Enhancements are split into three categories: netting, collateral, guarantees and credit derivatives. A prudent approach is taken with respect to haircuts, parameter setting for regular margin calls as well as expert judgments 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 Deutsche Bank has collateral pools of highly liquid assets and mortgages (principally consisting of residential properties mainly in Germany) for the homogeneous retail portfolio.

13.6.2 Credit Quality of Financial Instruments neither Past Due nor Impaired

Deutsche Bank derives its credit quality from internal ratings and group its exposures into classes as shown below. Please refer to section *"13.4.4.2 Measuring Credit Risk"* for more details about its internal ratings.

Credit Quality of Financial Instruments neither Past Due nor Impaired

(audited) in € m.[1]	December 31, 2016						
	iAAA–iAA	**iA**	**iBBB**	**iBB**	**iB**	**iCCC and below**	**Total**
Cash and central bank balances	174,978	4,241	1,778	238	81	47	181,364
Interbank balances (w/o central banks)	5,546	3,452	1,612	689	112	195	11,606
Central bank funds sold and securities purchased under resale agreements	3,542	7,734	1,028	2,624	1,338	22	16,287
Securities borrowed	16,036	2,882	802	343	18	0	20,081
Financial assets at fair value through profit or loss[2]	277,645	258,627	61,162	52,904	11,183	5,889	667,411
Trading assets	46,398	10,956	12,024	17,729	5,833	2,471	95,410
Positive market values from derivative financial instruments	188,037	234,491	38,113	19,138	3,297	2,073	485,150
Financial assets designated at fair value through profit or loss	43,211	13,180	11,024	16,037	2,053	1,344	86,850
thereof:							
Securities purchased under resale agreement	13,622	10,684	7,401	13,667	1,165	866	47,404
Securities borrowed	18,697	1,498	937	4	0	0	21,136
Financial assets available for sale[2]	42,808	6,616	2,106	577	72	254	52,433
Loans[3]	44,116	52,421	127,682	121,213	42,941	14,273	402,645
thereof:							
IAS 39 reclassified loans	54	28	341	26	68	87	604
Securities held to maturity	3,206	0	0	0	0	0	3,206
Other assets subject to credit risk	26,594	25,791	9,656	13,091	630	273	76,036
Financial guarantees and other credit related contingent liabilities[4]	5,699	13,712	16,753	9,663	4,477	2,038	52,341
Irrevocable lending commitments and other credit related commitments[4]	21,479	45,635	47,480	29,274	18,173	4,022	166,063
Total	**621,650**	**421,112**	**270,058**	**230,615**	**79,025**	**27,013**	**1,649,473**

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities.
3 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
4 Figures are reflected at notional amounts.

(audited) in € m.[1]	December 31, 2015 iAAA–iAA	iA	iBBB	iBB	iB	iCCC and below	Total
Cash and central bank balances	91,154	2,377	1,918	1,311	68	111	96,940
Interbank balances (w/o central banks)	4,606	5,450	877	957	18	935	12,842
Central bank funds sold and securities purchased under resale agreements	3,607	15,590	1,870	1,234	37	118	22,456
Securities borrowed	24,306	5,380	1,461	2,361	49	0	33,557
Financial assets at fair value through profit or loss[2]	287,102	302,873	65,479	59,148	13,177	6,669	734,449
Trading assets	55,319	14,526	15,837	24,971	5,558	3,780	119,991
Positive market values from derivative financial instruments	184,183	271,328	36,100	17,265	4,894	1,824	515,594
Financial assets designated at fair value through profit or loss	47,601	17,019	13,543	16,912	2,724	1,065	98,864
thereof:							
Securities purchased under resale agreement	15,371	10,120	10,053	13,699	968	863	51,073
Securities borrowed	17,629	3,819	8	33	0	0	21,489
Financial assets available for sale[2]	59,157	4,519	2,070	3,404	159	219	69,528
Loans[3]	52,022	59,376	123,334	136,404	40,348	9,387	420,871
thereof: IAS 39 reclassified loans	1,672	461	878	627	76	397	4,110
Other assets subject to credit risk	30,724	26,465	6,924	13,615	941	308	78,978
Financial guarantees and other credit related contingent liabilities[4]	6,384	15,464	18,283	10,827	4,668	1,700	57,325
Irrevocable lending commitments and other credit related commitments[4]	23,035	46,220	44,603	37,643	21,212	1,834	174,549
Total	**582,099**	**483,714**	**266,820**	**266,904**	**80,678**	**21,282**	**1,701,495**

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities.
3 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
4 Figures are reflected at notional amounts.

The overall decline in total credit exposure of € 52.0 billion for December 31, 2016 is mainly due to an decrease in positive market value from derivative financial instruments in investment-grade rating categories, mainly in the category iA.

13.6.3 Main Credit Exposure Categories

The tables in this section show details about several of Deutsche Bank's 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 Deutsche Bank's balance sheet at amortized cost but before deduction of its 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 Deutsche Bank's credit exposures from over-the-counter derivative transactions that it has entered into, after netting and cash collateral received. On its 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 Deutsche Bank has 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 Deutsche Bank's main credit exposure: brokerage and securities related receivables, cash and central bank balances, interbank balances (without central banks), assets held for sale, accrued interest receivables, traditional securitization positions as well as equity investments.

Main Credit Exposure Categories by Business Divisions

	December 31, 2016								
(unaudited, unless stated otherwise) in € m.	Loans[1]	Irre-vocable lending commit-ments[2]	Con-tingent liabilities	OTC deri-vatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style trans-actions[5]	Total
Global Markets	62,567	22,006	656	42,711	11,240	72,180	3,296	91,561	306,216
Corporate &Investment Banking	82,620	126,593	48,123	520	1,756	162	272	6,574	266,619
Private, Wealth and Commercial Clients	159,658	9,139	2,664	317	0	1	139	0	171,918
Deutsche Asset Management	343	55	21	27	7	2,569	26	0	3,047
Postbank	104,728	7,837	320	420	0	0	17,220	4,290	134,816
Non-Core Operations Unit	3,133	131	434	175	191	257	0	34	4,355
Consolidation & Adjustments and Other	407	302	123	24	0	6,124	33,768	2,450	43,197
Total	**413,455**[6]	**166,063**[6]	**52,341**[6]	**44,193**[6]	**13,193**[6]	**81,293**[6]	**54,722**[6]	**104,909**[6]	**930,169**[6]

1 Includes impaired loans amounting to € 7.4 billion as of December 31, 2016.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.3 billion as of December 31, 2016.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Includes debt securities on financial assets available for sale and securities held to maturity.
5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.
6 Audited.

	December 31, 2015								
(unaudited, unless stated otherwise) in € m.	Loans[1]	Irre-vocable lending commit-ments[2]	Con-tingent liabilities	OTC deri-vatives[3]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style trans-actions[4]	Total
Global Markets	58,092	25,467	1,292	44,824	13,905	85,454	3,454	110,581	343,069
Corporate &Investment Banking	97,280	129,420	51,005	503	1,176	147	326	9,986	289,843
Private,Wealth and Commercial Clients	163,772	11,383	3,738	314	0	13	161	0	179,381
Deutsche Asset Management	265	63	22	406	10	4,296	3,281	0	8,343
Postbank	103,525	5,798	336	344	0	0	17,128	7,132	134,263
Non-Core Operations Unit	9,335	1,642	784	2,625	368	6,934	1,932	14	23,634
Consolidation & Adjustments and Other	508	775	149	37	0	6,368	41,985	862	50,684
Total	**432,777**[5]	**174,549**[5]	**57,325**[5]	**49,053**[5]	**15,459**[5]	**103,212**[5]	**68,266**[5]	**128,575**[5]	**1,029,215**[5]

1 Includes impaired loans amounting to € 8.2 billion as of December 31, 2015.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2015.
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 Audited.

As part of Deutsche Bank's resegmentation all Treasury activities have been moved in 2016 into Consolidation & Adjustments. The main contributor to the credit exposures included in Consolidation & Adjustments is treasury liquidity reserves. Financial resources associated with Treasury activities are allocated to divisional total assets and not at an individual asset line. This allocation in the Main Credit Exposure Categories would reduce the total credit exposure in Consolidation & Adjustment to € 8.9 billion as of December 31, 2016 and € 9.2 billion as of December 31, 2015 and would increase the other divisional totals respectively.

Deutsche Bank's main credit exposure decreased by € 99.0 billion.

- From a divisional perspective decreases in exposure are observed across all divisions except Postbank. Deutsche Bank's exposure in GM decreased by € 36.9 billion and, in CIB by € 23.2 billion. The NCOU achieved a managed reduction of € 19.3 billion.
- From a product perspective strong exposure reductions have been observed for repo and repo-style transactions, traded bonds, loans, and debt securities.

Main Credit Exposure Categories by Industry Sectors

	December 31, 2016								
(unaudited, unless stated otherwise) in € m.	Loans[1]	Irrevocable lending commit-ments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Financial intermediation	49,630	31,296	10,189	22,554	3,115	19,580	16,452	104,095	256,911
Fund management activities	26,062	6,843	53	1,441	115	1,322	183	59	36,077
Manufacturing	29,932	41,801	15,067	2,850	1,658	2,368	302	2	93,980
Wholesale and retail trade	16,733	10,473	5,607	518	443	556	30	0	34,360
Households	187,862	9,936	1,267	652	105	2	0	0	199,825
Commercial real estate activities	27,324	4,372	512	1,780	2,015	861	78	67	37,008
Public sector	15,707	1,795	189	6,457	629	47,265	35,515	480	108,037
Other	60,206	59,548	19,456	7,941	5,114	9,339	2,162	205	163,972
Total	**413,455**[6]	**166,063**[6]	**52,341**[6]	**44,193**[6]	**13,193**[6]	**81,293**[6]	**54,722**[6]	**104,909**[6]	**930,169**[6]

1 Includes impaired loans amounting to € 7.4 billion as of December 31, 2016.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.3 billion as of December 31, 2016.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Includes debt securities on financial assets available for sale and securities held to maturity.
5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.
6 Audited.

	December 31, 2015								
(unaudited, unless stated otherwise) in € m.	Loans[1][2]	Irrevocable lending commit-ments[2][3]	Contingent liabilities	OTC derivatives[4]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions[5]	Total
Financial intermediation	61,357	33,391	11,717	26,539	3,815	24,761	23,772	124,340	309,692
Fund management activities	25,923	8,952	381	1,601	118	2,303	461	237	39,976
Manufacturing	27,937	40,969	17,192	2,885	1,500	2,341	314	–	93,137
Wholesale and retail trade	18,209	12,594	5,424	1,038	499	564	95	1	38,423
Households	200,818	11,638	2,013	719	128	–	0	34	215,350
Commercial real estate activities[5][6]	22,578	4,803	681	1,812	3,429	738	205	40	34,285
Public sector	17,113	2,510	280	6,170	491	55,774	39,085	2,242	123,664
Other	58,842	59,692	19,636	8,289	5,478	16,731	4,333	1,680	174,688
Total	**432,777**[6]	**174,549**[6]	**57,325**[6]	**49,053**[6]	**15,459**[6]	**103,212**[6]	**68,266**[6]	**128,575**[6]	**1,029,215**[6]

1 Includes impaired loans amounting to € 8.2 billion as of December 31, 2015.
2 Comparatives have been restated to reflect changes in industry sectors.
3 Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2015.
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 Audited.

The above table gives an overview of Deutsche Bank's credit exposure by industry; allocated based on the NACE code of the counterparty Deutsche Bank is doing business with.

From an industry perspective, its credit exposure is lower compared with last year mainly due to a decrease in financial intermediation of € 52.8 billion and public sector of € 15.6 billion, driven by lower repo and repo-style transactions and traded bonds exposure, as well as decrease in the households category by € 15.5 billion mainly attributable to reduced loan exposure.

Loan exposures to the industry sectors financial intermediation, manufacturing and public sector comprise predominantly investment-grade loans. The portfolio is subject to the same credit underwriting requirements stipulated in Deutsche Bank's "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 Deutsche Bank's Credit Portfolio Strategies Group's activities.

Its household loans exposure amounting to € 187.9 billion as of December 31, 2016 (€ 200.8 billion as of December 2015) is principally associated with Deutsche Bank's PCC and Postbank portfolios. € 150.6 billion (80 %) of the portfolio comprises mortgages, of which € 119.5 billion are held in Germany. The remaining exposures (€ 37.6 billion, 20 %) 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 installment 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 Deutsche Bank's 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.

Deutsche Bank's commercial real estate loans, primarily in the US and Europe, are generally secured by first mortgages on the underlying real estate property. Credit underwriting policy guidelines provide that LTV ratios of generally less than 75 % are maintained. Additionally, given the significance of the underlying collateral independent external appraisals are commissioned for all secured loans by its valuation team (part of the independent Credit Risk Management function) which is also responsible for reviewing and challenging the reported real estate values regularly.

The Commercial Real Estate Group only in exceptional cases retains mezzanine or other junior tranches of debt (although Deutsche Bank does underwrite mezzanine loans), also the Postbank portfolio holds an insignificant sub-portfolio of junior tranches. Loans originated for distribution are carefully monitored under a pipeline limit. Securitized loan positions are entirely sold (except where regulation requires retention of economic risk), while Deutsche Bank frequently retains 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. Deutsche Bank also participates in conservatively underwritten unsecured lines of credit to well-capitalized real estate investment trusts and other public companies, which are generally investment-grade. Deutsche Bank provides 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. Exposures within NCOU have been further reduced over the course of the year and accounted for less than 3 % of the entire Commercial Real Estate portfolio as of December 31, 2016. 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 € 60.2 billion as of December 31, 2016 (€ 58.8 billion as of December 31, 2015) relates to numerous smaller industry sectors with no individual sector greater than 6 % of total loans.

Deutsche Bank's credit exposure to its ten largest counterparties accounted for 7 % of its aggregated total credit exposure in these categories as of December 31, 2016 compared with 6 % as of December 31, 2015. Its top ten counterparty exposures were with well-rated counterparties or otherwise related to structured trades which show high levels of risk mitigation.

Deutsche Bank's credit exposure to each of the focus industries "Oil and Gas", "Metals, Mining & Steel" and "Shipping" is less than 2 % of its total credit exposure.

Deutsche Bank's loan exposure to the "Oil & Gas" industry is approximately € 8 billion. Around 50 % of its credit exposure is to investment-grade rated borrowers, mainly in the more resilient segments Oil Majors and National Oil & Gas companies. Less than 25 % of Deutsche Bank's "Oil & Gas" credit portfolio is to sectors that it considers higher risk and more impacted by the low oil price, namely sub-investment-grade Exploration & Production (predominantly senior secured) and Oil & Gas Services & Equipment segments.

Deutsche Bank's loan exposure in its "Metals, Mining and Steel" portfolio is approximately € 6 billion. This portfolio is of lower quality compared to its overall Corporate credit portfolio, and has an investment-grade ratio of just 27 %. In line with the structure of the industry, a significant share of Deutsche Bank's portfolio is in emerging markets countries. Its strategy is to reduce this credit portfolio due to elevated risks of this industry, namely material oversupply with resulting pressure on prices and margins.

Deutsche Bank's loan exposure to "Shipping" accounts for approximately € 5 billion and is largely collateralized. The portfolio is diversified across ship types with global associated risks due to diversified trading income though the counterparties mainly domiciled in Europe. A high proportion of the portfolio is sub investment grade rated in reflection of the prolonged challenging market conditions over recent years. Exposure to the German "KG" sector (non-recourse financing of vessels via closed end funds) is less than 10 % of the total shipping exposure.

Main credit exposure categories by geographical region

(audited) in € m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities available for sale[4]	Repo and repo-style transactions[5]	Total
	December 31, 2016								
Germany	197,368	27,954	11,511	2,636	236	3,070	12,970	5,571	261,316
Western Europe (excluding Germany)	96,297	36,496	15,798	22,852	2,800	19,565	26,755	18,811	239,375
thereof:									
France	2,703	5,854	1,373	1,436	216	2,255	4,866	1,830	20,534
Luxembourg	19,312	2,998	575	1,521	330	1,228	7,179	372	33,515
Netherlands	8,934	6,370	1,749	3,270	224	2,164	4,143	474	27,328
United Kingdom	7,942	7,331	1,422	7,925	519	4,224	1,929	9,327	40,620
Eastern Europe	9,664	1,475	1,437	456	1,121	1,288	1,713	36	17,191
thereof:									
Poland	7,402	702	208	65	6	281	1,542	0	10,205
Russia	836	432	425	38	645	174	77	0	2,626
North America	69,921	92,699	12,013	12,162	6,471	36,332	11,444	61,771	302,814
thereof:									
Canada	2,247	2,288	163	1,723	112	628	249	95	7,505
Cayman Islands	2,993	1,045	86	725	37	1,215	24	11,679	17,804
U.S.	56,567	87,503	11,336	9,307	6,181	30,961	10,843	47,528	260,225
Central and South America	5,338	1,113	1,196	1,020	621	1,975	202	890	12,356
thereof:									
Brazil	1,655	178	626	207	61	843	179	594	4,342
Mexico	618	414	170	299	73	561	0	10	2,145
Asia/Pacific	31,644	5,782	9,958	4,753	1,606	18,525	1,425	17,515	91,208
thereof:									
China	2,953	722	1,113	446	11	687	0	1,945	7,877
Japan	888	299	350	941	95	3,932	17	9,002	15,522
South Korea	1,393	59	767	692	0	1,609	0	0	4,521
Africa	2,045	421	387	164	335	419	0	314	4,085
Other	1,178	122	40	150	3	119	212	0	1,825
Total	**413,455**	**166,063**	**52,341**	**44,193**	**13,193**	**81,293**	**54,722**	**104,909**	**930,169**

1 Includes impaired loans amounting to € 7.4 billion as of December 31, 2016.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.3 billion as of December 31, 2016.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Includes debt securities on financial assets available for sale and securities held to maturity.
5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

(audited) in € m.	December 31, 2015 Loans[1]	Irre-vocable lending commit-ments[2]	Con-tingent liabilities	OTC deri-vatives[3]	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style trans-actions[4]	Total
Germany	203,387	23,621	11,663	3,044	530	5,065	20,080	6,568	273,957
Western Europe (excluding Germany)	100,414	42,700	17,525	21,156	3,237	21,463	37,684	30,240	274,420
thereof:									
France	2,335	5,904	1,535	1,015	279	3,445	6,875	3,514	24,901
Luxembourg	19,890	3,140	648	1,629	481	1,746	9,937	318	37,790
Netherlands	10,405	5,851	2,348	3,498	297	2,508	6,243	456	31,606
United Kingdom	8,828	9,880	1,608	6,161	508	4,614	4,762	16,352	52,713
Eastern Europe	10,319	1,946	1,650	450	1,409	2,738	244	55	18,811
thereof:									
Poland	7,434	705	281	50	–	1,640	85	–	10,195
Russia	1,295	533	583	42	953	113	–	1	3,520
North America	72,008	96,310	14,154	14,468	6,784	50,842	7,890	74,061	336,517
thereof:									
Canada	1,481	2,391	590	1,764	54	1,016	659	1,676	9,631
Cayman Islands	2,882	1,931	91	919	149	1,724	62	12,459	20,216
U.S.	60,991	90,773	12,966	11,367	6,146	47,786	7,158	58,496	295,683
Central and South America	6,506	1,111	1,218	1,706	731	2,345	25	1,240	14,883
thereof:									
Brazil	2,267	344	587	458	53	1,191	4	526	5,430
Mexico	731	102	91	331	107	363	19	378	2,121
Asia/Pacific	37,202	7,685	10,321	7,901	2,201	20,372	2,075	14,794	102,551
thereof:									
China	5,646	1,005	954	571	32	976	–	964	10,149
Japan	848	336	357	1,348	41	3,930	22	5,556	12,438
South Korea	2,158	16	919	1,000	0	1,359	8	–	5,460
Africa	2,123	501	537	300	227	324	100	351	4,464
Other	817	674	258	29	340	62	166	1,266	3,612
Total	**432,777**	**174,549**	**57,325**	**49,053**	**15,459**	**103,212**	**68,266**	**128,575**	**1,029,215**

1 Includes impaired loans amounting to € 8.2 billion as of December 31, 2015.

2 Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2015.

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.

The above table gives an overview of Deutsche Bank's credit exposure by geographical region, allocated based on the counterparty's country of domicile, see also section "*13.6.4 Credit Exposure to Certain Eurozone Countries*" of this Prospectus for a detailed discussion of the "country of domicile view".

Deutsche Bank's largest concentration of credit risk within loans from a regional perspective is in its home market Germany, with a significant share in households, which includes the majority of Deutsche Bank's mortgage lending business.

Within the OTC derivatives business, tradable assets as well as repo and repo-style transactions, Deutsche Bank's largest concentrations from a regional perspective were in Western Europe (excluding Germany) and North America. From the industry perspective, exposures from OTC derivative as well as repo and repo-style transactions have a significant share in highly rated financial intermediation companies. For tradable assets, a large proportion of exposure is also with public sector companies.

As of December 31, 2016, Deutsche Bank's loan book decreased to € 413.5 billion (compared to € 432.8 billion as of December 31, 2015) mainly as a result of lower levels of exposures in Germany and Asia Pacific. Deutsche Bank's households and financial intermediation loan books experienced the largest decreases. The decrease in loans in Germany and United States was mainly driven by managed reductions in Corporate & Investment Banking and Non-Core Operations Unit that were conducted in order to reduce risk weighted assets. Repo and Repo style transactions decreased by € 23.7 billion mainly in North America and Western Europe (excluding Germany). This decline was driven by reductions in both Deutsche Bank's client balance sheet and firm financing needs as well as by reduced short coverage requirements.

13.6.4 Credit Exposure to Certain Eurozone Countries

Certain eurozone countries are presented within the table below due to concerns relating to sovereign risk.

In its "country of domicile view" Deutsche Bank aggregates 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 Deutsche Bank also includes 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.

The following table, which is based on the country of domicile view, presents Deutsche Bank's gross position, the included amount thereof of undrawn exposure and its net exposure to these eurozone countries. The gross exposure reflects Deutsche Bank's 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, Deutsche Bank's 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 Deutsche Bank's 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	
(unaudited, unless stated otherwise) in € m.	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016[1]**	**Dec. 31, 2015**
Greece												
Gross	89	0	743	732	986	1,539	6	7	0	0	1,824	2,277
Undrawn	0	0	31	23	21	118	0	0	0	0	52	142
Net	83[4]	0[4]	258	237	15	95	1	1	0	0	357	333
Ireland												
Gross	826	459	908	998	9,280	8,752	31	35	3,263[2]	4,361[2]	14,308	14,605
Undrawn	0	0	42	23	2,000	2,568	1	0	172[2]	393[2]	2,214	2,984
Net	569[4]	28[4]	352	528	5,374	5,327	5	5	3,459[2]	4,347[2]	9,759	10,235
Italy												
Gross	2,735	4,048	3,051	2,421	10,591	10,642	17,122	17,841	358	470	33,857	35,421
Undrawn	32	25	74	73	4,730	4,622	208	148	26	24	5,069	4,892
Net	438[4]	507[4]	920	754	7,514	7,093	7,288	6,989	344	448	16,504	15,792
Portugal												
Gross	61	112	127	260	1,424	1,509	1,674	1,743	65	59	3,352	3,684
Undrawn	0	0	12	22	232	210	12	25	0	0	256	258
Net	79[4]	64[4]	73	181	1,205	1,111	143	202	65	59	1,564	1,616
Spain												
Gross	1,325	729	1,947	1,292	8,340	9,350	9,770	9,928	112	257	21,493	21,556
Undrawn	0	0	261	203	4,310	4,235	283	298	3	14	4,858	4,750
Net	1,195[4]	757[4]	971	516	6,643	6,838	1,935	1,872	265	476	11,009	10,458
Total gross	**5,037**	**5,348**	**6,776**	**5,703**	**30,621**	**31,792**	**28,603**	**29,553**	**3,797**	**5,147**	**74,835**	**77,544**
Total undrawn	**33**	**25**	**419**	**344**	**11,292**	**11,754**	**504**	**472**	**202**	**431**	**12,449**	**13,026**
Total net[3]	**2,364[4]**	**1,356[4]**	**2,574**	**2,216**	**20,751**	**20,463**	**9,371**	**9,069**	**4,133**	**5,330**	**39,194**	**38,434**

1 Approximately 68 % of the overall exposure as per December 31, 2016 will mature within the next 5 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 € 281 million as of December 31, 2016 and € 159 million as of December 31, 2015.
4 Audited.

Total net exposure to the above selected eurozone countries increased by € 760 million in 2016 driven by exposure increases in Italy and Spain, partly offset by a decrease in Ireland.

13.6.5 Sovereign Credit Risk Exposure to Certain Eurozone Countries

The amounts below reflect a net "country of domicile view" of Deutsche Bank's sovereign exposure.

Sovereign credit risk exposure to certain eurozone countries

(audited) in € m.	December 31, 2016				December 31, 2015			
	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	89	(6)	83	2	0	0	0	0
Ireland	569	0	569	74	55	(28)	28	1
Italy	2,662	(2,223)	438	398	3,989	(3,482)	507	36
Portugal	61	17	79	(8)	112	(48)	64	(9)
Spain	1,322	(127)	1,195	279	725	32	757	(12)
Total	**4,703**	**(2,339)**	**2,364**	**744**	**4,881**	**(3,526)**	**1,356**	**17**

1 Includes sovereign 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 in relation to credit default swaps referencing sovereign debt of the respective country representing the counterparty credit risk.

The increase of € 1.0 billion in net sovereign exposure compared with year-end 2015 mainly reflects increases in debt securities in Ireland and Spain.

The above represents direct sovereign exposure included the carrying value of loans held at amortized cost to sovereigns, which as of December 31, 2016, amounted to € 261 million for Italy and € 401 million for Spain and as of December 31, 2015 amounted to € 273 million for Italy and € 478 million for Spain.

13.6.6 Credit Exposure Classification

Deutsche Bank also classifies its credit exposure under two broad headings: consumer credit exposure and corporate credit exposure.

- Deutsche Bank's consumer credit exposure consists of its smaller-balance standardized homogeneous loans, primarily in Germany, Italy and Spain, which include personal loans, residential and non-residential mortgage loans, overdrafts and loans to self-employed and small business customers of its private and retail business.
- Deutsche Bank's corporate credit exposure consists of all exposures not defined as consumer credit exposure.

13.6.7 Corporate Credit Exposure

The tables below show Deutsche Bank's Corporate Credit Exposure by product types and internal rating bands. Please refer to section "*13.4.4.2 Measuring Credit Risk*" for more details about its internal ratings.

Main corporate credit exposure categories according to Deutsche Bank's internal creditworthiness categories of its counterparties – gross

(unaudited) in € m. (unless stated otherwise)	December 31, 2016						
Rating band	**Probability of default in %[1]**	**Loans**	**Irrevocable lending commitments[2]**	**Contingent liabilities**	**OTC derivatives[3]**	**Debt securities[4]**	**Total**
iAAA–iAA	> 0.00 ≤ 0.04	43,149	21,479	5,699	16,408	46,014	132,749
iA	> 0.04 ≤ 0.11	39,734	45,635	13,712	12,566	6,616	118,264
iBBB	> 0.11 ≤ 0.5	57,287	47,480	16,753	8,300	1,696	131,515
iBB	> 0.5 ≤ 2.27	46,496	29,274	9,663	5,333	366	91,132
iB	> 2.27 ≤ 10.22	22,920	18,173	4,477	1,053	9	46,631
iCCC and below	> 10.22 ≤ 100	15,069	4,022	2,038	533	21	21,683
Total		**224,655**	**166,063**	**52,341**	**44,193**	**54,722**	**541,974**

1 Reflects the probability of default for a one year time horizon.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.3 billion as of December 31, 2016.
3 Includes the effect of netting agreements and cash collateral received where applicable.
4 Includes debt securities on financial assets available for sale and securities held to maturity.

(unaudited)
in € m.
(unless stated otherwise)

	December 31, 2015						
Rating band	Probability of default in %[1]	Loans	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Debt securities available for sale	Total
iAAA–iAA	> 0.00 ≤ 0.04	50,712	23,035	6,384	22,753	59,157	162,042
iA	> 0.04 ≤ 0.11	49,197	46,220	15,464	10,998	4,515	126,394
iBBB	> 0.11 ≤ 0.5	62,044	44,603	18,283	7,871	1,911	134,711
iBB	> 0.5 ≤ 2.27	51,454	37,643	10,827	5,358	2,621	107,904
iB	> 2.27 ≤ 10.22	20,610	21,212	4,668	1,558	57	48,105
iCCC and below	> 10.22 ≤ 100	9,853	1,834	1,700	515	4	13,906
Total		**243,871**	**174,548**	**57,325**	**49,053**	**68,266**	**593,063**

1 Reflects the probability of default for a one year time horizon.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2015.
3 Includes the effect of netting agreements and cash collateral received where applicable.

The above table shows an overall decrease in Deutsche Bank's corporate credit exposure in 2016 of € 51.1 billion or 8.6 %. Loans decreased by € 19.2 billion, mainly attributable to Germany and Asia/Pacific. The decrease is mainly due to managed reductions in Corporate & Investment Banking and Deutsche Bank's Non-Core Operations Unit with the aim to reduce risk weighted assets. Debt securities decreased by € 13.5 billion, almost entirely related to the top rating band, mainly driven by sale activity in Strategic Liquidity Reserve bond positions with the intention of reducing risk weighted assets. The decrease in irrevocable lending commitments of € 8.5 billion was primarily attributable to Western Europe (excluding Germany), North America and Asia/Pacific partly offset by an increase in Germany. The quality of the corporate credit exposure before risk mitigation has remained stable at 71 % share of investment-grade rated exposures compared to December 31, 2015.

Deutsche Bank uses risk mitigation techniques as described above to optimize its corporate credit exposure and reduce potential credit losses. The tables below disclose the development of its corporate credit exposure net of collateral, guarantees and hedges.

Main corporate credit exposure categories according to Deutsche Bank's internal creditworthiness categories of its counterparties – net

(unaudited)
in € m.
(unless stated otherwise)

	December 31, 2016[1]						
Rating band	Probability of default in %[2]	Loans	Irrevocable lending commitments	Contingent liabilities	OTC derivatives	Debt securities	Total
iAAA–iAA	> 0.00 ≤ 0.04	32,305	19,653	4,351	10,480	46,014	112,802
iA	> 0.04 ≤ 0.11	24,970	41,435	11,393	10,032	6,616	94,448
iBBB	> 0.11 ≤ 0.5	28,369	43,659	13,845	7,439	1,672	94,984
iBB	> 0.5 ≤ 2.27	19,573	27,206	5,932	4,034	361	57,105
iB	> 2.27 ≤ 10.22	8,090	16,745	2,176	1,020	9	28,041
iCCC and below	> 10.22 ≤ 100	5,954	2,872	889	509	21	10,246
Total		**119,261**	**151,571**	**38,586**	**33,514**	**54,694**	**397,626**

1 Net of eligible collateral, guarantees and hedges based on IFRS requirements.
2 Reflects the probability of default for a one year time horizon.

(unaudited)
in € m.
(unless stated otherwise)

	December 31, 2015[1]						
Rating band	Probability of default in %[2]	Loans	Irrevocable lending commitments	Contingent liabilities	OTC derivatives	Debt securities available for sale	Total
iAAA–iAA	> 0.00 ≤ 0.04	37,450	20,567	4,963	14,844	59,157	136,982
iA	> 0.04 ≤ 0.11	31,446	42,466	13,256	7,983	4,515	99,666
iBBB	> 0.11 ≤ 0.5	31,706	41,190	15,230	6,848	1,911	96,885
iBB	> 0.5 ≤ 2.27	23,865	35,173	6,811	4,139	2,621	72,609
iB	> 2.27 ≤ 10.22	8,698	20,309	2,411	1,516	57	32,990
iCCC and below	> 10.22 ≤ 100	4,532	1,670	759	514	4	7,479
Total		**137,696**	**161,375**	**43,429**	**35,844**	**68,266**	**446,610**

1 Net of eligible collateral, guarantees and hedges based on IFRS requirements.
2 Reflects the probability of default for a one year time horizon.

The corporate credit exposure net of collateral amounted to € 397.6 billion as of December 31, 2016 resulting in a risk mitigation of 27 % or € 144.3 billion compared to the corporate gross exposure. This includes a more significant reduction of 47 % for Deutsche Bank's loans exposure which includes a reduction by 60 % for the lower-rated sub-investment-grade rated loans and 39 % for the higher-rated investment-grade rated loans. The risk mitigation for the total exposure in the weakest rating band was 53 %, which was significantly higher than 15 % in the strongest rating band.

The risk mitigation of € 144.3 billion is split into 29 % guarantees and hedges and 71 % other collateral.

13.6.8 CPSG Risk Mitigation for the Corporate Credit Exposure

Deutsche Bank's Credit Portfolio Strategies Group (CPSG) helps mitigate the risk of its corporate credit exposures. The notional amount of CPSG's risk reduction activities decreased from € 45.0 billion as of December 31, 2015, to € 43.3 billion as of December 31, 2016.

As of year-end 2016, CPSG mitigated the credit risk of € 42.2 billion of loans and lending-related commitments as of December 31, 2016, through synthetic collateralized loan obligations supported predominantly by financial guarantees. This position totaled € 41.4 billion as of December 31, 2015.

CPSG also held credit derivatives with an underlying notional amount of € 1.1 billion. The position totaled € 3.6 billion as of December 31, 2015. The credit derivatives used for Deutsche Bank's portfolio management activities are accounted for at fair value.

CPSG has elected to use the fair value option under IAS 39 to report loans and commitments at fair value, provided the criteria for this option are met. The notional amount of CPSG loans and commitments reported at fair value decreased during the year to € 3.9 billion as of December 31, 2016, from € 8.2 billion as of December 31, 2015.

13.6.9 Consumer Credit Exposure

In its consumer credit exposure, Deutsche Bank monitors consumer loan delinquencies in terms of loans that are 90 days or more past due and net credit costs, which are the annualized net provisions charged after recoveries.

Consumer credit exposure, consumer loan delinquencies and net credit costs

	Total exposure in € m.[1]		90 days or more past due as a % of total exposure[1]		Net credit costs as a % of total exposure[2]	
(unaudited)	**December 31, 2016**	**December 31, 2015[3]**	**December 31, 2016**	**December 31, 2015[3]**	**December 31, 2016**	**December 31, 2015[3]**
Consumer credit exposure Germany	150,639	149,748	0.75	0.87	0.13	0.16
Consumer and small business financing	20,316	20,326	2.45	2.77	0.99	0.89
Mortgage lending	130,324	129,422	0.48	0.57	0.00	0.05
Consumer credit exposure outside Germany	38,162	39,158	4.22	4.89	0.68	0.54
Consumer and small business financing	13,663	13,259	8.44	9.55	0.98	1.18
Mortgage lending	24,499	25,898	1.87	2.50	0.51	0.21
Total consumer credit exposure	**188,801**	**188,906**	**1.45**	**1.70**	**0.24**	**0.24**

1 Includes impaired loans amounting to € 3.1 billion as of December 31, 2016 and € 3.6 billion as of December 31, 2015.

2 Net credit costs for the twelve months period ended at the respective balance sheet date divided by the exposure at that balance sheet date.

3 Retrospective as of December 31, 2015, about € 454 million Postbank mortgage loans are no longer assigned to Germany but rather Mortgage lending outside Germany. These mortgage loans were in the context of a securitization, which was cancelled in 2016, previously reported as mortgage loans Germany.

The volume of Deutsche Bank's consumer credit exposure decreased from year-end 2015 to December 31, 2016 by € 105 million, or 0.1%, driven by reductions in Deutsche Bank's loan books in Italy (€ -1.0 billion), in Spain (€ -147 million) and in Poland (€ -105 million), which were partly compensated by increases in Germany (€ +890 million) and in India (€ +319 million). The volume changes in Italy, Germany, Spain and Poland were influenced by selective non-performing loan portfolio sales. Additionally the reduction in Poland was affected by FX effects.

The 90 days or more past due ratio of Deutsche Bank's consumer credit exposure decreased from 1.70% as of year-end 2015 to 1.45 % as of December 31, 2016. The total net credit costs as a percentage of its

consumer credit exposure stayed unchanged at 0.24%. This ratio was positively affected by the further improved and stabilized environment in countries in which Deutsche Bank operates and by the aforementioned non-performing loan portfolio sale in Italy and negatively affected by non-performing loan portfolio sales in Spain (mainly NCOU unit).

Consumer mortgage lending exposure grouped by loan-to-value buckets[1]

(unaudited)	December 31, 2016	December 31, 2015
≤ 50%	68%	68%
> 50 ≤ 70%	16%	16%
> 70 ≤ 90%	9%	9%
> 90 ≤ 100%	3%	3%
> 100 ≤ 110%	2%	2%
> 110 ≤ 130%	1%	1%
> 130%	1%	2%

1 When assigning the exposure to the corresponding LTV buckets, the exposure amounts are distributed according to their relative share of the underlying assessed real estate value.

The LTV expresses the amount of exposure as a percentage of assessed value of real estate.

Deutsche Bank's LTV ratios are calculated using the total exposure divided by the current assessed value of the respective properties. These values are updated on a regular basis. The exposure of transactions that are additionally backed by liquid collaterals is reduced by the respective collateral values, whereas any prior charges increase the corresponding total exposure. The LTV calculation includes exposure which is secured by real estate collaterals. Any mortgage lending exposure that is collateralized exclusively by any other type of collateral is not included in the LTV calculation.

The creditor's creditworthiness, the LTV and the quality of collateral is an integral part of Deutsche Bank's risk management when originating loans and when monitoring and steering its credit risks. In general, Deutsche Bank is willing to accept higher LTV's, the better the creditor's creditworthiness is. Nevertheless, restrictions of LTV apply for countries with negative economic outlook or expected declines of real estate values.

As of December 31, 2016, 68% of Deutsche Bank's exposure related to the mortgage lending portfolio had a LTV ratio below or equal to 50%, unchanged to the previous year.

13.6.10 Credit Exposure from Derivatives

All exchange traded derivatives are cleared through central counterparties (CCPs), the rules and regulations of which provide for daily margining of all current and future credit risk positions emerging out of such transactions. To the extent possible, Deutsche Bank also uses central counterparty clearing services for OTC derivative transactions ("OTC clearing"); it thereby benefits from the credit risk mitigation achieved through the central counterparty's settlement system.

The Dodd-Frank Act provides for an extensive framework for the regulation of 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, security-based swap dealers, major swap participants and major security-based swap participants. The Dodd-Frank Act and related Commodity Futures Trading Commission ("CFTC") rules introduced in 2013 mandatory OTC clearing in the United States for certain standardized OTC derivative transactions, including certain interest rate swaps and index credit default swaps. The European Regulation (EU) No 648/2012 on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) introduced a number of risk mitigation techniques for non-centrally cleared OTC derivatives in 2013 and the reporting of OTC and exchange traded derivatives in 2014. Mandatory clearing for certain standardized OTC derivatives transactions in the EU began in June 2016, and margin requirements for uncleared OTC derivative transactions in the EU started in February 2017, beginning with the initial margin requirement, which followed a phased implementation schedule, and followed by the variation margin requirement, which started March 2017.

The CFTC adopted final rules in 2016 that require additional interest rate swaps to be cleared, with a phased implementation schedule ending in October 2018. In December 2016, 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. This proposal has not yet been finalized. The Securities and Exchange Commission ("SEC") has also finalized rules regarding registration, business conduct standards and trade acknowledgement and verification requirements for security-based swap dealers and major security-based swap participants, although these rules will not come into effect until the SEC

completes further security-based swap rulemakings. Finally, U.S. prudential regulators (e.g., the Office of the Comptroller of the Currency, the Federal Reserve, the Federal Deposit Insurance Corporation, the Farm Credit Administration and the Federal Housing Finance Agency) and the CFTC have adopted final rules establishing margin requirements for non-cleared swaps and security-based swaps. The final margin rules follow a phased implementation schedule, with certain initial margin and variation margin requirements in effect as of September 2016, additional variation margin requirements in effect as of March 1, 2017, and additional initial margin requirements phased in on an annual basis from September 2017 through September 2020, with the relevant compliance dates depending in each case on the transactional volume of the parties and their affiliates.

The following table shows a breakdown of notional amounts and gross market value of derivative transactions along with a breakdown of notional amounts of OTC derivative assets and liabilities on the basis of clearing channel.

Notional amounts of derivatives on basis of clearing channel and type of derivative

December 31, 2016 *(unaudited)* in € m.	**Notional amount maturity distribution**				**Positive market value**	**Negative market value**	**Net market value**
	Within 1 year	**> 1 and ≤ 5 years**	**After 5 years**	**Total**			
Interest rate related:							
OTC	13,214,990	8,828,544	6,102,510	28,146,044	309,405	284,954	24,451
Bilateral (Amt)	2,777,349	3,625,915	2,645,075	9,048,340	272,059	248,396	23,664
CCP (Amt)	10,437,641	5,202,629	3,457,434	19,097,704	37,346	36,558	787
Exchange-traded	5,013,591	1,387,444	1,174	6,402,209	326	394	(68)
Total Interest rate related	**18,228,581**	**10,215,988**	**6,103,684**	**34,548,253**	**309,731**	**285,348**	**24,382**
Currency related:							
OTC	3,994,113	1,053,558	537,044	5,584,715	129,731	126,480	3,251
Bilateral (Amt)	3,938,295	1,053,434	537,044	5,528,773	129,288	126,049	3,239
CCP (Amt)	55,818	124	0	55,942	443	431	12
Exchange-traded	29,431	398	35	29,864	6	54	(48)
Total Currency related	**4,023,544**	**1,053,956**	**537,078**	**5,614,579**	**129,738**	**126,534**	**3,203**
Equity/index related:							
OTC	366,170	168,529	25,313	560,012	20,358	23,692	(3,334)
Bilateral (Amt)	366,170	168,529	25,313	560,012	20,358	23,692	(3,334)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	472,888	74,045	9,006	555,939	6,172	8,575	(2,402)
Total Equity/index related	**839,058**	**242,574**	**34,319**	**1,115,951**	**26,531**	**32,266**	**(5,736)**
Credit derivatives related							
OTC	297,563	1,076,954	142,572	1,517,089	21,297	22,399	(1,102)
Bilateral (Amt)	157,950	298,313	58,852	515,115	7,426	8,238	(811)
CCP (Amt)	139,613	778,640	83,720	1,001,974	13,870	14,161	(291)
Exchange-traded	0	0	0	0	0	0	0
Total Credit derivatives related	**297,563**	**1,076,954**	**142,572**	**1,517,089**	**21,297**	**22,399**	**(1,102)**
Commodity related:							
OTC	2,660	1,657	9,222	13,539	479	653	(175)
Bilateral (Amt)	2,660	1,657	9,222	13,539	479	653	(175)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	53,757	8,766	0	62,523	440	503	(63)
Total Commodity related	**56,417**	**10,423**	**9,222**	**76,062**	**918**	**1,156**	**(238)**
Other:							
OTC	13,994	6,856	98	20,948	443	719	(276)
Bilateral (Amt)	13,963	6,856	98	20,917	433	698	(265)
CCP (Amt)	31	0	0	31	10	21	(11)
Exchange-traded	4,929	0	0	4,929	10	29	(18)
Total Other	**18,923**	**6,856**	**98**	**25,877**	**453**	**747**	**(295)**
Total OTC business	**17,889,490**	**11,136,098**	**6,816,759**	**35,842,347**	**481,712**	**458,897**	**22,816**
Total bilateral business	**7,256,387**	**5,154,704**	**3,275,604**	**15,686,696**	**430,043**	**407,725**	**22,318**
Total CCP business	**10,633,102**	**5,981,394**	**3,541,155**	**20,155,651**	**51,669**	**51,172**	**497**
Total exchange-traded business	**5,574,597**	**1,470,653**	**10,214**	**7,055,464**	**6,954**	**9,555**	**(2,600)**
Total	**23,464,086**	**12,606,751**	**6,826,973**	**42,897,811**	**488,667**	**468,451**	**20,215**
Positive market values after netting and cash collateral received	0	0	0	0	44,784	0	0

(unaudited) In € m.	December 31, 2015 Notional amount maturity distribution Within 1 year	>1 and ≤ 5 years	After 5 years	Total	Positive market value	Negative market value	Net market value
Interest rate related:							
OTC	10,955,593	9,682,810	6,375,377	27,013,781	345,998	325,179	20,819
Bilateral (Amt)	3,906,875	4,952,043	3,205,837	12,064,755	316,736	298,220	18,516
CCP (Amt)	7,048,718	4,730,767	3,169,540	14,949,025	29,261	26,959	2,302
Exchange-traded	4,452,134	1,400,495	3,742	5,856,371	272	237	35
Total Interest rate related	**15,407,727**	**11,083,305**	**6,379,119**	**32,870,152**	**346,270**	**325,416**	**20,854**
Currency related:							
OTC	4,672,846	1,134,801	531,085	6,338,731	116,007	115,379	628
Bilateral (Amt)	4,644,414	1,134,686	531,085	6,310,184	115,900	115,270	630
CCP (Amt)	28,432	115	0	28,547	107	109	(2)
Exchange-traded	33,064	15	0	33,079	109	174	(65)
Total Currency related	**4,705,910**	**1,134,815**	**531,085**	**6,371,810**	**116,116**	**115,553**	**563**
Equity / index related:							
OTC	394,193	197,092	23,521	614,806	25,063	28,818	(3,756)
Bilateral (Amt)	394,193	197,092	23,521	614,806	25,063	28,818	(3,756)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	501,706	66,571	8,993	577,270	5,533	6,164	(631)
Total Equity/index related	**895,899**	**263,663**	**32,514**	**1,192,076**	**30,596**	**34,983**	**(4,387)**
Credit derivatives related							
OTC	270,524	949,312	129,622	1,349,458	23,548	20,992	2,556
Bilateral (Amt)	176,492	445,572	72,423	694,486	14,784	12,386	2,399
CCP (Amt)	94,032	503,741	57,199	654,972	8,763	8,606	157
Exchange-traded	0	0	0	0	0	0	0
Total Credit derivatives related	**270,524**	**949,312**	**129,622**	**1,349,458**	**23,548**	**20,992**	**2,556**
Commodity related:							
OTC	5,998	1,260	9,516	16,775	776	891	(115)
Bilateral (Amt)	5,998	1,260	9,516	16,775	776	891	(115)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	78,204	27,066	10	105,279	497	604	(107)
Total Commodity related	**84,202**	**28,326**	**9,526**	**122,054**	**1,273**	**1,496**	**(223)**
Other:							
OTC	20,621	5,378	43	26,043	906	1,953	(1,048)
Bilateral (Amt)	20,618	5,378	43	26,039	902	1,953	(1,051)
CCP (Amt)	3	0	0	3	3	0	3
Exchange-traded	8,430	11	0	8,441	22	49	(27)
Total Other	**29,051**	**5,389**	**43**	**34,484**	**928**	**2,002**	**(1,074)**
Total OTC business	**16,319,775**	**11,970,654**	**7,069,164**	**35,359,593**	**512,297**	**493,213**	**19,084**
Total bilateral business	**9,148,589**	**6,736,032**	**3,842,425**	**19,727,045**	**474,162**	**457,538**	**16,623**
Total CCP business	**7,171,186**	**5,234,622**	**3,226,739**	**15,632,548**	**38,135**	**35,674**	**2,461**
Total exchange-traded business	**5,073,538**	**1,494,157**	**12,746**	**6,580,441**	**6,433**	**7,229**	**(795)**
Total	**21,393,313**	**13,464,811**	**7,081,910**	**41,940,034**	**518,730**	**500,441**	**18,289**
Positive market values after nettingand cash collateral received	0	0	0	0	53,202	0	0

13.6.11 Equity Exposure

The table below presents the carrying values of Deutsche Bank's equity investments according to IFRS definition split by trading and nontrading for the respective reporting dates. Deutsche Bank manages its respective positions within its market risk and other appropriate risk frameworks.

Composition of Deutsche Bank's Equity Exposure

(unaudited) in € m.	December 31, 2016	December 31, 2015
Trading Equities	75,633	76,044
Nontrading Equities[1]	2,979	3,228
Total Equity Exposure	**78,613**	**79,273**

1 Includes equity investment funds amounting to € 288 million as of December 31, 2016 and € 642 million as of December 31, 2015.

As of December 31, 2016, Deutsche Bank's Trading Equities exposure was mainly composed of € 74.4 billion from GM activities and € 1.2 billion from Deutsche AM business. Overall trading equities decreased by € 411 million year on year driven by decreased exposure in Deutsche AM which was partly offset by increases in GM.

13.6.12 Asset Quality

This section describes the asset quality of Deutsche Bank's loans. All loans where known information about possible credit problems of borrowers causes management to have serious doubts as to the collectability of the borrower's contractual obligations are included in this section.

Overview of performing, renegotiated, past due and impaired loans by customer groups

	December 31, 2016			December 31, 2015		
(unaudited, unless stated otherwise) in € m.	Corporate loans	Consumer loans	Total	Corporate loans	Consumer loans	Total
Loans neither past due, nor renegotiated or impaired	219,106	182,760	401,865	237,758	182,306	420,064
Past due loans, neither renegotiated nor impaired	882	2,445	3,327	1,143	2,544	3,687
Loans renegotiated, but not impaired	357	459	816	438	437	875
Impaired loans	4,310	3,137	7,447[1]	4,532	3,619	8,151[1]
Total	**224,655**	**188,801**	**413,455**[1]	**243,871**	**188,906**	**432,777**[1]

1 Audited.

13.6.12.1 Past Due Loans

Loans are considered to be past due if contractually agreed payments of principal and/or interest remain unpaid by the borrower, except if those loans are acquired through consolidation. The latter are considered to be past due if payments of principal and/or interest, which were expected at a certain payment date at the time of the initial consolidation of the loans, are unpaid by the borrower.

Non-impaired past due loans at amortized cost by past due status

(audited) in € m.	December 31, 2016	December 31, 2015
Loans less than 30 days past due	2,116	2,387
Loans 30 or more but less than 60 days past due	494	547
Loans 60 or more but less than 90 days past due	268	281
Loans 90 days or more past due	484	540
Total	**3,363**	**3,755**

Non-impaired past due loans at amortized cost by industry

(unaudited, unless stated otherwise) in € m.	December 31, 2016	December 31, 2015[1]
Financial intermediation	95	203
Fund management activities	28	16
Manufacturing	278	125
Wholesale and retail trade	172	131
Households	2,076	2,495
Commercial real estate activities	190	192
Public sector	12	3
Other	512	592
Total	**3,363**[2]	**3,755**[2]

1 Comparatives have been restated to reflect changes in industry sectors.
2 Audited.

Non-impaired past due loans at amortized cost by region

(unaudited, unless stated otherwise) in € m.	December 31, 2016	December 31, 2015
Germany	1,299	1,430
Western Europe (excluding Germany)	1,531	1,417
Eastern Europe	155	139
North America	233	641
Central and South America	18	8
Asia/Pacific	113	106
Africa	14	15
Other	0	0
Total	**3,363**[1]	**3,755**[1]

1 Audited.

Deutsche Bank's non-impaired past due loans decreased by € 392 million to € 3.4 billion as of December 31, 2016, mainly driven by a small number of counterparties in PW&CC.

Aggregated value of collateral – with the fair values of collateral capped at loans outstanding – held against Deutsche Bank's non-impaired past due loans

(audited) in € m.	December 31, 2016	December 31, 2015
Financial and other collateral	1,775	2,254
Guarantees received	148	133
Total	**1,923**	**2,387**

Deutsche Bank's aggregated value of collateral held against its non-impaired past due loans as of December 31, 2016 decreased in line with the reduction of non-impaired past due loans compared to prior year.

13.6.12.2 Forborne Loans

For economic or legal reasons Deutsche Bank might enter into a forbearance agreement with a borrower who faces or will face financial difficulties in order to ease the contractual obligation for a limited period of time. A case by case approach is applied for Deutsche Bank's corporate clients considering each transaction and client specific facts and circumstances. For consumer loans, Deutsche Bank offers forbearances for a limited period of time, in which the total or partial outstanding or future installments are deferred to a later point of time. However, the amount not paid including accrued interest during this period must be re-compensated at a later point of time. Repayment options include distribution over residual tenor, a one-off payment or a tenor extension. Forbearances are restricted and depending on the economic situation of the client, Deutsche Bank's risk management strategies and the local legislation. In case a forbearance agreement is entered into, an impairment measurement is conducted as described below, an impairment charge is taken if necessary and the loan is subsequently recorded as impaired.

In its management and reporting of forborne loans, Deutsche Bank follows the EBA definition for forbearances and non-performing loans (Implementing Technical Standards (ITS) on Supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013). Once

the conditions mentioned in the ITS are met, Deutsche Bank reports the loan as being forborne; it removes the loan from its forbearance reporting, once the discontinuance criteria in the ITS are met (i.e., the contract is considered as performing, a minimum 2 year probation period has passed, regular payments of more than an insignificant aggregate amount of principal or interest have been made during at least half of the probation period, and none of the exposures to the debtor is more than 30 days past-due at the end of the probation period).

Forborne Loans

	December 31, 2016				December 31, 2015			
(unaudited) in € m	**Performing Nonimpaired**	**Nonimpaired**	**Non-performing Impaired**	**Total forborne loans**	**Performing Nonimpaired**	**Nonimpaired**	**Non-performing Impaired**	**Total forborne loans**
German	907	374	983	2,264	1,067	441	1,096	2,605
Non-German	799	709	1,697	3,204	619	716	1,801	3,136
Total	**1,706**	**1,083**	**2,679**	**5,468**	**1,686**	**1,157**	**2,897**	**5,741**

The reduction of Total forborne loans in 2016 of € 273 million was driven by performing as well as non-performing forborne loans to German clients, mainly driven by NCOU reflecting de-risking activities and PW&CC resulting from the ongoing benign environment in the German credit market.

13.6.12.3 Impaired Loans

Credit Risk Management regularly assesses whether there is objective evidence that a loan or group of loans is impaired. A loan or group of loans is impaired and impairment losses are incurred if:

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the balance sheet date ("a loss event"). When making its assessment Deutsche Bank considers information on such events that is reasonably available up to the date the financial statements are authorized for issuance in line with the requirements of IAS 10;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets, and
- a reliable estimate of the loss amount can be made.

Credit Risk Management's loss assessments are subject to regular review in collaboration with Group Finance. The results of this review are reported to and approved by Group Finance and Risk Senior Management.

For further details with regard to impaired loans please refer to Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section *"23. Financial Statements"* of this Prospectus.

13.6.12.4 Impairment Loss and Allowance for Loan Losses

If there is evidence of impairment the impairment loss is generally calculated on the basis of discounted expected cash flows using the original effective interest rate of the loan. If the terms of a loan are renegotiated or otherwise modified because of financial difficulties of the borrower without qualifying for de-recognition of the loan, the impairment loss is measured using the original effective interest rate before modification of terms. Deutsche Bank reduces the carrying amount of the impaired loan by the use of an allowance account and recognizes the amount of the loss in the consolidated statement of income as a component of the provision for credit losses. Deutsche Bank records increases to its allowance for loan losses as an increase of the provision for loan losses in its income statement. Charge-offs reduce its allowance while recoveries, if any, are credited to the allowance account. If Deutsche Bank determines that it no longer requires allowances which it has previously established, it decrease its allowance and record the amount as a reduction of the provision for loan losses in its income statement. When it is considered that there is no realistic prospect of recovery and all collateral has been realized or transferred to Deutsche Bank, the loan and any associated allowance for loan losses is charged off (i.e., the loan and the related allowance for loan losses are removed from the balance sheet).

While Deutsche Bank assesses the impairment for its corporate credit exposures individually, it assesses the impairment of its smaller-balance standardized homogeneous loans collectively.

Deutsche Bank's collectively assessed allowance for non-impaired loans reflects allowances to cover for incurred losses that have neither been individually identified nor provided for as part of the impairment assessment of smaller-balance homogeneous loans.

For further details regarding Deutsche Bank's accounting policies regarding impairment loss and allowance for credit losses please refer to Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section *"23. Financial Statements"* of this Prospectus.

Impaired loans, allowance for loan losses and coverage ratios by business division

	December 31, 2016			December 31, 2015			2016 increase (decrease) from 2015	
(audited) in € m.	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Impaired loan coverage ratio in ppt
Global Markets[1]	181	187	103	5	83	1,814	177	(1,711)
Corporate & Investment Banking	2,826	1,706	60	2,154	1,375	64	672	(3)
Private Wealth & Commercial Clients	1,938	1,210	62	2,157	1,332	62	(219)	1
Deutsche Asset Management[2]	0	1	N/M	0	1	N/M	0	N/M
Postbank	1,708	1,007	59	1,846	1,126	61	(138)	(2)
Non-Core Operations Unit	794	432	54	1,989	1,109	56	(1,195)	(1)
thereof: assets reclassified to loans and receivables according to IAS 39	92	69	75	667	389	58	(575)	17
Consolidation & Adjustments and Other[2]	0	4	N/M	0	2	N/M	0	N/M
Total	**7,447**	**4,546**	**61**	**8,151**	**5,028**	**62**	**(703)**	**(1)**

N/M – not meaningful.

1 Impaired Loans in Global Markets are more than fully covered by loan loss allowance due to the latter including collectively assessed allowance for non-impaired loans.

2 Allowance in Consolidation & Adjustments and Other and Deutsche Asset Management fully consists of collectively assessed allowance for non-impaired loans.

Impaired loans, allowance for loan losses and coverage ratios by industry

	December 31, 2016							
	Impaired Loans			Loan loss allowance				
(audited) in € m.	Individually assessed	Collectively assessed	Total	Individually assessed allowance	Collectively assessed allowance for impaired loans	Collectively assessed allowance for non-impaired loans	Total	Impaired loan coverage ratio in %
Financial intermediation	122	11	133	27	3	47	77	58
Fund management activities	14	7	21	1	0	4	5	26
Manufacturing	524	229	754	476	149	82	707	94
Wholesale and retail trade	472	234	707	223	161	29	413	58
Households	193	2,467	2,661	220	1,466	67	1,754	66
Commercial real estate activities	385	37	422	168	25	39	233	55
Public sector	19	0	19	4	0	3	7	35
Other[1]	2,397	334	2,731	953	168	230	1,351	49
Total	**4,126**	**3,321**	**7,447**	**2,071**	**1,972**	**503**	**4,546**	**61**

1 Thereof "Transportation, storage and communication": Total Impaired Loans € 1.1 billion (40 %), Total Loan loss allowance € 650 million (48 %). The rest is split across various industries (of which no single one contributes 25 % or more to the total of the category "Other").

(audited) in € m.	Impaired Loans Individually assessed	Impaired Loans Collectively assessed	Impaired Loans Total	Loan loss allowance Individually assessed allowance	Loan loss allowance Collectively assessed allowance for impaired loans	Loan loss allowance Collectively assessed allowance for non-impaired loans	Loan loss allowance Total	Impaired loan coverage ratio in %
	December 31, 2015[1]							
Financial intermediation	159	10	169	38	5	55	98	58
Fund management activities	23	10	33	1	0	7	8	25
Manufacturing	518	247	765	470	149	70	688	90
Wholesale and retail trade	280	257	538	182	154	45	381	71
Households	332	2,931	3,263	324	1,805	74	2,202	67
Commercial real estate activities	860	52	912	503	36	36	576	63
Public sector	16	0	16	2	0	2	5	32
Other[2]	2,047	408	2,456	733	186	153	1,071	44
Total	**4,236**	**3,916**	**8,151**	**2,252**	**2,335**	**442**	**5,028**	**62**

1 Comparatives have been restated to reflect changes in industry sectors.
2 Thereof 'Transportation, storage and communication': Total Impaired Loans € 865 million (34 %), Total Loan loss allowance € 375 million (35 %). The rest is split across various industries (of which no single one contributes 25 % or more to the totals of the category 'Other').

Impaired loans, allowance for loan losses and coverage ratios by region

(audited) in € m.	Impaired Loans Individually assessed	Impaired Loans Collectively assessed	Impaired Loans Total	Loan loss allowance Individually assessed allowance	Loan loss allowance Collectively assessed allowance for impaired loans	Loan loss allowance Collectively assessed allowance for non-impaired loans	Loan loss allowance Total	Impaired loan coverage ratio in %
	December 31, 2016							
Germany	1,154	1,486	2,639	563	804	122	1,489	56
Western Europe (excluding Germany)	2,021	1,688	3,709	1,008	1,057	130	2,195	59
Eastern Europe	46	132	179	39	106	10	154	86
North America	495	1	496	148	0	128	277	56
Central and South America	4	0	5	3	0	14	16	363[1]
Asia/Pacific	341	14	355	286	5	76	367	103[1]
Africa	63	1	64	24	0	8	32	50
Other	2	0	2	0	0	17	17	908[1]
Total	**4,126**	**3,321**	**7,447**	**2,071**	**1,972**	**503**	**4,546**	**61**

1 Impaired Loans in Central & South America, Asia Pacific and Other are more than fully covered by loan loss allowance due to the latter including collectively assessed allowance for non-impaired loans.

(audited) in € m.	Impaired Loans Individually assessed	Impaired Loans Collectively assessed	Impaired Loans Total	Loan loss allowance Individually assessed allowance	Loan loss allowance Collectively assessed allowance for impaired loans	Loan loss allowance Collectively assessed allowance for non-impaired loans	Loan loss allowance Total	Impaired loan coverage ratio in %
	December 31, 2015							
Germany	1,362	1,642	3,004	647	930	105	1,682	56
Western Europe (excluding Germany)	2,280	2,057	4,337	1,294	1,237	132	2,662	61
Eastern Europe	76	179	255	38	165	10	213	83
North America	340	2	342	150	0	107	257	75
Central and South America	0	6	6	0	0	12	12	187[1]
Asia/Pacific	155	23	178	100	2	60	162	91
Africa	21	5	26	23	0	5	28	107[1]
Other	2	0	2	0	0	10	10	553[1]
Total	**4,236**	**3,915**	**8,151**	**2,252**	**2,335**	**442**	**5,028**	**62**

1 Impaired Loans in Central & South America, Africa and Other are more than fully covered by loan loss allowance due to the latter including collectively assessed allowance for non-impaired loans.

Development of Impaired Loans

(unaudited, unless stated otherwise) in € m.	December 31, 2016			December 31, 2015		
	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Balance, beginning of year	**4,236**[1]	**3,915**[1]	**8,151**[1]	**4,990**[1]	**4,359**[1]	**9,348**[1]
Classified as impaired during the year	2,177	1,291	3,469	898	1,176	2,073
Transferred to not impaired during the year[2]	(1,080)	(723)	(1,803)	(1,010)	(859)	(1,869)
Charge-offs	(979)	(987)	(1,966)	(537)	(717)	(1,254)
Disposals of impaired loans	(266)	(161)	(427)	(239)	(53)	(292)
Exchange rate and other movements	38	(15)	23	135	10	145
Balance, end of year	**4,126**[1]	**3,321**[1]	**7,447**[1]	**4,236**[1]	**3,915**[1]	**8,151**[1]

1 Audited.
2 Includes repayments.

Deutsche Bank's impaired loans decreased in 2016 by € 704 million or 9 % to € 7.4 billion resulting from reductions in the collectively assessed portfolio caused by NCOU, PW&CC and Postbank. There were further reductions in the individually assessed portfolio, where reductions in NCOU due to asset disposals more than offset new impairments in CIB and GM. The new impairments caused among other things by the continued market weakness of the shipping sector along and lower commodity prices in the metals and mining sector.

The impaired loan coverage ratio (defined as total on-balance sheet allowances for all loans individually.

impaired or collectively assessed divided by IFRS impaired loans (excluding collateral) decreased from 62 % as of year-end 2015 to 61 % as of December 31, 2016.

Deutsche Bank's impaired loans included € 92 million of loans reclassified to loans and receivables in accordance with IAS 39, down € 575 million or 86 % from the level at prior year end. This decline was mainly driven by charge-offs.

Provision for loan losses and recoveries by Industry

(unaudited) in € m.	2016					2015	
	Provision for loan losses before recoveries						
	For individually assessed loans	For collectively assessed impaired loans	For collectively assessed non-impaired loans	Total	Recoveries	Provision for loan losses before recoveries (total)	Recoveries
Financial intermediation	5	1	(9)	(3)	4	(5)	1
Fund management activities	0	1	(3)	(2)	0	2	0
Manufacturing	177	20	12	209	14	61	16
Wholesale and retail trade	43	28	(14)	58	4	78	4
Households	20	521	(10)	531	99	513	101
Commercial real estate activities	32	39	5	76	36	33	18
Public sector	(0)	0	1	0	0	(17)	0
Other[1]	552	58	55	665	31	378	21
Total	**829**	**668**	**37**	**1,534**	**187**	**1,043**	**161**

1 The largest driver of Total Provision for loan losses before recoveries was the sector 'Transportation, storage and communication' with € 422 million (63 %) in 2016 and € 154 million (41%) in 2015. The rest is split across various industries (of which no single one contributes 25% or more of the total of the category 'Other').

Deutsche Bank's existing commitments to lend additional funds to debtors with impaired loans amounted to € 117 million as of December 31, 2016 and € 54 million as of December 31, 2015.

Collateral held against impaired loans, with fair values capped at transactional outstanding

(audited) in € m.	December 31, 2016	December 31, 2015
Financial and other collateral	2,016	2,722
Guarantees received	343	223
Total collateral held for impaired loans	**2,359**	**2,945**

Deutsche Bank's total collateral held for impaired loans as of December 31, 2016 decreased by € 586 million, or 20 %, compared to previous year, while coverage ratio including collateral (defined as total on-balance sheet allowances for all loans individually impaired or collectively assessed plus collateral held against impaired loans, with fair values capped at transactional outstanding, divided by IFRS impaired loans) declined to 93 % as of December 31, 2016 compared to 98 % as of December 31, 2015.

13.6.12.5 Financial assets available for sale

The impairment concept is also applicable for available for sale debt instruments, which are otherwise carried at fair value with changes in fair value reported in other comprehensive income. If an available for sale debt instrument is considered impaired, the cumulative impairment loss reflects the difference between the amortized cost and the current fair value of the instrument. For a detailed discussion of its accounting procedures please refer to Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section *"23. Financial Statements"* of this Prospectus.

Non-impaired past due and impaired financial assets available for sale, accumulated impairments, coverage ratio and collateral held against impaired financial assets available for sale

(audited) in € m.	December 31, 2016	December 31, 2015
Financial assets non-impaired past due available for sale	1,661	1,610
thereof:		
Less than 30 days past due	178	47
30 or more but less than 60 days past due	24	0
60 or more but less than 90 days past due	23	0
90 days or more past due	1,436	1,563
Impaired financial assets available for sale	229	229
Accumulated impairment for financial assets available for sale	131	109
Impaired financial assets available for sale coverage ratio in %	57	47
Collateral held against impaired financial assets available for sale	20	19
thereof:		
Financial and other collateral	20	19
Guarantees received	0	0

13.6.12.6 Collateral Obtained

Deutsche Bank obtains collateral on the balance sheet by taking possession of collateral held as security or by calling upon other credit enhancements. Collateral obtained is made available for sale in an orderly fashion or through public auctions, with the proceeds used to repay or reduce outstanding indebtedness. Generally Deutsche Bank does not occupy obtained properties for its business use. The commercial and residential real estate collateral obtained in 2016 refers predominantly to Deutsche Bank's exposures in Spain.

Collateral obtained during the reporting periods

(audited) in € m.	2016	2015
Commercial real estate	9	5
Residential real estate	55	43
Other	0	0
Total collateral obtained during the reporting period	**64**	**48**

The collateral obtained, as shown in the table above, excludes collateral recorded as a result of consolidating securitization trusts under IFRS 10. In 2016 as well as in 2015 the group did not obtain any collateral related to these trusts.

13.6.12.7 Allowance for Credit Losses

Development of allowance for credit losses

	2016						
	Allowance for Loan Losses			**Allowance for Off-Balance Sheet Positions**			
(audited, unless stated otherwise) in € m.	**Individually assessed**	**Collectively assessed**	**Subtotal**	**Individually assessed**	**Collectively assessed**	**Subtotal**	**Total**
Balance, beginning of year	2,252	2,776	5,028	144	168	312	5,340
Provision for credit losses	743	604	1,347	24	12	36	1,383
thereof: (Gains)/Losses from disposal of impaired loans	3[1]	(16)[1]	(13)[1]	0[1]	0[1]	0[1]	(13)[1]
Net charge-offs:	(894)	(870)	(1,764)	0	0	0	(1,764)
Charge-offs	(979)	(972)	(1,951)	0	0	0	(1,951)
Recoveries	85	101	187	0	0	0	187
Other changes	(30)	(35)	(65)	(5)	3	(2)	(67)
Balance, end of year	2,071	2,475	4,546	162	183	346	4,892
Changes compared to prior year							
Provision for credit losses							
Absolute	409	56	465	(34)	(4)	(39)	427
Relative	123%	10%	53%	(59)%	(27)%	(52)%	45%
Net charge-offs							
Absolute	(412)	(258)	(670)	0	0	0	(670)
Relative	85%	42%	61%	0%	0%	0%	61%
Balance, end of year							
Absolute	(181)	(301)	(482)	18	15	34	(448)
Relative	(8)%	(11)%	(10)%	13%	9%	11%	(8)%

1 Unaudited.

Allowance for credit losses as at December, 31 2016 amounted to € 4.9 billion compared to € 5.3 billion as at December 31, 2015. The reduction was driven by charge-offs, partly compensated by additional provision for credit losses.

As of December 31, 2016, provision for credit losses increased by € 427 million compared to year-end 2015, driven by an increase in provision for loan losses of € 465 million partly offset by a reduction in provisions for off-balance sheet positions of € 39 million. The increase in Deutsche Bank's individually assessed portfolio mainly resulted from CIB and Global Markets reflecting the continued market weakness of the shipping sector as well as lower commodity prices in the metals and mining and oil and gas sectors. The increase in provisions for Deutsche Bank's collectively assessed loan portfolio was mainly driven by NCOU partly relating to higher charges for IAS 39 reclassified assets and partly offset by PW&CC and Postbank, among other factors reflecting the good quality of the loan book and the benign economic environment. The reduction in provisions for off-balance sheet positions was driven by CIB and reflects releases caused by crystallization into cash of a few guarantee exposures leading to higher provision for loan losses.

The increase in net charge-offs of € 670 million compared to 2015 was mainly driven by NCOU caused by IAS 39 reclassified assets along with disposals.

Deutsche Bank's allowance for loan losses for IAS 39 reclassified assets, which were reported in NCOU, amounted to € 69 million as of December 31, 2016, representing 2 % of its total allowance for loan losses, down 82 % from the level at the end of 2015 which amounted to € 389 million (8 % of total allowance for loan losses). This reduction was driven by charge offs of € 355 million along with reduction driven by foreign exchange as most IAS 39 reclassified assets are denominated in non-Euro currencies and partly offset by additional provisions of € 66 million.

Compared to 2015, provision for loan losses for IAS 39 reclassified assets increased by € 110 million mainly related to Deutsche Bank's European mortgage portfolios. Net charge offs increased by € 242 million mainly driven by the European mortgage portfolio and one large single booking.

(audited, unless stated otherwise) in € m.	2015						
	Allowance for Loan Losses			Allowance for Off-Balance Sheet Positions			
	Individually assessed	Collectively assessed	Subtotal	Individually assessed	Collectively assessed	Subtotal	Total
Balance, beginning of year	2,364	2,849	5,212	85	141	226	5,439
Provision for credit losses	334	548	882	58	16	74	956
thereof: (Gains)/Losses from disposal of impaired loans	(64)[1]	(51)[1]	(116)[1]	0[1]	0[1]	0[1]	(116)[1]
Net charge-offs:	(482)	(612)	(1,094)	0	0	0	(1,094)
Charge-offs	(538)	(717)	(1,255)	0	0	0	(1,255)
Recoveries	56	105	161	0	0	0	161
Other changes	36	(8)	28	1	10	11	39
Balance, end of year	2,252	2,776	5,028	144	168	312	5,340
Changes compared to prior year							
Provision for credit losses							
Absolute	(164)	(83)	(247)	71	(1)	70	(178)
Relative	(33)%	(13)%	(22)%	(538)%	(8)%	N/M	(16)%
Net charge-offs							
Absolute	515	(100)	415	0	0	0	415
Relative	(52)%	19%	(28)%	0%	0%	0%	(28)%
Balance, end of year							
Absolute	(112)	(72)	(184)	59	27	86	(99)
Relative	(5)%	(3)%	(4)%	69%	19%	38%	(2)%

N/M – Not meaningful
1 Unaudited.

Allowance for credit losses as at December 2015 amounted to € 5.3 billion compared to € 5.4 billion as at the end of 2014. The reduction is mainly driven by charge offs in part relating to disposals.

Provision for credit losses decreased by € 178 million compared to prior year, driven by a reduction in provision for loan losses of € 247 million. The reduction in 2015 in provisions for loan losses in Deutsche Bank's individually assessed loan portfolio of € 164 million is driven by IAS 39 reclassified assets and other real estate exposures recorded in NCOU, partly offset by higher provisioning in Deutsche Bank's shipping and leveraged finance portfolios in CIB. The reduction in Deutsche Bank's collectively assessed loan portfolio of € 83 million mainly results from higher releases related to disposals along with an ongoing positive credit environment in Germany and a stabilization of Southern European markets. The increase in provisions for off-balance sheet exposures of € 70 million compared to 2014 was driven by CIB mainly reflecting one large item and Postbank.

The reduction in charge-offs of € 415 million compared to 2014 is mainly driven by Postbank and results from high prior year levels caused by a one-off effect due to the alignment of processes.

Deutsche Bank's allowance for loan losses for IAS 39 reclassified assets, which are reported in NCOU, amounted to € 389 million at the end of 2015, representing 8 % of its total allowance for loan losses, down 25 % from the level at the end of the prior year which amounted to € 518 million (10 % of total allowance for loan losses). This reduction was driven by net charge offs of € 113 million along with net releases of € 44 million and partly offset by increases related to foreign exchange as most IAS 39 reclassified assets are denominated in non-Euro currencies.

Compared to 2014, provision for loan losses for IAS 39 reclassified assets dropped by € 129 million and net charge-offs increased by € 98 million in 2015. Both changes were partly related to disposals.

13.6.13 Derivatives – Credit Valuation Adjustment

Deutsche Bank establishes counterparty Credit Valuation Adjustment (CVA) for OTC derivative transactions to cover expected credit losses. The adjustment amount is determined by assessing the potential credit exposure to a given counterparty and taking into account any collateral held, the effect of any relevant netting arrangements, expected loss given default and the credit risk, based on available market information, including CDS spreads.

13.6.13.1 Treatment of Default Situations under Derivatives

Unlike standard loan assets, Deutsche Bank generally has more options to manage the credit risk in its derivatives transactions when movement in the current replacement costs or the behavior of its counterparty indicate that there is the risk that upcoming payment obligations under the transactions might

not be honored. In these situations, Deutsche Bank is frequently able under the relevant derivatives agreements to obtain additional collateral or to terminate and close-out the derivative transactions at short notice.

The master agreements for OTC derivative transactions executed with its clients usually provide for a broad set of standard or bespoke termination rights, which allow Deutsche Bank to respond swiftly to a counterparty's default or to other circumstances which indicate a high probability of failure. Deutsche Bank has less comfort under the rules and regulations applied by clearing CCPs, which rely primarily on the clearing members default fund contributions and guarantees and less on the termination and close-out of contracts, which will be considered only at a later point in time after all other measures failed. Considering the severe systemic disruptions to the financial system, that could be caused by a disorderly failure of a CCP, the Financial Stability Board (FSB) recommended in October 2014 to subject CCPs to resolution regimes that apply the same objectives and provisions that apply to global systematically important banks.

Its contractual termination rights are supported by internal policies and procedures with defined roles and responsibilities which ensure that potential counterparty defaults are identified and addressed in a timely fashion. These procedures include necessary settlement and trading restrictions. When its decision to terminate derivative transactions results in a residual net obligation owed by the counterparty, Deutsche Bank restructures the obligation into a non-derivative claim and manage it through its regular work-out process. As a consequence, for accounting purposes Deutsche Bank typically does not show any nonperforming derivatives.

Wrong-way risk occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. In compliance with Article 291(2) and (4) CRR Deutsche Bank, excluding Postbank, had established a monthly process to monitor several layers of wrong-way risk (specific wrong-way risk, general explicit wrong-way risk at country/industry/region levels and general implicit wrong-way risk, whereby exposures arising from transactions subject to wrong-way risk are automatically selected and presented for comment to the responsible credit officer). A wrong-way risk report is then sent to Credit Risk senior management on a monthly basis. In addition, Deutsche Bank, excluding Postbank, utilized its established process for calibrating its own alpha factor (as defined in Article 284 (9) CRR) to estimate the overall wrong-way risk in its derivatives and securities financing transaction portfolio. Postbank derivative counterparty risk is immaterial to the Group and collateral held is typically in the form of cash.

13.7 Trading Market Risk Exposures

13.7.1 Value-at-Risk Metrics of Trading Units of Deutsche Bank Group (excluding Postbank)

The tables and graph below present the value-at-risk metrics calculated with a 99% confidence level and a one-day holding period for Deutsche Bank's trading units. They exclude contributions from Postbank trading book which are calculated on a stand-alone basis.

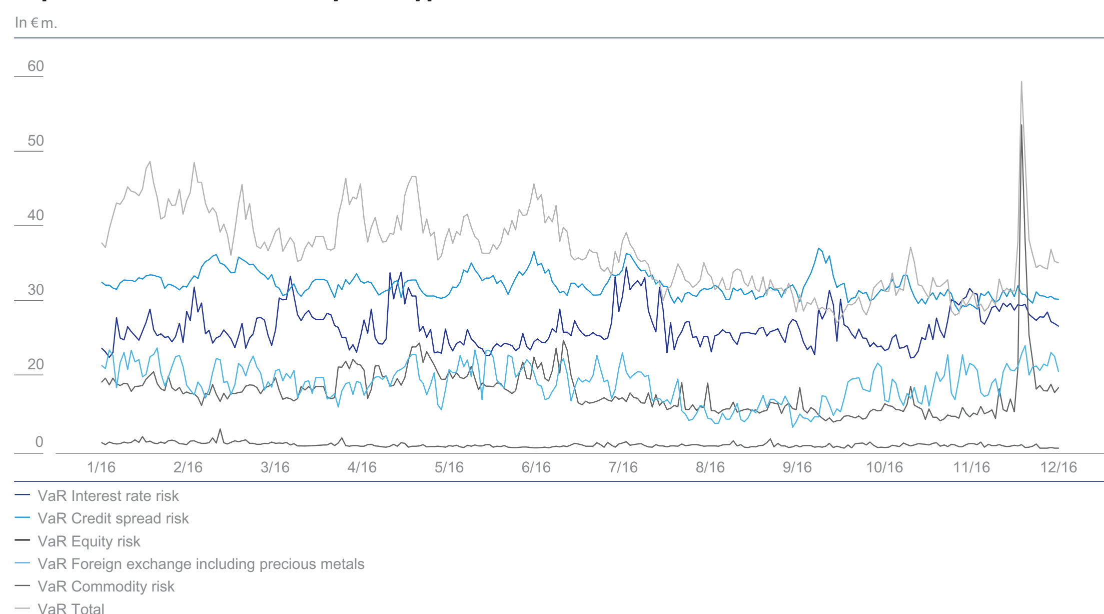
Value-at-Risk of Deutsche Bank's Trading Units by Risk Type

(unaudited, unless stated otherwise)	Total		Diversification effect		Interest rate risk		Credit spread risk		Equity price risk		Foreign exchange risk[1]		Commodity price risk	
in € m.	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Average	32.0	43.3	(35.0)	(40.9)	19.7	20.3	26.6	30.9	9.3	16.6	10.7	15.0	0.7	1.3
Maximum	59.4	65.6	(57.6)	(59.2)	29.5	30.2	32.5	40.3	52.4	28.3	16.7	25.0	3.3	4.0
Minimum	20.4	28.7	(25.6)	(31.0)	14.8	16.2	22.3	24.0	4.4	9.2	3.6	6.0	0.2	0.5
Period-end	30.1[2]	33.3[2]	(36.9)[2]	(38.8)[2]	19.9[2]	18.3[2]	24.3[2]	26.2[2]	10.0[2]	11.7[2]	12.6[2]	15.1[2]	0.2[2]	0.9[2]

1 Includes value-at-risk from gold and other precious metal positions.

2 Audited.

Development of value-at-risk by risk types in 2016



The average value-at-risk over 2016 was € 32.0 million, which is a decrease of € 11.2 million compared with the full year 2015. The reduction in the average was driven by decreases across the credit spread, foreign exchange and equity asset classes as a result of a decrease in directional exposure on average compared to the full year 2015. The spike in value-at-risk in December 2016 was driven by activity on the trading books for a short period of time during the facilitation of client transactions.

13.7.2 Regulatory Trading Market Risk Measures (excluding Postbank)

The table below presents the stressed value-at-risk metrics calculated with a 99% confidence level and a one-day holding period for Deutsche Bank's trading units. It excludes contributions from Postbank's trading book which are calculated on a stand-alone basis.

Average, Maximum and Minimum Stressed Value-at-Risk by Risk Type

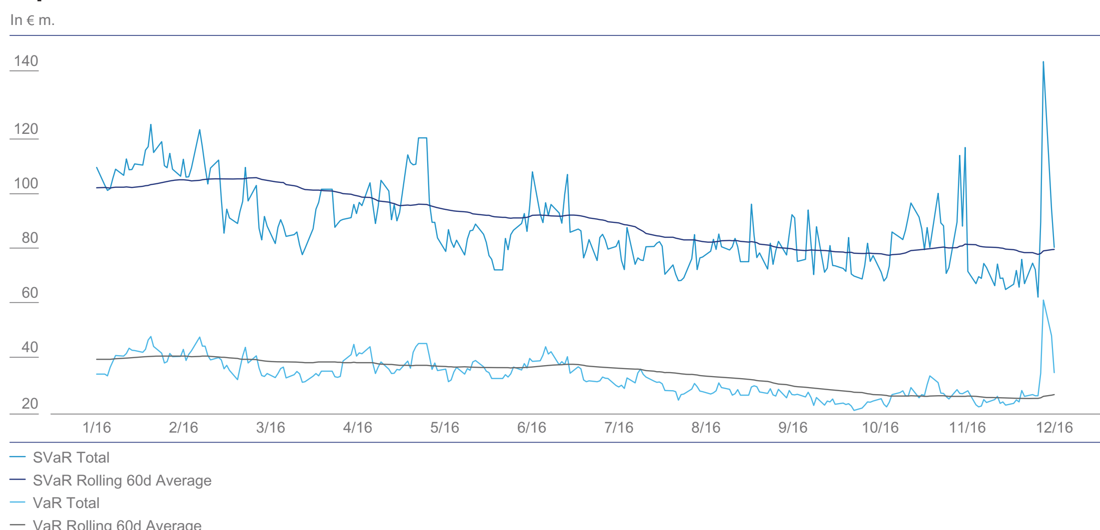
(unaudited, unless stated otherwise)	**Total**		**Diversification effect**		**Interest rate risk**		**Credit spread risk**		**Equity price risk**		**Foreign exchange risk[1]**		**Commodity price risk**	
in € m.	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Average	85.2	105.1	(78.2)	(114.5)	51.9	60.7	74.9	106.7	20.6	22.8	14.8	26.7	1.3	2.5
Maximum	143.7	135.7	(150.0)	(186.7)	82.5	84.2	99.3	154.5	144.5	68.7	30.4	59.8	3.9	7.6
Minimum	60.4	82.4	(53.4)	(71.7)	37.4	45.1	59.0	82.6	2.4	0.1	3.4	5.7	0.4	0.7
Period-end	75.8[2]	106.3[2]	(91.3)[2]	(98.0)[2]	51.9[2]	45.5[2]	63.0[2]	90.9[2]	29.6[2]	44.1[2]	22.1[2]	22.6[2]	0.5[2]	1.2[2]

1 Includes value-at-risk from gold and other precious metal positions.
2 Audited.

The average stressed value-at-risk was € 85.2 million over 2016, a decrease of € 19.9 million compared with the full year 2015. The reduction in the average was driven by decreases coming from across the credit spread, foreign exchange and equity asset classes as a result of a decrease in directional exposure on average compared to the full year 2015. Additionally interest rate stressed value-at-risk has decreased on average over 2016 due to changes in the composition of the portfolio. Similar to value-at-risk there was a spike in December 2016 due to the facilitation of client transactions.

The following graph compares the development of the daily value-at-risk with the daily stressed value-at-risk and their 60 day averages, calculated with a 99% confidence level and a one-day holding period for Deutsche Bank's trading units. Amounts are shown in millions of euro and exclude contributions from Postbank's trading book which are calculated on a stand-alone basis.

Development of value-at-risk and stressed value-at-risk in 2016



For regulatory reporting purposes, the incremental risk charge for the respective reporting dates represents the higher of the spot value at the reporting dates, and their preceding 12-week average calculation.

Average, Maximum and Minimum Incremental Risk Charge of Trading Units (with a 99.9% confidence level and one-year capital horizon)[(1),(2),(3)]

	Total		Non-Core Operations Unit		Global Credit Trading		Core Rates		Fixed Income & Currencies APAC		Emerging Markets-Debt		Other	
(unaudited, unless stated otherwise) in € m.	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Average	840.2	975.0	52.0	17.5	393.0	539.3	200.4	106.0	188.6	160.0	116.8	235.0	(110.5)	(82.0)
Maximum	944.4	1,020.8	57.3	85.0	405.8	693.0	229.6	179.0	243.0	351.0	128.0	300.0	(65.6)	(52.0)
Minimum	693.0	843.8	44.5	(4.8)	368.0	435.0	173.7	50.0	119.6	113.0	111.6	144.0	(141.8)	(128.0)
Period-end	693.0[(4)]	890.0[(4)]	51.8[(4)]	(1.0)[(4)]	368.0[(4)]	489.0[(4)]	173.7[(4)]	86.0[(4)]	119.6[(4)]	123.0[(4)]	121.8[(4)]	259.0[(4)]	(141.8)[(4)]	(65.0)[(4)]

1 Amounts show the bands within which the values fluctuated during the 12-weeks preceding December 31, 2016 and December 31, 2015, respectively.
2 Business line breakdowns have been updated for 2016 reporting to better reflect the current business structure.
3 All liquidity horizons are set to 12 months.
4 Audited.

The incremental risk charge as at the end of 2016 was € 693 million a decrease of € 197 million (22 %) compared with year end 2015. The 12-week average of the incremental risk charge as at the end of 2016 was € 840 million and thus € 135 million (14 %) lower compared with the average for the 12-week period ended December 31, 2015. The decreased average incremental risk charge is driven by a decrease in credit exposures in global credit trading when compared to the full year 2015.

For regulatory reporting purposes, the comprehensive risk measure for the respective reporting dates represents the higher of the internal spot value at the reporting dates, their preceding 12-week average calculation, and the floor, where the floor is equal to 8 % of the equivalent capital charge under the standardized approach securitization framework.

Average, Maximum and Minimum Comprehensive Risk Measure of Trading Units (with a 99.9% confidence level and one-year capital horizon)[(1),(2),(3)]

(unaudited, unless stated otherwise) in € m.	2016	2015
Average	31.3	188.4
Maximum	39.8	197.3
Minimum	21.9	180.3
Period-end	17.9[(4)]	190.2[(4)]

1 Regulatory Comprehensive Risk Measure calculated for the 12-week period ending December 31.
2 Period end is based on the internal model spot value.
3 All liquidity horizons are set to 12 months.
4 Audited.

The comprehensive risk measure as at the end of 2016 was € 18 million and decreased by € 172 million (91 %) compared with year end 2015. The 12-week average of its comprehensive risk measure as at the end of 2016 was € 31 million and thus € 157 million (83 %) lower compared with the average for the 12-week period ended December 31, 2015. The reduction was due to continued de-risking on the correlation trading portfolio.

13.7.3 Market Risk Standardized Approach

As of December 31, 2016, the securitization positions, for which the specific interest rate risk is calculated using the market risk standardized approach, generated capital requirements of € 278.4 million corresponding to risk weighted-assets of € 3.5 billion. As of December 31, 2015 these positions generated capital requirements of € 811 million corresponding to risk weighted-assets of € 10.1 billion. The reduction is due to continued derisking of securitization exposures.

For nth-to-default credit default swaps the capital requirement increased to € 6.4 million corresponding to risk weighted-assets of € 80 million compared with € 6 million and € 78 million as of December 31, 2015.

Additionally, the capital requirement for investment funds under the market risk standardized approach was € 39 million corresponding to risk weighted-assets of € 487 million as of December 31, 2016, compared with € 70 million and € 873 million as of December 31, 2015.

The capital requirement for longevity risk under the market risk standardized approach was € 46 million for NCOU and PIRM corresponding to risk weighted-assets of € 570 million as of December 31, 2016, compared with € 36 million and € 451 million as of December 31, 2015.

13.7.4 Value-at-Risk at Postbank

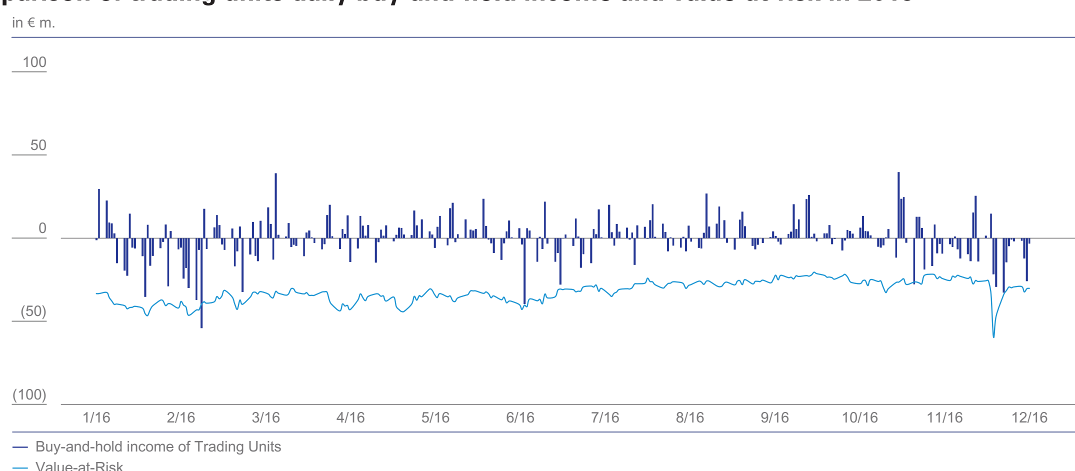
The value-at-risk of Postbank's trading book calculated with a 99% confidence level and a one-day holding period amounted to zero as of December 31, 2016. Postbank's current trading strategy does not allow any new trading activities with regard to the trading book. Therefore, Postbank's trading book did not contain any positions as of December 31, 2016. Nevertheless, Postbank will remain classified as a trading book institution.

13.7.5 Results of Regulatory Backtesting of Trading Market Risk

In 2016, Deutsche Bank observed one global outlier, where its loss on a buy-and-hold basis exceeded the value-at-risk, com-pared with three outliers in 2015. The outlier in 2016 occurred in February and was driven by market-event related losses across various businesses. This was as a consequence of heightened risk aversion in the markets following several concerns to the global economic outlook. Based on the backtesting results, its analysis of the underlying reasons for outliers and enhancements included in its value-at-risk methodology, Deutsche Bank continues to believe that its value-at-risk model will remain an appropriate measure for its trading market risk under normal market conditions.

The following graph shows the trading units daily buy-and-hold income in comparison to the value-at-risk as of the close of the previous business day for the trading days of the reporting period. The value-at-risk is presented in negative amounts to visually compare the estimated potential loss of Deutsche Bank's trading positions with the buy and hold income. Figures are shown in millions of euro. The chart shows that Deutsche Bank's trading units achieved a positive buy and hold income for 54% of the trading days in 2016 (versus 51% in 2015), as well as displaying the global outlier experienced in 2016.

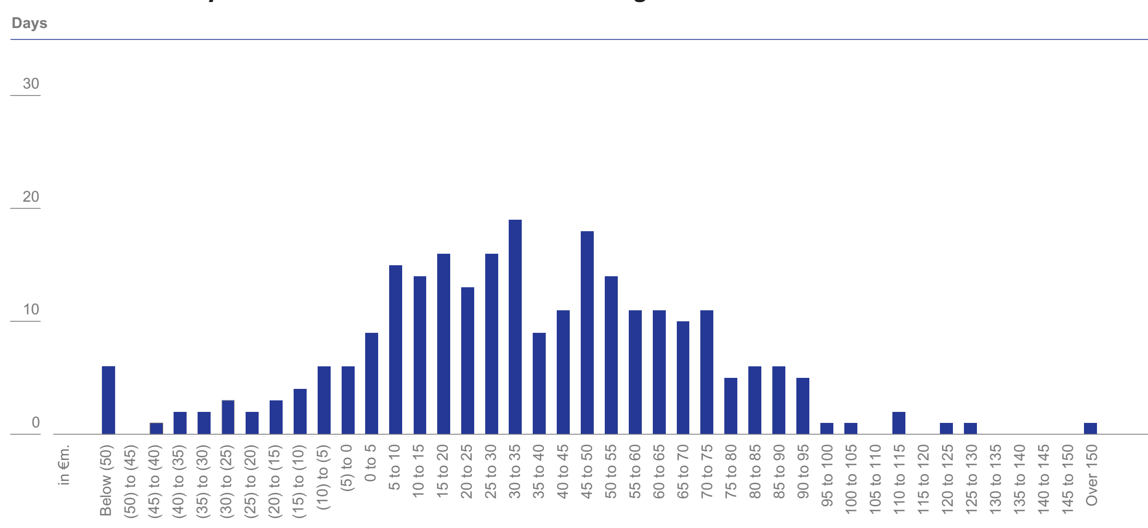
Comparison of trading units daily buy-and-hold income and value-at-risk in 2016



13.7.6 Daily Income of Deutsche Bank's Trading Units

The following histogram shows the distribution of daily income of Deutsche Bank's trading units (excluding Postbank). Daily income is defined as total income which consists of new trades, fees & commissions, buy & hold income, reserves, carry and other income. It displays the number of trading days on which Deutsche Bank reached each level of trading income shown on the horizontal axis in millions of euro.

Distribution of daily income of Deutsche Bank's trading units in 2016



Its trading units achieved a positive revenue for 87 % of the trading days in 2016 compared with 91 % in the full year 2015.

13.8 Nontrading Market Risk Exposures

13.8.1 Carrying Value and Economic Capital Usage for Nontrading Market Risk Portfolios

Carrying Value and Economic Capital Usage for Nontrading Portfolios.

	Carrying value		Economic capital usage	
(audited) in € m.	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Strategic investments	1,064	829	562	332
Alternative assets	2,335	6,363	690	2,764
Principal investments	972	1,735	374	504
Other nonstrategic investment assets	1,363	4,627	316	2,260
Other nontrading market risks[1]	N/M	N/M	9,112	9,782
Interest rate risk	N/M	N/M	1,921	2,057
Credit spread risk	N/M	N/M	1,419	1,654
Equity compensation risk	N/M	N/M	582	405
Pension risk	N/M	N/M	1,007	828
Structural foreign exchange risk	N/M	N/M	2,485	3,183
Guaranteed funds risk	N/M	N/M	1,699	1,655
Total nontrading market risk portfolios	**3,399**	**7,192**	**10,364**	**12,878**

N/M – Not meaningful

1 N/M – Indicates that the risk is mostly related to off-balance sheet and liabilities items.

The economic capital figures do take into account diversification benefits between the different risk types.

- **Strategic investments**. The nontrading market risk economic capital usage increased mainly by mark-to-market valuation of investments within this portfolio.
- **Alternative assets**. The nontrading market risk economic capital decreased significantly during 2016 mainly due to the sale of Hua Xia Bank Company Limited and Maher Terminals USA. Further decreases were driven by de-risking initiatives in the Non-Core Operations Unit.

- **Other nontrading market risks**:
  - **Interest rate risk**. In addition to the allocation of economic capital to outright interest rate risk in the nontrading market risk portfolio, a main component in this category is the maturity transformation of contractually short term deposits. The effective duration of contractually short term deposits is based upon observable client behavior, elasticity of deposit rates to market interest rates ("DRE") and the volatility of deposit balances. Economic capital is derived by stressing modelling assumptions in particular the DRE – for the effective duration of overnight deposits. Behavioral and economic characteristics are taken into account when calculating the effective duration and optional exposures from Deutsche Bank's mortgages businesses. In total the economic capital usage for December 31, 2016 was € 1,921 million, compared to € 2,057 million for December 31, 2015. The decrease in economic capital contribution was driven by methodology enhancements with regard to modelling of non-maturity deposit partially offset by an increase in basis risks.
  - **Credit spread risk**. Economic capital charge for portfolios in the banking book subject to material credit spread risk. Economic capital usage was € 1,419 million as of December 31, 2016, versus € 1,654 million as of December 31, 2015. The decrease in economic capital usage was driven by reduced spread risk of securities held by Treasury as liquidity reserve partially offset by enhanced capture of credit spread risks in banking book positions in Global Markets.
  - **Equity compensation risk**. The risk arises from a structural short position in Deutsche Bank's own share price arising from restricted equity units. The economic capital usage was € 582 million as of December 31, 2016, compared with € 405 million as of December 31, 2015, predominately driven by an increase in restricted equity units.
  - **Pension risk**. This risk arises from Deutsche Bank's defined benefit obligations, including interest rate risk and inflation risk, credit spread risk, equity risk and longevity risk. The economic capital usage was € 1,007 million and € 828 million as of December 31, 2016 and December 31, 2015 respectively. The increase is mainly caused by increased credit spread risk from the pension liability due to convexity effects following a decline in market rates.
  - **Structural foreign exchange risk**. Deutsche Bank's foreign exchange exposure arises from unhedged capital and retained earnings in non-euro currencies in certain subsidiaries. Its economic capital usage was € 2,485 million as of December 31, 2016 on a diversified basis versus € 3,183 million as of December 31, 2015. The decrease is largely caused by reduced shareholders equity position in foreign currency including the sale of Hua Xia Bank Company Limited.
  - **Guaranteed funds risk**. Economic capital usage as of December 31, 2016 was materially unchanged at € 1,699 million compared to € 1,655 million as of December 31, 2015.

13.9 Operational Risk Exposure

13.9.1 Operational Risk – Risk Profile

Operational Risk Losses by Event Type (Profit and Loss view)

(unaudited)

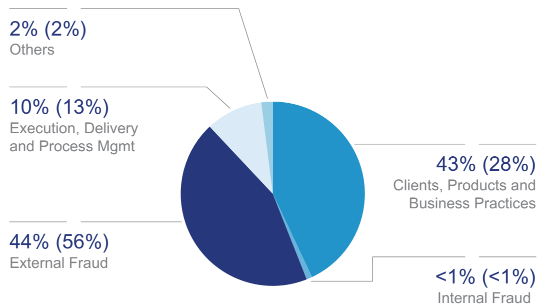
in € m.	2016	2015[1]
Clients, Products and Business Practices	2,566	3,346
Internal Fraud	396	2,176
External Fraud	18	(197)
Execution, Delivery and Process Management	160	381
Others	23	20
Group	**3,163**	**5,726**

1 Changed 2015 loss figures due to subsequent capture of losses and reclassification.

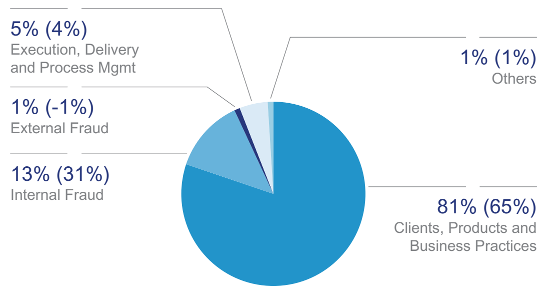
As of December 2016, profit and loss based operational losses decreased by € 2.6 billion or 45 % compared to year-end 2015. The decrease was driven by the event types "Clients, Products and Business Practices" and "Internal Fraud", due to settlements reached and increased litigation reserves for unsettled cases in 2015.

Operational Losses by Event Type occurred in the period 2016 (2011-2015)[1]

Frequency of Operational Losses (first posting date)



Distribution of Operational Losses (posting date)



1 Percentages in brackets correspond to loss frequency respectively to loss amount for losses occurred in 2011-2015 period. Frequency and amounts can change subsequently.

The above left chart "Frequency of Operational Losses" summarizes operational risk events which occurred in 2016 compared to the five-year period 2011-2015 in brackets based on the period in which a loss was first recognized for that event. For example, for a loss event that was first recognized in 2002 with an additional profit/loss event recognized in 2016, the frequency chart would not include the loss event, but the loss distribution chart would include the profit/loss recognized in the respective period.

Frequencies are driven by the event type "External Fraud" with a frequency of 44 % and the event type "Clients, Product and Business Practices" with 43 % of all observed loss events. "Execution, Delivery and Process Management" contributes 10 %. Others are stable at 2 %. The event type "Internal Fraud" has a low frequency, resulting in less than 1 % of the loss events in the period 2016. This is unchanged compared to 2011-2015.

The above right chart "Distribution of Operational Losses" summarizes operational risk loss postings recognized in the profit/loss in 2016 compared to the five-year period 2011-2015. The event type "Clients, Product and Business Practices" dominates the operational loss distribution with a share of 81 % and is determined by outflows related to litigation, investigations and enforcement actions. "Internal Fraud" has the second highest share (13 %) which is related to regulatory events Deutsche Bank has experienced in recent years. Finally, the event types "Execution, Delivery and Process Management" (5 %). "Others" (1%) and "External Fraud" (1 %) can be considered minor, compared to other event types.

13.10 Liquidity Risk Exposure

13.10.1 Funding Markets and Capital Markets Issuance

Credit markets in 2016 were affected by continued political uncertainties, the ongoing low interest rate environment as well as the implementation in a number of jurisdictions, including Germany, of measures regarding the insolvency hierarchy of senior liabilities. Deutsche Bank's 5 year CDS traded within a range of 98 to 267 basis points, peaking in February. Since then, the spread has declined significantly and as of year-end was trading at 175 basis points, in the middle of the range for the year. The spreads on Deutsche Bank's bonds exhibited similar volatility. For example, Deutsche Bank's 1.25 % EUR benchmark maturing in September 2021 traded in a range of 80 to 189 basis points, closing at the lower end of the range at year end.

Deutsche Bank's 2016 funding plan of up to € 30 billion, comprising debt issuance with an original maturity in excess of one year, was fully completed and Deutsche Bank concluded 2016 having raised € 31.8 billion in term funding. This funding was broadly spread across the following funding sources: unsecured benchmark issuance (€ 13 billion), Tier 2 benchmark issuance (€ 0.8 billion), covered benchmark issuance (€ 3.3 billion), unsecured plain vanilla private placements (€ 8.0 billion) and other unsecured structured and covered private placements (€ 6.7 billion). The € 31.8 billion total was evenly split between Euro (€ 15.2 billion) and US dollar (€ 15.1 billion) with smaller amounts in JPY and CHF. In addition to direct issuance, Deutsche Bank uses long-term cross currency swaps to manage Deutsche Bank's funding needs outside of EUR. Deutsche Bank's investor base for 2016 issuances comprised retail customers (19 %), banks (12 %), asset managers and pension funds (39 %), insurance companies (11 %) and other institutional investors (19 %). The geographical distribution was split between Germany (30 %), rest of Europe (25 %), US (28 %), Asia/Pacific (15 %) and Other (2 %). Of Deutsche Bank's total capital markets issuance outstanding as of December 31, 2016, approximately 84 % was issued on an unsecured basis.

The average spread of Deutsche Bank's issuance over 3-months-Euribor (all non-Euro funding spreads are rebased versus 3-months Euribor) was 129 basis points for the full year with an average tenor of 6.7 years. Deutsche Bank's issuance activities were slightly higher in the first half of the year with volumes decreasing in the second half of the year 2016. Deutsche Bank issued the following volumes over each quarter: € 9.1 billion, € 11.1 billion, € 2.8 billion and € 8.8 billion, respectively.

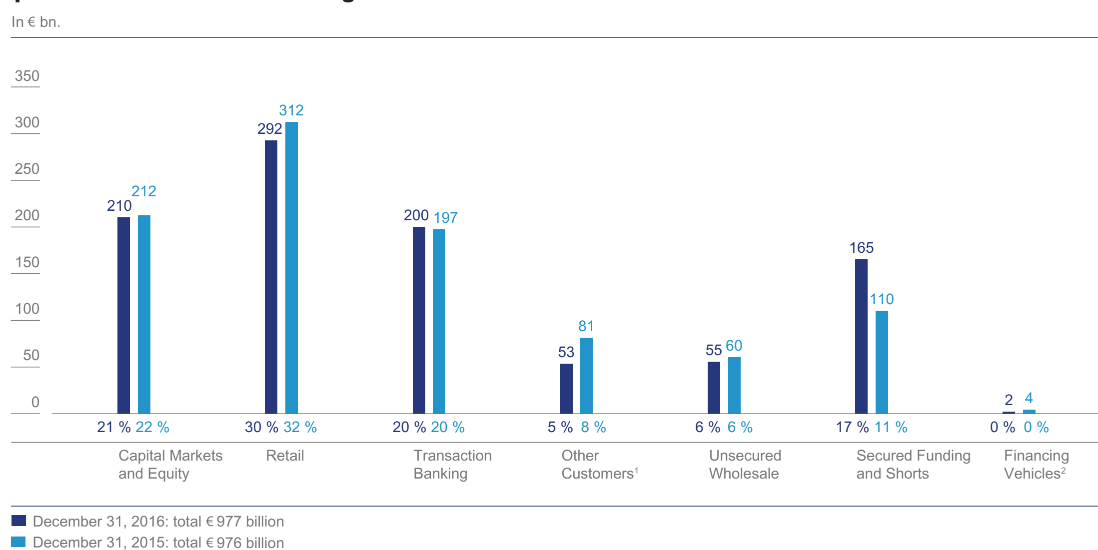
In 2017, Deutsche Bank's funding plan is € 25 billion which Deutsche Bank plans to cover by accessing the above sources, without being overly dependent on any one source. Deutsche Bank also plans to raise a portion of this funding in U.S. dollar and may enter into cross currency swaps to manage any residual requirements. Deutsche Bank has total capital markets maturities, excluding legally exercisable calls of approximately € 21.5 billion in 2017.

13.10.2 Funding Diversification

In 2016, total external funding remained constant at € 977 billion versus € 976 billion at December 31, 2015. Retail deposits declined by € 19.6 billion (6%) predominantly reflecting a loss of wealth management client balances in the second half of the year. Transaction banking balances increased by € 3.3 billion (2%) while unsecured wholesale funding reduced by € 5.4 billion (9%). Other customers reduced by € 28.1 billion (35%) primarily driven by a reduction in net prime brokerage payables of € 20 billion. Secured funding and shorts increased by € 54.9 billion (50%) driven by increased repo financing in addition to a net increase in TLTRO funding of € 14 billion. This was reflected in the increase in the cash component of € 80 billion in the Liquidity Reserves.

The overall proportion of Deutsche Bank's most stable funding sources (comprising capital markets and equity, retail, and transaction banking) slightly decreased from 74 % to 72 %.

Composition of External Funding Sources



1 Other includes fiduciary, self-funding structures (e.g. X-markets), margin/Prime Brokerage cash balances (shown on a net basis).
2 Includes asset-backed commercial paper-Conduits.
Reference: Reconciliation to total balance sheet: Derivatives & settlement balances € 504 billion (€ 528 billion), add-back for netting effect for Margin & Prime Brokerage cash balances (shown on a net basis) € 68 billion (€ 71 billion), other non-funding liabilities € 42 billion (€ 54 billion) for December 31, 2016 and December 31, 2015 respectively; figures may not add up due to rounding.

Maturity of unsecured wholesale funding, asset-backed commercial paper (ABCP) and capital markets issuance[1]

(unaudited) in € m.	December 31, 2016 Not more than 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 6 months	Over 6 months but not more than 1 year	Sub-total less than 1 year	Over 1 year but not more than 2 years	Over 2 years	Total
Deposits from banks	15,626	5,294	6,961	1,588	29,469	40	659	30,168
Deposits from other wholesale customers	4,164	5,712	3,992	4,111	17,979	703	422	19,104
CDs and CP	1,117	1,379	1,973	1,060	5,529	4	1	5,534
ABCP	0	0	0	0	0	0	0	0
Senior unsecured plain vanilla[2]	626	4,111	4,735	11,825	21,296	8,085	49,993	79,374
Senior unsecured structured notes[2]	430	696	858	1,715	3,698	3,578	20,217	27,494
Covered bonds/ABS	0	482	678	1,284	2,445	2,718	18,601	23,764
Subordinated liabilities	0	8	1,576	972	2,556	4,620	11,712	18,887
Other	0	0	0	0	0	0	0	0
Total	**21,963**	**17,682**	**20,773**	**22,555**	**82,973**	**19,749**	**101,605**	**204,326**
thereof:								
Secured	0	482	678	1,284	2,445	2,718	18,601	23,764
Unsecured	21,963	17,199	20,094	21,271	80,528	17,031	83,004	180,563

1 Includes Additional Tier 1 notes reported as additional equity components in the financial statements. Liabilities with call features are shown at earliest legally exercisable call date. No assumption is made as to whether such calls would be exercised.

2 Split between vanilla and structured notes has been aligned with TLAC definitions, 2015 numbers have been restated accordingly.

The total volume of unsecured wholesale liabilities, asset-backed commercial paper and capital markets issuance maturing within one year amount to € 83 billion as of December 31, 2016, and should be viewed in the context of Deutsche Bank's total liquidity reserves of € 219 billion.

(unaudited) in € m.	December 31, 2015 Not more than 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 6 months	Over 6 months but not more than 1 year	Sub-total less than 1 year	Over 1 year but not more than 2 years	Over 2 years	Total
Deposits from banks	11,101	8,073	3,196	1,399	23,769	143	69	23,981
Deposits from other wholesale customers	2,872	8,911	5,090	4,078	20,950	319	191	21,460
CDs and CP	1,216	3,718	3,984	5,636	14,555	298	1	14,853
ABCP	0	0	0	0	0	0	0	0
Senior unsecured plain vanilla[1]	2,598	6,320	2,249	3,079	14,246	17,175	38,659	70,081
Senior unsecured structured notes[1]	708	2,376	2,214	3,371	8,669	5,365	23,446	37,480
Covered bonds/ABS	0	51	1,371	75	1,496	2,460	18,056	22,012
Subordinated liabilities	734	680	263	310	1,987	1,376	16,199	19,562
Other	0	0	0	0	0	0	0	0
Total	**19,229**	**30,129**	**18,367**	**17,948**	**85,673**	**27,136**	**96,621**	**209,430**
thereof:								
Secured	0	51	1,371	75	1,496	2,460	18,056	22,012
Unsecured	19,229	30,078	16,996	17,873	84,176	24,677	78,565	187,418

1 Split between vanilla and structured notes has been aligned with TLAC definitions, 2015 numbers have been restated accordingly.

The following table shows the currency breakdown of Deutsche Bank's short-term unsecured wholesale funding, of its asset-backed commercial paper funding and of its capital markets issuance.

Unsecured wholesale funding, asset-backed commercial paper (ABCP) and capital markets issuance (currency breakdown)

	December 31, 2016					December 31, 2015				
(unaudited) in € m.	**in EUR**	**in USD**	**in GBP**	**in other CCYs**	**Total**	**in EUR**	**in USD**	**in GBP**	**in other CCYs**	**Total**
Deposits from banks	3,554	22,122	3,649	843	30,168	4,875	17,066	1,053	987	**23,981**
Deposits from other whole- sale customers	15,396	2,964	541	203	19,104	15,912	4,257	476	815	**21,460**
CDs and CP	4,456	259	259	560	5,534	10,771	1,202	1,843	1,038	**14,853**
ABCP	0	0	0	0	0	0	0	0	0	**0**
Senior unsecured plain vanilla[1]	39,510	33,504	8	6,352	79,374	42,403	22,145	110	5,422	**70,081**
Senior unsecured structured notes[1]	11,037	12,697	133	3,626	27,494	15,515	17,750	176	4,039	**37,480**
Covered bonds/ ABS	23,745	16	0	2	23,764	21,952	60	0	0	**22,012**
Subordinated liabilities	8,540	9,196	799	353	18,887	8,507	9,858	800	397	**19,562**
Other	0	0	0	0	0	0	0	0	0	**0**
Total	**106,239**	**80,758**	**5,390**	**11,940**	**204,326**	**119,935**	**72,338**	**4,459**	**12,698**	**209,430**
thereof:										
Secured	23,745	16	0	2	23,764	21,952	60	0	0	**22,012**
Unsecured	82,494	80,742	5,390	11,938	180,563	97,984	72,278	4,459	12,697	**187,418**

1 Split between vanilla and structured notes has been aligned with TLAC definitions, 2015 numbers have been restated accordingly.

13.10.3 Liquidity Reserves

Composition of Deutsche Bank's liquidity reserves by parent company (including branches) and subsidiaries

	December 31, 2016		**December 31, 2015**	
(unaudited) in € bn.	**Carrying Value**	**Liquidity Value**	**Carrying Value**	**Liquidity Value**
Available cash and cash equivalents (held primarily at central banks)	178	178	98	98
Parent (incl. foreign branches)	136	136	75	75
Subsidiaries	42	42	23	23
Highly liquid securities (includes government, government guaranteed and agency securities)	27	25	100	94
Parent (incl. foreign branches)	25	24	78	73
Subsidiaries	2	1	22	21
Other unencumbered central bank eligible securities	14	9	17	13
Parent (incl. foreign branches)	9	6	14	11
Subsidiaries	5	3	3	2
Total liquidity reserves	**219**	**212**	**215**	**205**
Parent (incl. foreign branches)	171	166	167	159
Subsidiaries	48	46	48	46

As of December 31, 2016, Deutsche Bank's liquidity reserves amounted to € 219 billion compared with € 215 billion as of December 31, 2015. Although the net growth in Liquidity Reserves was only € 3 billion, the cash and cash equivalents increased by € 80 billion, while the unencumbered securities decreased by € 76 billion. This was largely driven by actions taken during the year to increase secured funding outstandings, as well as more general reductions in business inventory in particular during the last quarter of 2016. This was considered a prudent short-term measure in light of a challenging environment for Deutsche Bank during this time. Deutsche Bank's average liquidity reserves during the year were € 212.4 billion compared with € 202.2 billion during 2015. In the table above the carrying value represents the market value of Deutsche Bank's liquidity reserves while the liquidity value reflects Deutsche Bank's assumption of the value that could be obtained, primarily through secured funding, taking into account the experience observed in secured funding markets at times of stress.

The liquidity value (weighted) of Deutsche Bank's liquidity reserves of € 212 billion exceeds the liquidity value (weighted) of its High Quality Liquid Assets (HQLA) of € 203 billion. The major drivers of this difference are that liquidity reserves include central bank eligible but otherwise less liquid securities (for

example traded loans, other investment grade corporate bonds and ABS) which are not recognized in HQLA and that HQLA includes major index equities, but excludes cash balances deposited with central banks to satisfy a minimum cash requirements as well as cash balances deposited with non EU Central Banks rated below AA- which are included in the LCR but not as part of the HQLA.

13.10.4 Liquidity Coverage Ratio

Deutsche Bank's LCR of 128 % as of December 31, 2016 has been calculated in accordance with the Commission Delegated Regulation (EU) 2015/61 and the EBA's Implementing Technical Standard on Supervisory Reporting with regard to the LCR.

LCR components

(unaudited) in € bn.	December 31, 2016 Liquidity Value (weighted)	December 31, 2015 Liquidity Value (weighted)
High quality liquid assets	**201**	**192**
Gross inflows	93	111
Gross outflows	250	272
Net outflows	**158**	**161**
LCR ratio in %	128%	119%

13.10.5 Funding Risk Management

13.10.5.1 Structural Funding

All funding matrices (the aggregate currency, the U.S. dollar and the GBP funding matrix) were in line with the respective risk appetite as of year ends 2016 and 2015.

13.10.6 Stress Testing and Scenario Analysis

During 2016, in particular in the late autumn following market speculation on Deutsche Bank's negotiation with the U.S. Department of Justice in relation to Deutsche Bank's issuance and underwriting of residential mortgage-backed securities (RMBS), negative client responses adversely impacted Deutsche Bank's liquidity and funding position, and its internal measures of available liquidity over the duration of a stressed situation indicated a need to take corrective action. Deutsche Bank responded with actions designed to restore these measures to customary levels and remained in contact with its regulators.

Global All Currency Monthly Stress Testing Results

	December 31, 2016			December 31, 2015[1]		
(unaudited) in € bn.	Funding Gap[2]	Gap Closure[3]	Net Liquidity Position[4]	Funding Gap[2]	Gap Closure[3]	Net Liquidity Position[4]
Systemic market risk	64	204	141	71	218	147
Emerging markets	10	190	180	14	190	176
1 notch downgrade (DB specific)	43	195	152	51	200	148
Severe downgrade (DB specific)	178	224	46	188	240	53
Combined[4]	206	242	36	218	264	46

1 Funding gap caused by impaired rollover of liabilities and other projected outflows.
2 Based on liquidity generation through Liquidity Reserves and other countermeasures.
3 All scenarios showing 8 week point.
4 Combined impact of systemic market risk and severe downgrade.

Global USD Monthly Stress Testing Results

(unaudited) in € bn.	December 31, 2016			December 31, 2015		
	Funding Gap(1)	Gap Closure(2)	Net Liquidity Position(3)	Funding Gap(1)	Gap Closure(2)	Net Liquidity Position(3)
Combined(4)	94	164	69	102	163	61

1 Funding gap caused by impaired rollover of liabilities and other projected outflows.
2 Based on liquidity generation through Liquidity Reserves and other countermeasures.
3 All scenarios showing 8 week point.
4 Combined impact of systemic market risk and severe downgrade.

Global GBP Monthly Stress Testing Results

(unaudited) in € bn.	December 31, 2016			December 31, 2015		
	Funding Gap(1)	Gap Closure(2)	Net Liquidity Position(3)	Funding Gap(1)	Gap Closure(2)	Net Liquidity Position(3)
Combined(4)	10	20	10	10	32	22

1 Funding gap caused by impaired rollover of liabilities and other projected outflows.
2 Based on liquidity generation through liquidity reserves and other countermeasures.
3 All scenarios showing 8 week point.
4 Combined impact of systemic market risk and severe downgrade.

The following table presents the amount of additional collateral required in the event of a one- or two-notch downgrade by rating agencies for all currencies.

Additional Contractual Obligations

(unaudited) in € m.	December 31, 2016		December 31, 2015	
	One-notch downgrade	Two-notch downgrade	One-notch downgrade	Two-notch downgrade
Contractual derivatives funding or margin requirements	1,470	1,982	4,332	6,472
Other contractual funding or margin requirements	317	1,459	317	1,459

13.10.6.1 Asset Encumbrance

This section refers to asset encumbrance in the group of institutions consolidated for banking regulatory purposes pursuant to the German Banking Act. Thereunder not included are insurance companies or companies outside the finance sector. Assets pledged by Deutsche Bank's insurance subsidiaries are included in Note 23 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section *"23. Financial Statements"* of this Prospectus, and restricted assets held to satisfy obligations to insurance companies' policy holders are included within Note 40 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section *"23. Financial Statements"* of this Prospectus.

Encumbered assets primarily comprise those on- and off-balance sheet assets that are pledged as collateral against secured funding, collateral swaps, and other collateralized obligations. Additionally, in line with the EBA technical standards on regulatory asset encumbrance reporting, Deutsche Bank considers assets placed with settlement systems, including default funds and initial margins as encumbered, as well as other assets pledged which cannot be freely withdrawn such as mandatory minimum reserves at central banks. Deutsche Bank also includes derivative margin receivable assets as encumbered under these EBA guidelines.

Readily available assets are those on- and off-balance sheet assets that are not otherwise encumbered, and which are in freely transferrable form. Unencumbered financial assets at fair value, other than securities borrowed or purchased under resale agreements and positive market value from derivatives, and available for sale investments are all assumed to be readily available.

The readily available value represents the current balance sheet carrying value rather than any form of stressed liquidity value (see section "*13.10.3 Liquidity Reserves*" for an analysis of unencumbered liquid assets available under a liquidity stress scenario). Other unencumbered on- and off-balance sheet assets are those assets that have not been pledged as collateral against secured funding or other collateralized

obligations, or are otherwise not considered to be ready available. Included in this category are securities borrowed or purchased under resale agreements and positive market value from derivatives. Similarly, for loans and other advances to customers, these would only be viewed as readily available to the extent they are already in a pre-packaged transferrable format, and have not already been used to generate funding. This represents the most conservative view given that an element of such loans currently shown in other could be packaged into a format that would be suitable for use to generate funding.

Encumbered and unencumbered assets

	December 31, 2016			
	Carrying value			
			Unencumbered assets	
(unaudited) in € bn. *(unless stated otherwise)*	Assets	Encumbered assets	Readily available	Other
Debt securities	151	57	94	0
Equity instruments	75	42	33	0
Other assets:				
Cash and due from banks & Interest earning deposits with Banks	191	12	179	0
Securities borrowed or purchased under resale agreements[1]	36	0	0	36
Financial assets at fair value through profit and loss[2]				
Trading assets	14	0	14	0
Positive market value from derivative financial instruments	488	0	0	488
Securities borrowed or purchased under resale agreements[1]	69	0	0	69
Other financial assets at fair value through profit or loss	7	0	7	0
Financial assets available for sale[2]	3	0	3	0
Loans	419	72	17	329
Other assets	139	55	0	84
Total	**1,591**	**239**	**347**	**1,005**

1 Securities borrowed and securities purchased under resale agreements are all shown as other unencumbered. The use of the underlying collateral is separately captured in the off-balance sheet table below.
2 Excludes Debt securities and Equity instruments (separately disclosed above).

	December 31, 2016			
	Fair value of collateral received			
			Unencumbered assets	
(unaudited) in € bn. *(unless stated otherwise)*	Assets	Encumbered assets	Readily available	Other
Collateral received:	260	218	43	0
Debt securities	196	155	41	0
Equity instruments	64	63	2	0
Other collateral received	0	0	0	0

(unaudited) in € bn. *(unless stated otherwise)*	December 31, 2015 Carrying value Assets	 Encumbered assets	 Unencumbered assets Readily available	 Other
Debt securities	215	74	141	0
Equity instruments	76	49	28	0
Other assets:				
Cash and due from banks & Interest earning deposits with Banks	107	11	96	0
Securities borrowed or purchased under resale agreements[1]	56	0	0	56
Financial assets at fair value through profit and loss[2]				
Trading assets	17	0	17	0
Positive market value from derivative financial instruments	518	0	0	518
Securities borrowed or purchased under resale agreements[1]	73	0	0	73
Other financial assets at fair value through profit or loss	12	0	12	0
Financial assets available for sale[2]	3	0	3	0
Loans	424	45	11	368
Other assets	132	59	0	74
Total	**1,632**	**238**	**307**	**1,087**

1 Securities borrowed and securities purchased under resale agreements are all shown as other unencumbered. The use of the underlying collateral is separately captured in the off-balance sheet table below.

2 Excludes Debt securities and Equity instruments (separately disclosed above).

(unaudited) in € bn. *(unless stated otherwise)*	December 31, 2015 Fair value of collateral received Assets	 Encumbered assets	 Unencumbered assets Readily available	 Other
Collateral received:	285	238	46	1
Debt securities	197	152	45	0
Equity instruments	87	86	1	0
Other collateral received	1	0	0	1

The above tables set out a breakdown of on- and off-balance sheet items, broken down between encumbered, readily available and other. Any securities borrowed or purchased under resale agreements are shown based on the fair value of collateral received.

The above tables of encumbered assets include assets that are not encumbered at an individual entity level, but which may be subject to restrictions in terms of their transferability within the group. Such restrictions may be due to local connected lending requirements or similar regulatory restrictions. In this situation it is not feasible to identify individual balance sheet items that cannot be transferred.

13.10.6.2 Maturity Analysis of Assets and Financial Liabilities

Treasury manages the maturity analysis of assets and liabilities. Modelling of assets and liabilities is necessary in cases where the contractual maturity does not adequately reflect the liquidity risk position. The most significant example in this context would be immediately repayable deposits from retail and transaction banking customers which have consistently displayed high stability throughout even the most severe financial crises.

The modelling profiles are part of the overall liquidity risk management framework (which is defined and approved by the Management Board.

The following tables present a maturity analysis of Deutsche Bank's total assets based on carrying value and upon earliest legally exercisable maturity as of December 31, 2016 and 2015, respectively.

Analysis of the earliest contractual maturity of assets

(unaudited, unless stated otherwise) in € m.	December 31, 2016									
	On demand (incl. Overnight and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Cash and central bank balances	177,648	539	131	121	334	2,591	0	0	0	181,364[1]
Interbank balances (w/o central banks)	5,841	3,578	596	83	65	834	115	26	469	11,606[1]
Central bank funds sold	0	0	0	0	0	0	0	0	0	0
Securities purchased under resale agreements	631	4,204	5,852	3,170	1,368	532	449	15	67	16,287[1]
With banks	604	2,534	5,026	2,077	1,217	461	0	0	0	11,918
With customers	27	1,670	826	1,093	152	71	449	15	67	4,370
Securities borrowed	19,548	532	0	0	0	0	0	0	0	20,081[1]
With banks	2,459	52	0	0	0	0	0	0	0	2,511
With customers	17,089	480	0	0	0	0	0	0	0	17,570
Financial assets at fair value through profit or loss – trading	677,696	33,314	9,577	1,752	776	1,983	2,995	2,803	12,884	743,781[1]
Trading assets	171,044	0	0	0	0	0	0	0	0	171,044[1]
Fixed-income securities and loans	94,486	0	0	0	0	0	0	0	0	94,486
Equities and other variable-income securities	75,633	0	0	0	0	0	0	0	0	75,633
Other trading assets	924	0	0	0	0	0	0	0	0	924
Positive market values from derivative financial instruments	485,150	0	0	0	0	0	0	0	0	485,150
Financial assets designated at fair value through profit or loss	21,502	33,314	9,577	1,752	776	1,983	2,995	2,803	12,884	87,587[1]
Securities purchased under resale agreements	7,154	28,691	6,810	914	110	1,256	995	608	866	47,404[1]
Securities borrowed	14,227	4,561	2,348	0	0	0	0	0	0	21,136[1]
Fixed-income securities and loans	120	62	419	838	666	232	1,992	2,195	11,399	17,923
Equities and other variable-income securities	0	0	0	0	0	146	0	0	590	736
Other financial assets designated at fair value through profit or loss	1	0	0	0	0	350	7	0	29	387
Positive market values from derivative financial instruments qualifying for hedge accounting	0	61	201	39	52	30	257	1,030	1,846	3,516[1]
Financial assets available for sale	471	1,154	2,344	1,031	1,915	2,298	9,210	18,778	19,028	56,228[1]
Fixed-income securities and loans	251	1,008	2,341	1,031	1,915	1,334	9,210	18,733	18,452	54,275[1]
Equities and other variable-income securities	219	146	3	0	0	964	0	45	575	1,953[1]
Loans	18,364	23,666	26,185	29,223	9,128	9,107	28,787	66,383	198,067	408,909[1]
To banks	937	1,978	3,043	2,425	650	641	1,529	1,298	775	13,276
To customers	17,427	21,688	23,142	26,798	8,477	8,467	27,258	65,085	197,292	395,633
Retail	6,446	3,872	5,436	2,397	1,630	2,055	5,634	17,450	157,616	202,536
Corporates and other customers	10,980	17,816	17,706	24,401	6,847	6,412	21,624	47,635	39,676	193,097
Securities held to maturity	0	0	0	0	0	0	0	1,515	1,691	3,206
Other financial assets	104,400	475	1,052	221	240	135	58	671	2,878	110,131
Total financial assets	**1,004,599**	**67,523**	**45,937**	**35,640**	**13,878**	**17,510**	**41,870**	**91,221**	**236,931**	**1,555,109**
Other assets	23,492	0	0	0	0	0	0	0	11,944	35,437
Total assets	**1,028,091**	**67,523**	**45,937**	**35,640**	**13,878**	**17,510**	**41,870**	**91,221**	**248,875**	**1,590,546**[1]

1 Audited.

Analysis of the earliest contractual maturity of assets

(unaudited, unless stated otherwise) in € m.	December 31, 2015 On demand (incl. Overnight and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Cash and central bank balances	94,290	337	0	0	0	2,313	0	0	0	96,940[1]
Interbank balances (w/o central banks)	7,703	2,115	434	341	1	2,025	83	100	40	12,842[1]
Central bank funds sold	0	0	0	0	0	0	0	0	0	0
Securities purchased under resale agreements	450	8,293	5,530	4,539	1,861	568	888	328	0	22,456[1]
With banks	426	7,050	5,091	3,648	1,601	311	647	0	0	18,773
With customers	24	1,243	440	890	260	258	241	328	0	3,683
Securities borrowed	30,335	3,221	0	0	0	0	0	1	0	33,557[1]
With banks	3,462	159	0	0	0	0	0	0	0	3,622
With customers	26,873	3,062	0	0	0	0	0	1	0	29,935
Financial assets at fair value through profit or loss – trading	735,748	35,190	6,176	3,652	1,318	1,298	5,173	6,599	25,727	820,883[1]
Trading assets	196,035	0	0	0	0	0	0	0	0	196,035[1]
Fixed-income securities and loans	118,671	0	0	0	0	0	0	0	0	118,671
Equities and other variable-income securities	76,044	0	0	0	0	0	0	0	0	76,044
Other trading assets	1,320	0	0	0	0	0	0	0	0	1,320
Positive market values from derivative financial instruments	515,594	0	0	0	0	0	0	0	0	515,594[1]
Financial assets designated at fair value through profit or loss	24,119	35,190	6,176	3,652	1,318	1,298	5,173	6,599	25,727	109,253[1]
Securities purchased under resale agreements	6,139	31,257	5,449	2,344	503	341	1,690	2,384	965	51,073[1]
Securities borrowed	17,898	3,544	47	0	0	0	0	0	0	21,489[1]
Fixed-income securities and loans	79	376	656	1,303	791	448	3,483	4,214	14,532	25,883
Equities and other variable-income securities	0	4	0	0	0	155	0	0	10,230	10,389
Other financial assets designated at fair value through profit or loss	2	9	24	5	24	354	0	1	0	419
Positive market values from derivative financial instruments qualifying for hedge accounting	0	9	71	75	139	58	142	716	1,925	3,136[1]
Financial assets available for sale	18	966	1,941	1,543	893	1,998	8,832	22,880	34,513	73,583[1]
Fixed-income securities and loans	6	481	1,937	1,543	893	952	8,815	22,869	33,873	71,368[1]
Equities and other variable-income securities	12	485	3	0	0	1,046	17	12	640	2,215[1]
Loans	20,375	31,464	27,851	30,337	9,142	11,313	24,272	71,890	201,104	427,749[1]
To banks	543	2,137	3,829	1,858	1,703	870	726	1,592	926	14,183
To customers	19,832	29,327	24,022	28,480	7,439	10,442	23,546	70,299	200,177	413,565
Retail	5,363	6,048	6,102	3,065	2,536	2,874	6,743	18,787	149,127	200,646
Corporates and other customers	14,470	23,279	17,920	25,415	4,903	7,568	16,803	51,512	51,050	212,919
Other financial assets	94,078	932	1,479	564	254	1,003	115	62	66	98,555
Total financial assets	**982,997**	**82,528**	**43,483**	**41,051**	**13,608**	**20,577**	**39,505**	**102,576**	**263,374**	**1,589,700**
Other assets	26,341	0	0	0	0	0	0	0	13,089	39,430
Total assets	**1,009,338**	**82,528**	**43,483**	**41,051**	**13,608**	**20,577**	**39,505**	**102,576**	**276,463**	**1,629,130**[1]

1 Audited.

The following tables present a maturity analysis of Deutsche Bank's total liabilities based on carrying value and upon earliest legally exercisable maturity as of December 31, 2016 and 2015, respectively.

Analysis of the earliest contractual maturity of liabilities

	December 31, 2016									
(unaudited, unless stated otherwise) in € m.	On demand (incl. Over-night and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Deposits	329,776	36,590	110,606	17,562	15,756	12,595	8,532	8,041	10,746	550,204[1]
Due to banks	64,438	9,602	13,129	2,279	6,175	4,220	1,885	5,372	8,993	116,094
Due to customers	265,337	26,988	97,477	15,283	9,581	8,375	6,647	2,669	1,752	434,110
Retail	109,943	10,761	75,517	3,191	1,744	902	785	911	279	204,033
Corporates and other customers	155,395	16,227	21,960	12,093	7,837	7,472	5,862	1,758	1,473	230,077
Trading liabilities	520,887	0	0	0	0	0	0	0	0	520,887[1]
Trading securities	56,592	0	0	0	0	0	0	0	0	56,592
Other trading liabilities	437	0	0	0	0	0	0	0	0	437
Negative market values from derivative financial instruments	463,858	0	0	0	0	0	0	0	0	463,858[1]
Financial liabilities designed at fair value through profit or loss (without loan commitments and financial guarantees)	1,992	38,633	8,123	2,212	744	3,745	1,031	1,004	2,969	60,452
Securities sold under repurchase agreements	1,587	36,128	7,584	1,791	2	2,739	566	0	0	50,397[1]
Long-term debt	201	73	329	384	640	859	398	949	2,640	6,473
Other financial liabilities designated at fair value through profit or loss	203	2,432	210	37	102	147	68	55	329	3,582
Investment contract liabilities	0	0	0	0	0	592	0	0	0	592[1]
Negative market values from derivative financial instruments qualifying for hedge accounting	0	249	324	194	312	231	943	1,484	856	4,593[1]
Central bank funds purchased	353	0	0	0	0	0	0	0	0	353
Securities sold under repurchase agreements	19,957	1,510	844	1,191	0	1,178	434	271	0	25,387
Due to banks	14,934	1,510	844	1,191	0	1,178	292	271	0	20,222
Due to customers	5,023	0	0	0	0	0	142	0	0	5,165[1]
Securities loaned	3,587	10	1	0	0	0	0	0	0	3,598
Due to banks	1,488	4	0	0	0	0	0	0	0	1,492
Due to customers	2,099	6	1	0	0	0	0	0	0	2,106
Other short term borrowings	13,216	921	1,073	265	1,292	529	0	0	0	17,295[1]
Long-term debt	0	1,037	5,275	8,143	10,113	4,190	43,315	56,444	43,799	172,316[1]
Debt securities – senior	0	989	5,085	7,476	9,772	3,534	13,284	51,704	30,162	122,006
Debt securities – subordinated	0	0	0	0	0	231	140	1,124	5,293	6,788
Other long-term debt – senior	0	43	190	582	284	384	29,507	3,496	8,063	42,549
Other long-term debt – subordinated	0	5	0	85	56	42	384	120	281	974
Trust Preferred Securities	0	0	0	730	1,054	413	4,176	0	0	6,373[1]
Other financial liabilities	128,398	976	1,665	221	201	161	295	112	3,246	135,274
Total financial liabilities	**1,018,165**	**79,926**	**127,911**	**30,518**	**29,473**	**23,635**	**58,726**	**67,356**	**61,616**	**1,497,325**
Other liabilities	28,362	0	0	0	0	0	0	0	0	28,362
Total equity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**64,819**	**64,819**[1]
Total liabilities and equity	**1,046,527**	**79,926**	**127,911**	**30,518**	**29,473**	**23,635**	**58,726**	**67,356**	**126,435**	**1,590,506**
Off-balance sheet commitments given	6,061	9,569	8,896	13,765	8,708	14,794	30,609	98,024	27,978	218,404[1]
Banks	305	688	1,501	1,671	602	587	1,185	958	192	7,688
Retail	253	124	95	226	283	387	757	538	8,875	11,540
Corporates and other customers	5,503	8,757	7,300	11,868	7,823	13,820	28,667	96,528	18,911	199,176

1 Audited.

Analysis of the earliest contractual maturity of liabilities

(unaudited, unless stated otherwise) in € m.	December 31, 2015									
	On demand (incl. Overnight and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Deposits	345,569	37,777	117,943	21,500	10,169	8,600	7,356	6,935	11,126	566,974[1]
Due to banks	72,304	5,131	15,770	5,884	1,616	2,106	2,188	5,214	8,852	119,065
Due to customers	273,265	32,646	102,173	15,616	8,552	6,494	5,168	1,721	2,273	447,909
Retail	113,016	13,588	80,124	3,270	2,131	1,805	2,524	642	220	217,321
Corporates and other customers	160,249	19,058	22,049	12,346	6,422	4,689	2,644	1,079	2,053	230,588
Trading liabilities	546,381	0	0	0	0	0	0	0	0	546,381[1]
Trading securities	51,327	0	0	0	0	0	0	0	0	51,327
Other trading liabilities	977	0	0	0	0	0	0	0	0	977
Negative market values from derivative financial instruments	494,076	0	0	0	0	0	0	0	0	494,076[1]
Financial liabilities designed at fair value through profit or loss (without loan commitments and financial guarantees)	18,423	4,725	1,569	1,760	1,240	10,069	1,809	1,652	3,526	44,773
Securities sold under repurchase agreements	17,600	2,712	690	1,172	140	9,322	0	0	0	31,637[1]
Long-term debt	269	47	342	426	879	513	1,669	1,384	3,183	8,710
Other financial liabilities designated at fair value through profit or loss	554	1,966	537	162	221	233	141	268	343	4,425
Investment contract liabilities	0	35	70	70	70	734	108	1,593	5,843	8,522[1]
Negative market values from derivative financial instruments qualifying for hedge accounting	0	43	513	414	203	301	278	1,630	2,983	6,365[1]
Central bank funds purchased	574	0	0	0	0	0	0	0	0	574
Securities sold under repurchase agreements	7,492	1,567	53	117	0	0	0	0	0	9,229
Due to banks	2,757	1,554	53	117	0	0	0	0	0	4,481
Due to customers	4,734	13	0	0	0	0	0	0	0	4,747
Securities loaned	2,846	10	1	0	0	0	0	0	414	3,270[1]
Due to banks	290	6	0	0	0	0	0	0	0	295
Due to customers	2,556	5	1	0	0	0	0	0	414	2,975
Other short term borrowings	17,776	1,311	2,052	2,666	3,006	1,199	0	0	0	28,010[1]
Long-term debt	0	3,327	8,638	6,923	4,251	2,990	39,801	45,435	48,652	160,016[1]
Debt securities – senior	0	3,184	8,444	5,815	3,782	2,631	24,701	40,061	36,599	125,217
Debt securities – subordinated	0	0	0	619	150	100	0	1,314	4,231	6,414
Other long-term debt – senior	0	143	194	247	173	162	14,978	3,575	7,502	26,973
Other long-term debt – subordinated	0	0	0	243	146	97	121	486	319	1,412
Trust Preferred Securities	0	733	0	262	0	0	735	4,373	918	7,020[1]
Other financial liabilities	146,678	931	2,859	198	83	170	340	14	36	151,309
Total financial liabilities	**1,085,739**	**50,458**	**133,696**	**33,911**	**19,023**	**24,063**	**50,426**	**61,633**	**73,496**	**1,532,443**
Other liabilities	28,984	0	0	0	0	0	0	0	0	28,984
Total equity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**67,624**	**67,624**[1]
Total liabilities and equity	**1,114,722**	**50,458**	**133,696**	**33,911**	**19,023**	**24,063**	**50,426**	**61,633**	**141,120**	**1,629,051**
Off-balance sheet commitments given	6,433	9,833	8,772	17,963	10,036	14,221	29,240	107,376	27,999	231,874[1]
Banks	425	406	1,405	2,354	1,301	1,059	1,512	1,213	177	9,852
Retail	231	166	103	687	678	945	2,272	1,605	7,272	13,958
Corporates and other customers	5,778	9,261	7,265	14,923	8,057	12,218	25,456	104,559	20,549	208,063

1 Audited.

14. SELECTED BANK STATISTICAL AND OTHER DATA

The tables below set forth selected statistical information of Deutsche Bank Group. The information is unaudited unless indicated otherwise.

14.1 Financial Condition

The following table presents the Group's average balance sheet and net interest income for the periods specified. The average balances are calculated in general based upon month-end balances.

Average balance sheet and interest and similar income

(unaudited) in € m. (unless stated otherwise)	2016			2015			2014		
	Average balance	Interest	Average yield/ rate	Average balance	Interest	Average yield/ rate	Average balance	Interest	Average yield/ rate
Assets:[1]									
Interest-earning deposits with banks:[2]									
In German offices[3]	35,145	(55)	(0.16)%	12,007	(17)	(0.14) %	9,360	34	0.36 %
In Non-German offices[3]	81,139	613	0.76%	57,377	516	0.90 %	79,336	649	0.82 %
Total interest-earning deposits with banks	**116,284**	**558**	**0.48%**	**69,384**	**499**	**0.72 %**	**88,696**	**683**	**0.77 %**
Central bank funds sold and securities purchased under resale agreements:[2]									
In German offices	10,701	(28)	(0.26)%	8,713	(9)	(0.10) %	14,502	39	0.27 %
In Non-German offices	10,995	349	3.17%	16,125	386	2.39 %	13,243	369	2.79 %
Total central bank funds sold and securities purchased under resale agreements	**21,697**	**321**	**1.48%**	**24,838**	**377**	**1.52 %**	**27,745**	**408**	**1.47 %**
Securities borrowed:[2]									
In German offices	116	0	(0.20)%	116	0	(0.19) %	154	0	0.00 %
In Non-German offices	29,415	(202)	(0.69)%	31,494	(368)	(1.17) %	24,563	(313)	(1.27) %
Total securities borrowed	**29,531**	**(202)**	**(0.69)%**	**31,610**	**(368)**	**(1.17) %**	**24,717**	**(313)**	**(1.27) %**
Interest-earning financial assets at fair value through profit or loss:									
In German offices	19,595	432	2.21%	23,907	630	2.64 %	29,780	633	2.13 %
In Non-German offices	273,047	8,834	3.24%	302,528	9,866	3.26 %	365,298	9,172	2.51 %
Total interest-earning financial assets at fair value through profit or loss	**292,642**	**9,266**	**3.17%**	**326,435**	**10,496**	**3.22 %**	**395,078**	**9,805**	**2.48 %**
Financial assets available for sale:									
In German offices	18,928	247	1.31%	21,820	367	1.68 %	21,043	551	2.62 %
In Non-German offices	50,523	1,271	2.52%	49,708	1,225	2.46 %	34,448	886	2.57 %
Total financial assets available for sale	**69,450**	**1,518**	**2.19%**	**71,528**	**1,592**	**2.23 %**	**55,491**	**1,437**	**2.59 %**
Loans:[4]									
In German offices	215,512	6,200	2.88%	216,398	6,448	2.98 %	216,371	6,546	3.03 %
In Non-German offices	212,204	6,109	2.88%	212,904	5,771	2.71 %	176,676	5,274	2.98 %
Total loans	**427,716**	**12,309**	**2.88%**	**429,302**	**12,219**	**2.85 %**	**393,047**	**11,820**	**3.01 %**
Securities held to maturity:									
In German offices	0	0	0.00%	0	0	0.00 %	0	0	0.00 %
In Non-German offices	2,977	67	2.20%	0	0	0.00 %	0	0	0.00 %
Total securities held to maturity	**2,977**	**67**	**2.20%**	**0**	**0**	**0.00 %**	**0**	**0**	**0.00 %**
Total other interest-earning assets	72,876	862	1.18%	78,730	1,152	1.46 %	56,134	1,161	2.07 %
Total interest-earning assets	**1,033,172**	**24,699**	**2.39%**	**1,031,827**	**25,967**	**2.52 %**	**1,040,908**	**25,001**	**2.40 %**
Cash and due from banks	22,865			22,513			18,111		
Noninterest-earning financial assets at fair value through profit or loss:									
In German offices	276,265			298,011			258,290		
In Non-German offices	289,788			328,502			278,504		
All other assets	109,091			114,036			133,972		
Allowance for credit losses	(4,639)			(5,115)			(5,288)		
Total assets	**1,726,541**			**1,789,774**			**1,724,497**		
% of assets attributable to Non-German offices	65 %			67 %			66 %		

1 The allocation of the assets and liabilities between German and Non-German offices is based on the location of the entity which carries the respective asset or liability.

2 Negative interest for the following positions: Figures for the interest-earning positions are based on the same accounting method as prior period (the positive/negative interest income has a net effect under each product), however, it will not match with the presentation of interest income in the income statement as well as in Note 5 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, contained in section "*23. Financial Statements*" of this Prospectus, due to the fact that the negative interest income has been taken into account under 'Other interest expenses'.

3 Interest-earning deposits with banks include interest earning deposits with central bank and interest earning deposits w/o central bank.

4 Categories of loans include impaired loans.

Average balance sheet and interest expense

(unaudited) in € m. (unless stated otherwise)	2016 Average balance	 Interest	 Average yield/rate	2015 Average balance	 Interest	 Average yield/ rate	2014 Average balance	 Interest	 Average yield/rate
Liabilities and equity:[1]									
Interest-bearing deposits:[2]									
In German offices:									
Time deposits	68,924	379	0.55%	68,412	370	0.54 %	52,004	411	0.79 %
Savings deposits	91,328	591	0.65%	98,372	866	0.88 %	100,555	928	0.92 %
Demand deposits	40,619	53	0.13%	42,156	34	0.08 %	38,963	74	0.19 %
Total in German offices	200,871	1,023	0.51%	208,940	1,270	0.60 %	191,522	1,413	0.74 %
In Non-German offices:									
Time deposits	55,809	1,196	2.14%	60,913	1,102	1.81 %	77,660	998	1.29 %
Savings deposits	1,939	15	0.78%	4,565	22	0.47 %	2,723	23	0.85 %
Demand deposits	107,687	331	0.31%	114,640	370	0.32 %	101,883	776	0.76 %
Total in Non-German offices	165,436	1,542	0.93%	180,118	1,494	0.83 %	182,266	1,797	0.99 %
Total interest-bearing deposits	**366,306**	**2,565**	**0.70%**	**389,058**	**2,764**	**0.71 %**	**373,788**	**3,210**	**0.86 %**
Central bank funds purchased and securities sold under repurchase agreements:[3]									
In German offices	772	(15)	(1.94)%	59	(11)	(18.37) %	185	8	4.02 %
In Non-German offices	18,367	245	1.34%	10,482	164	1.56 %	24,381	152	0.62 %
Total central bank funds purchased and securities sold under repurchase agreements	**19,140**	**230**	**1.20%**	**10,541**	**153**	**1.45 %**	**24,566**	**160**	**0.65 %**
Securities loaned:[3]									
In German offices	5	0	(0.11)%	9	0	(0.17) %	21	0	(1.52) %
In Non-German offices	4,117	(32)	(0.77)%	3,006	(45)	(1.50) %	3,813	(157)	(4.10) %
Total securities loaned	**4,122**	**(32)**	**(0.77)%**	**3,015**	**(45)**	**(1.50) %**	**3,834**	**(157)**	**(4.09) %**
Interest-bearing financial liabilities at fair value through profit or loss:									
In German offices	10,953	150	1.37%	8,197	134	1.63 %	13,714	259	1.89 %
In Non-German offices	116,157	4,471	3.85%	96,594	4,400	4.56 %	150,011	4,005	2.67 %
Total interest-bearing financial liabilities at fair value through profit or loss	**127,110**	**4,621**	**3.64%**	**104,791**	**4,534**	**4.33 %**	**163,725**	**4,264**	**2.60 %**
Other short-term borrowings:									
In German offices	483	14	2.87%	547	9	1.66 %	1,077	15	1.41 %
In Non-German offices	23,557	165	0.70%	33,778	220	0.65 %	53,003	199	0.38 %
Total other short-term borrowings	**24,040**	**179**	**0.74%**	**34,325**	**229**	**0.67 %**	**54,080**	**214**	**0.40 %**
Long-term debt and trust preferred securities:[3]									
In German offices	102,711	1,177	1.15%	89,180	771	0.87 %	74,490	1,190	1.60 %
In Non-German offices	64,418	1,018	1.58%	76,469	1,277	1.67 %	75,680	1,477	1.95 %
Total long-term debt and trust preferred securities	**167,129**	**2,195**	**1.31%**	**165,649**	**2,048**	**1.24 %**	**150,170**	**2,667**	**1.78 %**
Total other interest-bearing liabilities[3]	**104,731**	**233**	**0.22%**	**109,414**	**403**	**0.37 %**	**84,942**	**371**	**0.44 %**
Total interest-bearing liabilities	**812,578**	**9,992**	**1.23%**	**816,793**	**10,086**	**1.24 %**	**855,105**	**10,729**	**1.25 %**
Noninterest-bearing deposits:									
In German offices	154,529			144,976			129,720		
In Non-German offices	35,853			34,960			31,246		
Noninterest-bearing financial liabilities at fair value through profit or loss:									
In German offices	240,873			265,922			233,796		
In Non-German offices	303,015			338,378			282,043		
All other noninterest-bearing liabilities	112,658			114,742			128,605		
Total shareholders' equity	**62,082**			**69,055**			**61,410**		
Additional equity components	**4,673**			**4,667**			**2,308**		
Noncontrolling interests	**280**			**281**			**264**		
Total equity	**67,036**			**74,003**			**63,982**		
Total liabilities and equity	**1,726,541**			**1,789,774**			**1,724,497**		
% of liabilities attributable to Non-German offices[1]	56 %			57 %			60 %		
Rate spread	1.16 %			1.28 %			1.14 %		
Net interest margin (Net interest income to total interest-earning assets):									
In German offices	1.48 %			1.85 %			1.64 %		
In Non-German offices	1.40 %			1.42 %			1.26 %		
Total	**1.42 %**			**1.54 %**			**1.37 %**		

1 The allocation of the assets and liabilities between German and Non-German offices is based on the location of the entity which carries the respective asset or liability.

2 Interest-bearing deposits figures for Non-German offices adjusted for 2015 and 2014 to reflect the time deposits, saving deposits and demand deposits.

3 Negative interest for following positions: Figures for the interest-bearing positions are based on the same accounting method as prior period (the positive/negative interest expense has a net effect under each product), however, it will not match with the presentation of interest expenses in the income statement as well as in Note 5 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, contained in section "*23. Financial Statements*" of this Prospectus, due to the fact that the negative interest expense has been taken into account under 'Other interest income'.

The following table presents an analysis of changes in interest and similar income and interest expense between the periods specified.

(unaudited) in € m.	2016 over 2015 due to changes in[1]			2015 over 2014 due to changes in[1]		
	Net change	Volume	Rate	Net change	Volume	Rate
Interest and similar income:						
Interest-earning deposits with banks:						
German offices	(38)	(36)	(2)	(50)	7	(58)
Non-German offices	97	189	(92)	(132)	(193)	61
Total interest-earning deposits with banks	**59**	**153**	**(94)**	(182)	(186)	**3**
Central bank funds sold and securities purchased under resale agreements:						
German offices	(19)	(2)	(16)	(48)	(11)	(37)
Non-German offices	(37)	(143)	106	16	74	(57)
Total central bank funds sold and securities purchased under resale agreements	**(56)**	**(145)**	**90**	(32)	**63**	(94)
Securities borrowed:						
German offices	0	0	0	0	0	0
Non-German offices	166	23	143	(55)	(83)	27
Total securities borrowed	**166**	**23**	**143**	(55)	(83)	**27**
Financial assets at fair value through profit or loss:						
German offices	(198)	(104)	(94)	(3)	(138)	136
Non-German offices	(1,032)	(954)	(78)	695	(1,748)	2,442
Total financial assets at fair value through profit or loss	**(1,230)**	**(1,058)**	**(172)**	**692**	(1,886)	**2,578**
Financial assets available for sale:						
German offices	(120)	(45)	(76)	(183)	20	(203)
Non-German offices	46	21	26	338	377	(39)
Total financial assets available for sale	**(74)**	**(24)**	**(50)**	**155**	**397**	(242)
Loans:						
German offices	(248)	(26)	(222)	(98)	1	(99)
Non-German offices	338	(20)	357	497	1,013	(515)
Total loans	**90**	**(46)**	**135**	**399**	**1,014**	(614)
Securities held to maturity:						
German offices	0	0	0	0	0	0
Non- German offices	0	0	0	0	0	0
Total securities held to maturity	**0**	**0**	**0**	**0**	**0**	**0**
Other interest-earning assets	**(289)**	**(81)**	**(208)**	(10)	**388**	(398)
Total interest and similar income	**(1,334)**	**(1,178)**	**(156)**	**967**	(293)	**1,260**
Interest expense:						
Interest-bearing deposits:						
German offices	(248)	(48)	(200)	(143)	121	(263)
Non-German offices	49	(128)	176	(303)	(21)	(283)
Total interest-bearing deposits	**(199)**	**(176)**	**(24)**	(446)	**100**	(546)
Central bank funds purchased and securities sold under repurchase agreements:						
German offices	(4)	(22)	18	(18)	(2)	(16)
Non-German offices	82	108	(27)	12	(123)	134
Total central bank funds purchased and securities sold under repurchase agreements	**77**	**86**	**(9)**	**(6)**	**(125)**	**118**
Securities loaned:						
German offices	0	0	0	0	0	0
Non-German offices	13	(13)	26	111	28	83
Total securities loaned	**13**	**(13)**	**26**	**111**	**28**	**83**
Financial liabilities at fair value through profit or loss:						
German offices	16	40	(24)	(126)	(94)	(32)
Non-German offices	71	813	(742)	396	(1,764)	2,159
Total financial liabilities at fair value through profit or loss	**87**	**853**	**(766)**	**270**	(1,858)	**2,127**
Other short-term borrowings:						
German offices	5	(1)	6	(6)	(8)	2
Non-German offices	(55)	(59)	4	21	(86)	106
Total other short-term borrowings	**(50)**	**(60)**	**10**	**15**	(94)	**108**
Long-term debt and trust preferred securities:						
German offices	406	129	277	(418)	203	(620)
Non-German offices	(259)	(193)	(66)	(201)	15	(216)
Total long-term debt and trust preferred securities	**147**	**(64)**	**211**	(619)	**218**	(836)
Other interest-bearing liabilities	**(169)**	**(17)**	**(152)**	**32**	**97**	(63)
Total interest expense	**(94)**	**610**	**(704)**	(643)	(1,634)	**991**
Net change in net interest income	**(1,240)**	**(1,788)**	**548**	**1,610**	**1,341**	**269**

1 Changes due to combination of volume and rate are allocated proportionally.

14.2 Investment Portfolio (Securities Available for Sale)

The fair values of the Group's investment portfolio as of December 31, 2016, 2015 and 2014 were as follows.

in € m.	December 31 2016	2015	2014
		(audited)	
Debt securities:			
German government	9,405	18,042	14,370
U.S. Treasury and U.S. government agencies	7,652	2,890	235
U.S. local (municipal) governments	3,261	3,103	2,777
Other foreign governments	23,779	34,123	31,805
Corporates	6,849	8,922	8,512
Other asset-backed securities	84	588	646
Mortgage-backed securities, including obligations of U.S. federal agencies	17	28	236
Other debt securities	470	570	551
Total debt securities	**51,516**	**68,266**	**59,132**
Equity securities:			
Equity shares	1,027	1,166	1,184
Investment certificates and mutual funds	122	75	99
Total equity securities	**1,149**	**1,241**	**1,283**
Total	**52,665**	**69,507**	**60,415**

The fair value, amortized cost and gross unrealized holding gains and losses for the Group's securities available for sale as of December 31, 2016 were as follows.

December 31, 2016 *(unaudited, unless stated otherwise)* in € m.	**Fair value[1]**	**Gross unrealized holding Gains**	**Losses**	**Amortized cost**
Debt securities:				
German government	9,405	139	54	9,320
U.S. Treasury and U.S. government agencies	7,652	4	119	7,767
U.S. local (municipal) governments	3,261	390	295	3,166
Other foreign governments	23,779	428	87	23,438
Corporates	6,849	153	(2)	6,694
Other asset-backed securities	84	0	2	86
Mortgage-backed securities, including obligations of U.S. federal agencies	17	1	0	16
Other debt securities	470	1	1	471
Total debt securities	**51,516**	**1,116**	**558**	**50,957**
Equity securities:				
Equity shares	1,027	413	4	618
Investment certificates and mutual funds	122	11	4	114
Total equity securities	**1,149**	**424**	**8**	**733**
Total	**52,665**	**1,540**	**565**	**51,690**

1 Audited.

The following table presents the fair value, remaining maturities, approximate weighted-average yields (based on amortized cost) and total amortized cost by maturity distribution of the debt security components of the Group's investment portfolio as of December 31, 2016.

(unaudited, unless stated otherwise) in € m.	Up to one year		More than one year and up to five years		More than five years and up to ten years		More than ten years		Total	
	Amount	**Yield**	**Amount**	**Yield**	**Amount**	**Yield**	**Amount**	**Yield**	**Amount**	**Yield**
German government	1,162	1.1 %	5,572	1.5 %	2,670	1.7 %	0	0.0 %	9,405	1.5 %
U.S. Treasury and U.S. government agencies	186	0.9 %	7,466	1.0 %	0	2.5 %	0	0.0 %	7,652	1.0 %
U.S. local (municipal) governments	1	2.6 %	47	0.1 %	10	0.1 %	3,203	0.1 %	3,261	0.1 %
Other foreign governments	3,311	2.9 %	13,007	1.8 %	6,623	1.7 %	839	3.2 %	23,779	2.0 %
Corporates	929	2.9 %	3,484	3.0 %	2,204	2.6 %	232	1.7 %	6,849	2.8 %
Other asset-backed securities	(16)	0.0 %	100	2.4 %	0	0.0 %	0	0.0 %	84	2.8 %
Mortgage-backed securities, including obligations of U.S. federal agencies	4	1.2 %	12	0.3 %	0	0.0 %	0	0.0 %	17	0.5 %
Other debt securities	146	2.9 %	38	2.5 %	118	2.8 %	169	3.7 %	470	3.1 %
Total fair value	**5,723**	**2.4 %**	**29,725**	**1.7 %**	**11,625**	**1.9 %**	**4,443**	**0.9 %**	**51,516**	**1.7 %**
Total amortized cost	**5,723**		**29,440**		**11,480**		**4,315**		**50,957**	

14.3 Loans Outstanding

The following table presents an analysis of the Group's loan portfolio by industry sector and by the borrower's country of domicile (in- or outside Germany) as of December 31, 2016, 2015, 2014, 2013 and 2012.

in € m.	December 31, 2016	2015	2014[2]	2013	2012
	(unaudited, unless stated otherwise)				
German:					
Financial intermediation	5,048	7,716	6,920	6,197	7,949
Fund management activities	984	778	296	0	0
Manufacturing	8,821	9,357	8,583	7,428	8,463
Wholesale and retail trade	5,736	5,736	4,294	4,062	4,212
Households	137,078	137,332	137,162	135,123	131,047
Commercial real estate activities	7,741	8,178	19,275	20,418	20,762
Public sector	11,059	12,846	12,725	11,417	9,729
Lease financing	383	482	723	712	244
Other	20,579	20,085	12,909	15,599	16,675
Total German	**197,430**	**202,510**	**202,888**	**200,956**	**199,081**
Non-German:					
Financial intermediation	44,569	54,023	52,666	18,903	19,900
Fund management activities	25,145	25,313	11,842	0	0
Manufacturing	20,470	18,773	17,036	13,978	14,740
Wholesale and retail trade	11,008	12,591	11,420	9,903	12,814
Households	50,791	62,674	60,817	58,393	49,927
Commercial real estate activities	19,627	14,701	16,490	13,841	24,544
Public sector	4,682	4,398	5,357	4,811	5,649
Lease financing	178	79	381	718	636
Other	39,643	38,487	31,988	60,584	74,915
Total Non-German	**216,114**	**231,039**	**207,995**	**181,130**	**203,125**
Gross loans[1]	**413,544**	**433,549**	**410,883**	**382,086**	**402,206**
(Deferred expense)/unearned income[1]	88	772	58	(85)	137
Loan less (deferred expense)/unearned income[1]	**413,455**	**432,777**	**410,825**	**382,171**	**402,069**

1 Audited.
2 Comparatives have been restated to reflect changes in industry sectors.

Included in the category Other is Fund Management activities exposure of € 10.0 billion and € 16.8 billion for December 31, 2013 and 2012, respectively.

14.4 Loan Maturities and Sensitivity to Changes in Interest Rates

The following table presents an analysis of maturities of the Group's loan portfolio (excluding lease financing) as of December 31, 2016.

December 31, 2016 in € m.	**Within 1 year**	**After one but within 5 years**	**After 5 years**	**Total**
		(unaudited)		
German:				
Financial intermediation	1,438	2,317	1,293	5,048
Fund management activities	421	212	351	984
Manufacturing	4,910	2,865	1,045	8,821
Wholesale and retail trade	3,783	1,055	898	5,736
Households (excluding mortgages)	4,118	5,754	7,631	17,503
Households – mortgages	6,489	16,014	97,072	119,575
Commercial real estate activities	1,415	2,170	4,156	7,741
Public sector	4,424	3,139	3,495	11,059
Other	6,659	6,941	6,980	20,579
Total German	**33,656**	**40,468**	**122,922**	**197,047**
Non-German:				
Financial intermediation	26,647	14,033	3,890	44,569
Fund management activities	14,375	5,586	5,183	25,145
Manufacturing	11,586	6,518	2,365	20,470
Wholesale and retail trade	7,980	2,251	777	11,008
Households (excluding mortgages)	9,767	6,438	3,384	19,590
Households – mortgages	2,629	2,776	25,796	31,201
Commercial real estate activities	5,925	10,999	2,703	19,627
Public sector	909	1,936	1,836	4,682
Other	13,752	18,792	7,099	39,643
Total Non-German	**93,570**	**69,331**	**53,034**	**215,936**
Gross loans	**127,227**	**109,800**	**175,957**	**412,983**
(Deferred expense)/unearned income	(17)	(32)	191	88
Loans less (deferred expense)/unearned income	**127,297**	**109,832**	**175,765**	**412,895**

The following table presents volumes of loans in the Group's loan portfolio (excluding lease financing) with residual maturities of more than one year from December 31, 2016.

December 31, 2016 *(unaudited)* in € m.	**After one but within 5 years**	**After 5 years**	**Total**
Fixed rate loans	86,572	141,291	227,863
Floating or adjustable rate loans	23,228	34,665	57,893
Total	**109,800**	**175,957**	**285,756**

14.5 Risk Elements

The following section provides information about certain risk elements included in the loan portfolio intended to address the requirements of SEC Industry Guide 3 while at the same time reflecting the classifications most relevant to how the Group evaluates the credit quality of its loan portfolio. All potential problem loans, which are defined as loans where known information about possible credit problems of borrowers causes the Group's management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms, are included in this disclosure of risk elements.

14.5.1 Loans 90 days or more Past Due and still accruing

The following table presents the exposure of loans carried at amortized cost which were 90 days or more past due and still accruing as of December 31, 2016, 2015, 2014, 2013 and 2012.

	December 31				
in € m.	**2016**	**2015**	**2014**	**2013**	**2012**
			(unaudited)		
German	252	278	499	745	336
Non-German	190	135	148	238	118
Total loans 90 days or more past due and still accruing	**442**	**413**	**647**	**983**	**454**

14.5.2 Impaired Loans

The following table presents a breakdown of the Group's IFRS impaired loans by region based on the borrower's country of domicile as of December 31, 2016, 2015, 2014, 2013 and 2012.

	December 31,				
in € m.	**2016**	**2015**	**2014**	**2013**	**2012**
			(audited)		
Germany	2,639	3,004	3,499	3,261	3,615
Western Europe (excluding Germany)	3,709	4,337	4,986	5,832	5,476
Eastern Europe	179	255	259	252	344
North America	496	342	425	590	626
Central and South America	5	6	3	32	41
Asia/Pacific	355	178	174	175	233
Africa	64	26	1	1	0
Other	2	2	1	0	0
Total impaired loans	**7,447**	**8,151**	**9,348**	**10,143**	**10,335**

The following table presents a breakdown of the Group's IFRS impaired loans by industry sector of the borrower as of December 31, 2016, 2015, 2014, 2013 and 2012.

	December 31,				
in € m.	**2016**	**2015**	**2014[1]**	**2013[1]**	**2012**
			(audited)		
Financial intermediation	133	169	270	45	53
Fund management activities	21	33	64	93	128
Manufacturing	754	765	757	811	926
Wholesale and retail trade	707	538	591	661	554
Households	2,661	3,263	3,750	3,671	3,707
Commercial real estate activities	422	912	2,048	2,683	3,358
Public sector	19	16	54	39	0
Other[2]	2,731	2,456	1,815	2,139	1,609
Total impaired loans	**7,447**	**8,151**	**9,348**	**10,143**	**10,335**

1 Comparatives have been restated to reflect changes in industry sectors.

2 Thereof 'Transportation, storage and communication': Total Impaired Loans € 1.1 billion (40 %) in 2016, € 865 million (34 %) in 2015 and € 804 million (39 %) in 2014. The rest is split across various industries (of which no single one contributes 25 % or more of the total of the category 'Other').

14.5.3 Interest Revenue of Impaired Loans

The following table shows the approximate effect on interest revenue of IFRS impaired loans. It shows the gross interest income that would have been recorded during 2016, if those loans had been current in accordance with their original terms and had been outstanding throughout 2016 or since their origination, if the Group only held them for part of 2016. It also shows the amount of interest income on those loans that was included in net income for 2016.

in € m.	2016
	(unaudited)
German loans:	
Gross amount of interest that would have been recorded at original rate	94
Less interest, net of reversals, recognized in interest revenue	7
Reduction of interest revenue	87
Non-German loans:	
Gross amount of interest that would have been recorded at original rate	80
Less interest, net of reversals, recognized in interest revenue	28
Reduction of interest revenue	52
Total reduction of interest revenue	**111**

14.5.4 Renegotiated Loans

Loans that have been renegotiated in such a way that, for economic or legal reasons related to the borrower's financial difficulties, Deutsche Bank granted a concession to the borrower that Deutsche Bank would not otherwise have considered are disclosed as renegotiated loans and are a subset of forborne loans disclosed in the section "*13.6.12.2 Forborne Loans*" of this Prospectus.

The following table presents a breakdown of the Group's renegotiated loans representing the Group's troubled debt restructurings as of December 31, 2016, 2015, 2014, 2013 and 2012.

	December 31				
in € m.	2016	2015	2014	2013	2012
			(unaudited)		
Renegotiated loans considered nonimpaired					
German	553	520	502	383	210
Non-German	263	356	448	399	678
Total renegotiated loans considered nonimpaired	**816**	**875**	**950**	**783**	**888**
Renegotiated loans considered impaired					
German	661	942	1,145	709	309
Non-German	770	876	1,125	1,140	1,317
Total renegotiated loans considered impaired	**1,430**	**1,819**	**2,270**	**1,849**	**1,626**
Renegotiated loans					
German	1,213	1,463	1,647	1,092	519
Non-German	1,033	1,233	1,573	1,539	1,995
Total renegotiated loans	**2,246**	**2,695**	**3,220**	**2,632**	**2,514**

In 2016, renegotiated loans decreased by € 449 million or 17% driven majorly by disposal and charge-offs of impaired assets in Germany and UK in NCOU and CIB. It was further complemented by disposals and charge-offs of non-impaired assets in non-German region in CIB and Deutsche AM.

The Group's renegotiated loans declined by € 525 million or 16 % in 2015 driven by disposals and charge-offs of impaired assets in NCOU and Postbank.

2014 renegotiated loans increased by € 588 million compared to 2013. The increase in impaired renegotiated loans of € 421 million was driven by Postbank along with individually assessed items within Germany in NCOU and CIB, which was nearly offset outside Germany due to reductions mainly within NCOU. The increase in non-impaired renegotiated loans in 2014 was again driven by Postbank along with other individually assessed items in Germany.

In 2013, the level of the Group's renegotiated loans increased by € 118 million or 4.7 % to € 2.6 billion compared to prior year-end. Reductions recorded for non-impaired loans were primarily due to one commercial real estate loan to a counterparty in Western Europe (excluding Germany) which was consolidated due to the Group obtaining control over the structured entity borrowers during the second quarter of 2013. The renegotiated loans considered impaired increased due to individually assessed items in Germany in the Group's core business for which a small number of new provisions were required.

In 2012, renegotiated loans increased by € 96 million or 4 %. The key driver for the decrease in 2012 in Non-German renegotiated loans considered nonimpaired was a single loan amounting to € 435 million within the Group's leveraged finance activities in Western Europe (excluding Germany) which became impaired and was partially written off. Excluding this single item, non-German renegotiated loans considered non-impaired have increased in line with the Group's total renegotiated loans position.

It should be noted that these renegotiations are not part of a special modification or restructuring program such as the Fannie Mae "Home Affordable Modification Program". Rather, new terms (for example modification of interest rates, principal amounts, interest due, maturities, etc.) were arranged depending on the requirements of the individual renegotiation.

14.6 Foreign Outstandings

The following tables list only those countries for which the cross-border outstandings exceeded 0.75 % of the Group's total assets as of December 31, 2016, 2015 and 2014. Offsetting of local country claims is done for third party liabilities of the respective foreign offices that represent legal obligations of the foreign offices and for which no payment is guaranteed at locations outside of the country of the office. As of December 31, 2016, there were no outstandings that exceeded 0.75 % of total assets in any country facing debt restructuring or liquidity problems that the Group expected would materially impact the country's ability to service its obligations.

December 31, 2016 *(unaudited)* in € m. (unless stated otherwise)	**Banks and other financial institutions**	**Governments and Official institutions**	**Other[1]**	**Commit-ments**	**Net local country claim**	**Total**	**Percent**
United States	10,252	18,334	149,251	11,548	–	189,385	11.91%
Great Britain	5,135	9,344	11,704	4,110	48,050	78,343	4.93%
Luxembourg	8,352	10,740	34,945	2,549	18,731	75,316	4.74%
Italy	5,377	14,642	9,020	614	22,391	52,044	3.27%
France	5,180	10,317	23,627	6,332	–	45,456	2.86%
Netherlands	2,595	6,984	13,503	5,102	–	28,184	1.77%
Ireland	385	2,541	18,722	850	4	22,502	1.41%
Switzerland	2,354	3,760	9,923	3,615	1,412	21,064	1.32%
Japan	1,339	525	18,087	281	–	20,232	1.27%
Spain	4,594	5,244	6,939	884	–	17,661	1.11%
China	4,072	1,528	7,657	562	–	13,820	0.87%
India	3,237	650	5,656	191	2,439	12,173	0.77%

1 Other includes commercial and industrial, insurance and other loans.

December 31, 2015 *(unaudited)* in € m. (unless stated otherwise)	**Banks and other financial institutions**	**Governments and Official institutions**	**Other[1]**	**Commit-ments**	**Net local country claim**	**Total**	**Percent**
United States	8,803	16,364	145,268	15,209	323,952	509,596	31.28 %
Great Britain	5,960	10,919	17,175	4,492	60,516	99,062	6.08 %
Luxembourg	9,458	13,531	36,149	3,877	10,297	73,312	4.50 %
France	7,371	11,865	34,225	5,980	–	59,441	3.65 %
Italy	10,030	13,988	12,159	764	9,351	46,292	2.84 %
Netherlands	3,107	8,714	18,440	4,148	171	34,580	2.12 %
Spain	5,431	3,222	9,471	1,113	3,900	23,137	1.42 %
Switzerland	2,761	3,980	11,011	3,998	1,147	22,897	1.41 %
Ireland	692	1,873	17,251	1,336	804	21,956	1.35 %
China	5,114	1,977	9,600	600	51	17,342	1.06 %
Japan	963	1,117	10,741	568	2,639	16,028	0.98 %
Cayman Islands	197	873	6,774	571	6,669	15,084	0.93 %
India	3,921	1,008	6,436	235	3,066	14,666	0.90 %

1 Other includes commercial and industrial, insurance and other loans.

December 31, 2014 *(unaudited)* in € m. (unless stated otherwise)	Banks and other financial institutions	Governments and Official institutions	Other[1]	Commit-ments	Net local country claim	Total	Percent
United States	7,662	30,096	125,879	10,645	29,982	204,264	11.95 %
Great Britain	6,816	6,777	52,563	3,579	43,348	113,083	6.62 %
France	5,157	13,802	19,174	6,221	–	44,354	2.60 %
Luxembourg	7,712	8,706	23,328	3,395	879	44,020	2.58 %
Netherlands	4,210	9,562	22,930	3,848	112	40,662	2.38 %
Italy	9,662	18,914	7,840	446	3,228	40,090	2.35 %
Spain	6,865	3,579	8,134	738	4,737	24,053	1.41 %
China	7,205	1,354	9,067	605	42	18,273	1.07 %
Ireland	985	1,115	14,238	1,079	839	18,256	1.07 %
Switzerland	2,138	421	9,909	3,813	1,098	17,379	1.02 %
India	3,884	551	5,940	235	2,846	13,456	0.79 %

1 Other includes commercial and industrial, insurance and other loans.

14.7 Allowance for Loan Losses

The following table presents a breakdown of the movements in the Group's allowance for loan losses for the periods specified.

(unaudited, unless stated otherwise) in € m. (unless stated otherwise)	2016	2015	2014	2013	2012
Balance, beginning of year[1]	**5,028**	**5,212**	**5,589**	**4,692**	**4,158**
Charge-offs:					
German:					
Financial intermediation	(1)	(3)	(1)	(0)	(1)
Manufacturing	(49)	(32)	(52)	(79)	(42)
Wholesale and retail trade	(10)	(24)	(60)	(17)	(42)
Households (excluding mortgages)	(309)	(276)	(167)	(192)	(265)
Households – mortgages	(90)	(107)	(142)	(64)	(60)
Commercial real estate activities	(6)	(30)	(92)	(26)	(11)
Public sector	(0)	0	0	(0)	(0)
Other	(156)	(75)	(59)	(95)	(71)
German total	(621)	(547)	(574)	(474)	(491)
Non-German total	(1,330)	(708)	(1,076)	(741)	(789)
Total charge-offs[1]	**(1,951)**	**(1,255)**	**(1,650)**	**(1,215)**	**(1,281)**
Recoveries:					
German:					
Financial intermediation	0	0	1	0	0
Manufacturing	6	14	9	10	10
Wholesale and retail trade	3	3	3	3	6
Households (excluding mortgages)	22	33	26	64	106
Households – mortgages	44	39	40	38	15
Commercial real estate activities	5	7	3	2	2
Public sector	0	0	0	0	0
Other	13	14	13	18	19
German total	94	110	95	136	158
Non-German total	93	51	46	26	37
Total recoveries[1]	**187**	**161**	**141**	**162**	**195**
Net charge-offs[1]	**(1,764)**	**(1,094)**	**(1,509)**	**(1,053)**	**(1,086)**
Provision for loan losses[1]	1,347	882	1,129	2,060	1,728
Other changes (i.e.., exchange rate changes, changes in the group of consolidated companies)[1]	(65)	28	3	(109)	(108)
Balance, end of year[1][2]	**4,546**	**5,028**	**5,212**	**5,589**	**4,692**
Percentage of total net charge-offs to average loans for the year	0.43 %	0.25 %	0.37 %	0.28 %	0.27 %

1 Audited.

2 Fluctuation rate (Allowance for Loan Losses at end of reporting period/Total Loans before deduction of Allowance for Loan Losses at end of reporting period): 1.10 % for 2016, 1.16 % for 2015, 1.12 % for 2014, 1.46 % for 2013, 1.17 % for 2012.

The Group's allowance for loan losses as of December 31, 2016 was € 4.5 billion, 54 % of which was related to collectively assessed and 46 % to individually assessed loan losses. The reduction in the

allowance for loan losses of € 482 million compared to prior year end was driven by € 1.8 billion net charge-offs, partly offset by € 1.3 billion of additional loan loss provisions.

Provision for loan losses increased by € 465 million compared to 2015. The increase in Deutsche Bank's individually assessed portfolio mainly resulted from CIB and Global Markets reflecting the continued market weakness of the shipping sector as well as lower commodity prices in the metals and mining and oil and gas sectors. The increase in provisions for Deutsche Bank's collectively assessed loan portfolio was mainly driven by NCOU partly relating to higher charges for IAS 39 reclassified assets and partly offset by PW&CC and Postbank, among other factors reflecting the good quality of the loan book and the benign economic environment.

The increase in net charge-offs of € 670 million compared to prior year was mainly driven by NCOU caused by IAS 39 reclassified assets along with disposals.

Deutsche Bank's allowance for loan losses for IAS 39 reclassified assets, which are reported in NCOU, amounted to € 69 million as of December 31, 2016, representing 2 % of Deutsche Bank's total allowance for loan losses, down 82 % from the level at the end of 2015 which amounted to € 389 million (8 % of total allowance for loan losses). This reduction was driven by charge-offs of € 355 million along with reduction driven by foreign exchange, as most IAS 39 reclassified assets are denominated in non-Euro currencies, and was partly offset by additional provisions of € 66 million.

Compared to 2015, provision for loan losses for IAS 39 reclassified assets increased by € 110 million mainly related to Deutsche Bank's European mortgage portfolios. Net charge-offs increased by € 242 million mainly driven by the European mortgage portfolio and one large single booking.

The Group's allowance for loan losses as of December 31, 2015 was € 5.0 billion, 55 % of which was related to collectively assessed and 45 % to individually assessed loan losses. The reduction in the allowance for loan losses of € 184 million compared to prior year end mainly related to € 1.1 billion net charge-offs largely offset by € 0.9 billion of additional loan loss provisions.

The reduction in 2015 in provisions for loan losses in Deutsche Bank's individually assessed loan portfolio amounted to € 164 million driven by IAS 39 reclassified assets and other real estate exposures recorded in NCOU, partly offset by higher provisioning in Deutsche Bank's Shipping and Leveraged Finance Portfolios in CIB. The reduction in Deutsche Bank's collectively assessed loan portfolio of € 83 million mainly resulted from higher releases related to non-performing loan sales along with an ongoing positive credit environment in Germany and a stabilization of Southern European markets.

The reduction in charge-offs of € 415 million in 2015 compared to 2014 was mainly driven by Postbank and results from high prior year levels caused by a one-off effect due to the alignment of processes.

Deutsche Bank's allowance for loan losses for IAS 39 reclassified assets, which were reported in NCOU, amounted to € 389 million at the end of 2015, representing 8 % of Deutsche Bank's total allowance for loan losses, down 25 % from the level at the end of the prior year, which amounted to € 518 million (10 % of total allowance for loan losses). This reduction was driven by net charge-offs of € 113 million along with net releases of € 44 million and partly offset by increases related to foreign exchange as most IAS 39 reclassified assets are denominated in non-Euro currencies.

Compared to 2014, provision for loan losses for IAS 39 reclassified assets dropped by € 129 million and net charge-offs increased by € 98 million in 2015. Both changes were partly related to disposals.

The Group's allowance for loan losses as of December 31, 2014 was € 5.2 billion, 55 % of which was related to collectively assessed and 45 % to individually assessed loan losses. The reduction in the allowance for loan losses of € 376 million compared to prior year end mainly related to € 1.5 billion net charge-offs largely offset by € 1.1 billion of additional loan loss provisions.

The Group's provision for loan losses decreased by € 930 million, or 45 %, in 2014 compared with 2013. The reduction in Deutsche Bank's individually assessed loan portfolio of € 878 million reflected material reductions across all businesses. The reduction in NCOU was driven by decreased provision for credit losses in IAS 39 reclassified and commercial real estate assets, while the performance in Deutsche Bank's Core Bank benefited from increased releases and a non-recurrence of large single name bookings. Provisions for Deutsche Bank's collectively assessed portfolio decreased compared to prior year reflecting among other factors the ongoing good environment in the German credit market.

The main driver of the increase in charge-offs in 2014 against Deutsche Bank's individually assessed loan portfolio was an alignment of processes in Postbank. This alignment resulted in an adjustment of the level of loan loss allowance for loans recorded at Postbank by € 233 million reflecting accelerated write-offs as well as the elimination of previous misclassification of recoveries in the credit quality of Postbank loans, which had been impaired after change of control, as interest income. Additionally, higher charge-offs in CIB relating to a single client credit event in the prior year contributed to the overall increase which was partly

offset by reductions in charge-offs for IAS 39 reclassified assets. The increase in charge-offs against Deutsche Bank's collectively assessed loan portfolio mainly related to the disposal of impaired loan portfolios in Italy.

The Group's allowance for loan losses as of December 31, 2013 was attributable 51 % to individually assessed and 49 % to collectively assessed loan losses. The net increase in the allowance for loan losses of € 897 million compared with prior year end results from additions of € 2.1 billion, partly offset by € 1.1 billion of net charge-offs and € 110 million other changes, such as accretion of interest on impaired loans and foreign exchange effects.

The Group's provision for loan losses increased by € 332 million, or 19 %, in 2013 compared with 2012. This increase was driven by the individually assessed loan portfolio, where provisioning increased by € 262 million along with an increase of € 70 million in the collectively assessed portfolio. The increase of provisions in the individually assessed loan portfolio was a result of a single client credit event recorded and increased provisioning for shipping exposure recorded in CIB and higher charges in NCOU driven by single client items including some related to the European Commercial Real Estate sector. The increase in the collectively assessed loan portfolio was driven by NCOU and was mainly the result of higher provisioning related to the Group's de-risking activities. This increase was partly offset by reductions in the Group's Core business mainly reflecting an improved credit environment in the German retail market compared to prior year.

Net charge-offs slightly decreased by € 33 million, or 3 %, in 2013 driven by a reduction of € 61 million in the individually assessed loan portfolio and partly offset by an increase of € 28 million in the Group's collectively assessed loan portfolio.

The Group's allowance for loan losses as of December 31, 2012 was € 4.7 billion, 52 % of which was related to collectively assessed and 48 % to individually assessed loan losses. The increase in the allowance for loan losses of € 531 million mainly related to € 1.7 billion of additional loan loss provisions, partly offset by € 1.1 billion of charge-offs.

The Group's provision for loan losses decreased by € 104 million, or 6 %, in 2012 compared with 2011. This de-crease was driven by the collectively assessed loan portfolio, which saw a reduction of € 312 million, or 34 %, driven by lower levels of provisioning for non-impaired loans within the NCOU mainly as a result of the Group's de-risking measures along with lower provisioning in the homogenous Postbank portfolio basically driven by improvements in the portfolio quality. Further credit was recorded in other interest income representing increases in the credit quality of Postbank loans recorded at fair value on initial consolidation in the Group accounts. The increase in provisions for individually assessed loans of € 208 million. or 23 %, was related to assets which had been reclassified in accordance with IAS 39 in North America and United Kingdom now held in the NCOU as of 2012.

Net charge-offs increased by € 189 million or 21 % in 2012. Net charge-offs for individually assessed loans were up € 249 million, mainly related to assets which had been reclassified in accordance with IAS 39.

The following table presents an analysis of the changes in the non-German component of the allowance for loan losses. As of December 31, 2016, 67 % of the Group's total allowance was attributable to non-German clients compared to 67 % as of December 31, 2015.

(unaudited) in € m.	2016	2015	2014	2013	2012
Balance, beginning of year	**3,345**	**3,339**	**3,612**	**2,968**	**2,509**
Provision for loan losses	1,004	612	724	1,438	1,152
Net charge-offs	(1,238)	(657)	(1,030)	(715)	(752)
Charge-offs	(1,330)	(708)	(1,076)	(741)	(789)
Recoveries	93	51	46	26	37
Other changes (*i.e.*, exchange rate changes, changes in the group of consolidated companies)	(54)	51	34	(80)	59
Balance, end of year	**3,057**	**3,345**	**3,339**	**3,612**	**2,968**

The following table presents the components of the Group's allowance for loan losses by industry of the borrower, and the percentage of its total loan portfolio accounted for by those industry classifications, on the dates specified. The breakdown between German and non-German borrowers is based on the location of the borrowers.

(unaudited, unless stated otherwise) in € m. (unless stated otherwise)	December 31,									
	2016		2015		2014		2013		2012	
German:										
Individually assessed loan loss allowance:										
Financial intermediation	0	1%	0	1 %	2	1 %	2	2 %	1	2 %
Manufacturing	139	2%	196	2 %	213	2 %	236	2 %	277	2 %
Households (excluding mortgages)	11	4%	98	4 %	152	4 %	139	5 %	94	5 %
Households – mortgages	5	29%	6	27 %	6	29 %	11	30 %	14	28 %
Public sector	0	3%	0	3 %	0	3 %	0	3 %	0	2 %
Wholesale and retail trade	74	1%	84	1 %	82	1 %	129	1 %	111	1 %
Commercial real estate activities	45	2%	48	5 %	78	5 %	149	5 %	157	5 %
Other[1]	289	5%	216	3 %	207	4 %	197	4 %	128	4 %
Individually assessed loan loss allowance German total	563		647		740		864		782	
Collectively assessed loan loss allowance	926		1,035		1,133		1,113		942	
German total	**1,489**	**48%**	**1,683**	**47 %**	**1,873**	**50 %**	**1,977**	**53 %**	**1,724**	**49 %**
Non-German:										
Individually assessed loan loss allowance	1,508		1,604		1,624		1,993		1,484	
Collectively assessed loan loss allowance	1,549		1,741		1,715		1,619		1,484	
Non-German total	**3,057**	**52%**	**3,345**	**53 %**	**3,339**	**50 %**	**3,612**	**47 %**	**2,968**	**51 %**
Total allowance for loan losses[2]	**4,546**	**100%**	**5,028**	**100 %**	**5,212**	**100 %**	**5,589**	**100 %**	**4,692**	**100 %**
Total individually assessed loan loss allowance[2]	2,071		2,252		2,364		2,857		2,266	
Total collectively assessed loan loss allowance[2]	2,475		2,776		2,849		2,732		2,426	
Total allowance for loan losses[2]	**4,546**		**5,028**		**5,212**		**5,589**		**4,692**	

1 Includes mainly Transportation and Services.
2 Audited.

14.8 Deposits

The amount of other time deposits in the amount of U.S.$ 100,000 or more in offices in Germany was € 51.2 billion as of December 31, 2016, of which € 17.8 billion had maturities within three months, € 11.1 billion had maturities after three months but within six months, € 11.2 billion had maturities after six months but within one year and € 11.0 billion had maturities after one year. The amount of certificates of deposits in the amount of U.S.$ 100,000 or more in offices in Germany was € 1.2 million as of December 31, 2016, of which € 60 million had maturities within three months and € 1.1 billion had maturities after six months but within one year.

The amount of certificates of deposits and other time deposits in the amount of U.S.$ 100,000 or more issued by non-German offices was € 50.1 billion as of December 31, 2016.

Total deposits by foreign depositors in German offices were € 36.0 billion, € 40.5 billion and € 38.4 billion as of December 31, 2016, 2015 and 2014, respectively.

14.9 Return on Equity and Assets

(unaudited, unless stated otherwise)	**2016**	**2015**	**2014**
Return on average shareholders' equity (post-tax)[1]	(2.26) %	(9.84) %	2.71 %
Return on average total assets (post-tax)[2]	(0.08) %	(0.38) %	0.10 %
Equity to assets ratio[3]	3.60 %	3.86 %	3.56 %
Dividend payout ratio[4]			
Basic earnings per share[5]	N/M	N/M	56 %
Diluted earnings per share[5]	N/M	N/M	57 %

N/M – Not meaningful

1 Net income (loss) attributable to Deutsche Bank shareholders as a percentage of average shareholders' equity.

2 Net income (loss) attributable to Deutsche Bank shareholders as a percentage of average total assets.

3 Average shareholders' equity as a percentage of average total assets for each year.

4 Dividends paid per share in respect of each year as a percentage of the Group's basic and diluted earnings per share for that year.

5 Audited.

14.10 Short-Term Borrowings

The following table presents certain information relating to the Group's short-term borrowings with an original maturity of one year or less. The difference between the period-end and average balances for central bank funds purchased and securities sold under repurchase agreements mainly arises from fluctuating activity with respect to fixed income securities positions within GM. Intra-quarter trading volume, which increases the monthly averages relative to quarter- and year-end, predominantly comprises financing of short-term positions in highly liquid U.S. Treasuries and Agencies, which is a result of Deutsche Bank's providing liquidity to the market via market-making activity and is largely driven by client demand. These U.S. Treasury and Agency positions are very low risk and have negligible impact on the Deutsche Bank's liquidity and capital position.

(unaudited, unless stated otherwise) in € m. (unless stated otherwise)	**December 31, 2016**	**December 31, 2015**	**December 31, 2014**
Central bank funds purchased and securities sold under repurchase agreements:			
Balance, end of year[1]	25,740	9,803	10,887
Average balance[2]	20,368	10,541	24,566
Maximum balance at any month-end	27,027	17,520	42,492
Weighted-average interest rate during the year	1.20 %	1.45 %	0.65 %
Weighted-average interest rate on year-end balance	0.10 %	0.89 %	1.25 %
Securities loaned:			
Balance, end of year[1]	3,598	3,270	2,339
Average balance[2]	3,743	3,015	3,834
Maximum balance at any month-end	8,677	3,449	4,443
Weighted-average interest rate during the year	(0.77) %	(1.50) %	(4.08) %
Weighted-average interest rate on year-end balance	0.10 %	0.32 %	1.01 %
Commercial paper:			
Balance, end of year[1]	3,219	9,327	14,787
Average balance[2]	6,754	13,130	21,472
Maximum balance at any month-end	9,370	15,883	25,738
Weighted-average interest rate during the year	0.42 %	0.47 %	0.43 %
Weighted-average interest rate on year-end balance	0.72 %	0.65 %	0.49 %
Other:			
Balance, end of year[1]	14,076	18,683	28,144
Average balance[2]	16,955	21,195	32,608
Maximum balance at any month-end	19,854	24,451	39,034
Weighted-average interest rate during the year	0.88 %	0.79 %	0.38 %
Weighted-average interest rate on year-end balance	0.21 %	0.55 %	0.34 %

1 Audited.

2 Based upon month-end balances.

15. MANAGEMENT AND EMPLOYEES

15.1 Overview

The corporate bodies of the Company are its Management Board (*Vorstand*), Supervisory Board (*Aufsichtsrat*) and General Meeting (*Hauptversammlung*). The powers vested in these bodies are governed by the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association (*Satzung*) of Deutsche Bank AG and respective terms of reference (*Geschäftsordnungen*) for the Management Board and the Supervisory Board.

The Management Board is responsible for managing the Company in accordance with applicable laws, the provisions of the Articles of Association and the terms of reference of the Management Board, while taking into account the resolutions adopted by the General Meeting. The Management Board represents the Company *vis-à-vis* third parties. It ensures the establishment and operation of an appropriate risk management and internal monitoring system to identify in a timely fashion any developments that might place the continued existence of the Company at risk. The Management Board is required to report to the Supervisory Board. In particular, the Management Board is obliged to inform the Supervisory Board on a regular, timely and comprehensive basis about all issues of relevance to the Company with respect to planning, the development of business, risks, risk management and compliance. In this regard, the Management Board is also required to describe and explain ways in which the development of business has deviated from such plans and targets as have been set forth. In addition, the Chairman of the Supervisory Board is to be advised of any other important developments. Furthermore, the Supervisory Board may request a report concerning the affairs of the Company at any time. Members of the Management Board are appointed and removed by the Supervisory Board.

The Supervisory Board is required to supervise the Management Board in its management of the Company. Generally, a member of the Company's Supervisory Board cannot simultaneously also serve as a member of its Management Board. For a limited period of time set in advance and not exceeding one year in total, the Supervisory Board can appoint from among its members individuals to act in place of members of the Management Board who are absent or incapacitated. While serving in place of Management Board members, a Supervisory Board member is not permitted to perform any function as a Supervisory Board member of the Company. Management tasks may not be transferred to the Supervisory Board. Under the Articles of Association of the Company, certain types of transaction and other actions engaged in require the consent of the Supervisory Board. In such cases, the Management Board is obliged to obtain the prior consent of the Supervisory Board.

The members of the Management Board and of the Supervisory Board owe a duty of care and loyalty to the Company. A broad spectrum of interests, especially those of the Bank, its shareholders, employees, creditors, and of the public is to be taken into account in following these duties. The Management Board must take particular account of the rights of shareholders with respect to equal treatment and equal information.

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 Deutsche Bank and the member; or
- commencement, settlement or completion of legal proceedings between Deutsche Bank 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 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 Deutsche Bank.

Under German stock corporation law, individual shareholders, like any other persons, are prohibited from using their influence on the Company to cause a member of the Management Board or Supervisory Board to act in a manner that would be detrimental to the Company. Any person who uses his influence to cause a Management Board or Supervisory Board member, a holder of a general commercial power of attorney (*Prokurist*) or a person bearing power of attorney (*Handlungsbevollmächtigte*) to act in a manner causing damage to the Company or its shareholders is obliged to compensate the Company for any resulting damage.

In addition, Management Board and Supervisory Board members are jointly and severally liable *vis-à-vis* the Company for breach of their duties if, as a result, the Company suffers damages. The liability of members of the Management Board may be invoked by the Supervisory Board and the liability of members of the

Supervisory Board may be invoked by the Management Board. Individual shareholders may also invoke the liability of members of the two boards, subject to certain conditions. In each case, the amount of such liability would be added to the Company's assets and not disbursed to the individual plaintiff.

Therefore, in general, only the Company is able to bring claims for compensatory damages against members of the Management Board or of the Supervisory Board, with the Company represented by the Management Board in the case of claims against members of the Supervisory Board and by the Supervisory Board in the case of claims against members of the Management Board. The Supervisory Board is obliged to pursue enforceable claims for compensatory damages against the Management Board unless significant reasons speak against pursuing such a claim for the good of the Company, and these reasons outweigh or are at least comparable with the reasons favoring the pursuit of a claim. If the respective body vested with the power of representation decides not to pursue a claim, claims on the part of the Company for compensatory damages in relation to members of the Management Board or the Supervisory Board must nonetheless be brought should the General Meeting so resolve by a simple majority. The General Meeting may resolve to appoint a special representative for the purpose of asserting the claims. Shareholders whose combined shareholding corresponds to 10 % of the share capital or a proportionate total of the share capital of € 1 million, may also request a court-ordered appointment of a special representative to assert the claims for damages, who shall, upon appointment, be responsible for the matter in place of the Bank's management bodies. Should facts warrant a strong suspicion that harm has been caused to the Company as a result of dishonesty or gross breach of a fiduciary duty, shareholders whose combined shareholdings amount to 1 % or the proportionate amount of € 100,000 of the share capital furthermore have the possibility to apply, under certain circumstances, to the competent court of law to be allowed, in their own name and on behalf of the Company, to assert damage claims of the Company against members of the Management Board and Supervisory Board.

The Company may only waive or reach a settlement with respect to compensatory damages claims against Management Board or Supervisory Board members if three years have elapsed since the vesting of such claim, and after the shareholders have adopted a resolution to such effect by a simple majority at the General Meeting, provided that no shareholder minority whose combined shareholdings amount to at least 10 % of the share capital has recorded an objection to be included in the notary's minutes of the meeting. Shareholders and shareholder associations may use the shareholder forum in the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the Internet website of the Company Register (*Unternehmensregister*) (http://www.unternehmensregister.de), to call upon other shareholders to jointly or by proxy file an application for a special examination or demanding the convening of a General Meeting or to exercise the voting rights in a General Meeting.

15.2 Management Board

15.2.1 General

According to the Articles of Association, the Management Board of the Company is comprised of at least three members. The number of Management Board members is determined by the Supervisory Board. At present, the Management Board has eleven members. The Supervisory Board appoints and dismisses members of the Management Board. It may designate a Chairman or Co-Chairmen of the Management Board. Management Board members are appointed for a maximum term of five years. Reappointment or an extension for additional five-year terms of office is permissible. The Supervisory Board may revoke the appointment of a member of the Management Board prior to the expiration of his term of office for good cause, as in the case of a gross violation of duties or if the General Meeting adopts a no-confidence resolution in relation to the board member. The legal corporate relationship in respect of a board membership established by the appointment of a member of the Management Board is to be distinguished from the relationship under which the Management Board member is employed by the Company. A maximum term of five years also applies in the latter case. A service contract may be extended automatically in the event of a re-appointment. The provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) applicable to service relationships and their termination apply to the service relationship in all other respects.

The Management Board decides on all matters as provided for in applicable laws, the Articles of Association or its terms of reference. When adopting resolutions, the Management Board only achieves a quorum if more than half of its members participate in the decision. Unless regulated otherwise by mandatory provisions of law, the Articles of Association or the terms of reference, the Management Board resolves by the majority of the votes of the members participating in the resolution. In the event of an equal number of votes, the vote of the Chairman of the Management Board decides. Decisions concerning the Company's financials, in particular, resolutions on the interim and annual financial statements, valuation issues or loan loss provisions, in any case require the approval of the Chairman of the Management Board and the Chief Financial Officer. The Management Board represents the Company *vis-à-vis* third parties. The

Company may be represented by two Management Board members or by one Management Board member acting jointly with a holder of a general commercial power of attorney (*Prokurist*).

The 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 business allocation plan is issued by the Supervisory Board. The terms of reference stipulate that, notwithstanding the allocation of functional responsibilities to individual members of the Management Board, none of the members of the Management Board is exempted from collective responsibility for the management of Deutsche Bank's business.

15.2.2 Current Composition of the Management Board

The following details information on the current members of the Management Board, including their year of birth, the year in which they were appointed and the year in which their term expires, their current positions and areas of responsibility as well as their other memberships in administrative, management or supervisory bodies in corporations and companies or as partners outside Deutsche Bank during the last five years. In addition to managing of the Company, some of the members of the Management Board also supervise and advise Deutsche Bank's affiliated companies. As permitted by German law, some of the members also serve as members of the supervisory boards of other companies. The members of the Management Board have undertaken not to assume chairmanships of supervisory boards outside the Deutsche Bank Group.

John Cryan
Born in 1960
First appointed: 2015
Term expires: 2020

John Cryan became a member of the Management Board of Deutsche Bank AG on July 1, 2015 and was appointed Co-Chairman of the Management Board, a position he shared with Jürgen Fitschen until the end of the Annual General Meeting on May 19, 2016, when he became sole Chairman. He is responsible for the following divisions: Communications & Corporate Social Responsibility (CSR), Group Audit, Corporate Strategy, Research and Incident & Investigation Management as well as the Conflicts Office.

Mr. Cryan became a member of Deutsche Bank's Supervisory Board in 2013, where he served as Chairman of the Audit Committee and member of the Risk Committee. Upon becoming Co-Chairman of the Management Board, he stepped down from the Supervisory Board.

Mr. Cryan was President Europe, Head Africa, Head Portfolio Strategy and Head Credit Portfolio at Temasek Holdings Pte. Ltd., the Singaporean investment company, from 2012 to 2014. Previously, he was Group Chief Financial Officer of UBS AG from 2008 to 2011, having worked in corporate finance and client advisory roles at UBS and SG Warburg in London, Munich and Zurich from 1987. He began his career as a trainee chartered accountant at Arthur Andersen in London. He is a graduate of the University of Cambridge.

Mr. Cryan is a non-executive Director of MAN Group Plc. Except as described above, Mr. Cryan has not been a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group within the last five years.

Kimberly Hammonds
Born in 1967
First appointed: 2016
Term expires: 2019

Kimberly Hammonds became a member of the Management Board of Deutsche Bank AG on August 1, 2016. She is the Company's Chief Operating Officer & Group Chief Information Officer and is responsible for technology and operations, including information security, data management and digital transformation and corporate services.

Ms. Hammonds joined Deutsche Bank in November 2013 as Global Chief Information Officer and Global Co-Head of Group Technology & Operations. Before joining Deutsche Bank in 2016, she was the Chief Information Officer of Boeing.

Before Boeing, Ms. Hammonds held management positions in Dell and Ford Motor Company, in product engineering, manufacturing, marketing and information technology leadership.

Ms. Hammonds has an MBA from Western Michigan University and a degree in mechanical engineering from the University of Michigan.

Ms. Hammonds is a member of the board of directors of Red Hat Inc., USA. Except as described above, Ms. Hammonds has not been a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group within the last five years.

Stuart Lewis
Born in 1965
First appointed: 2012
Term expires: 2020

Stuart Lewis became a member of the Management Board of Deutsche Bank AG on June 1, 2012. He is the Company's Chief Risk Officer and is, among other things, responsible for the Credit Risk, Operational Risk, Market Risk and Liquidity Risk divisions, as well as for other Risk-Infrastructure functions.

Mr. Lewis joined Deutsche Bank in 1996. Prior to assuming his current role, Mr. Lewis was the Deputy Chief Risk Officer and Chief Risk Officer of the Corporate & Investment Bank from 2010 to 2012. Before joining Deutsche Bank in 1996, he worked in Credit Risk Management at Credit Suisse and Continental Illinois National Bank in London.

Mr. Lewis studied at the University of Dundee, where he obtained a LLB (Hons) in 1987 and he holds a LLM from the London School of Economics in 1988. He has also completed the Law Society Finals in 1992 at the College of Law, Guildford.

Mr. Lewis was non-executive member of the Board of Directors of the London Stock Exchange until April 27, 2016. Except as described above, Mr. Lewis has not been a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group within the last five years.

Sylvie Matherat
Born in 1962
First appointed: 2015
Term expires: 2018

Sylvie Matherat became a member of the Management Board of Deutsche Bank AG on November 1, 2015. She is the Company's Chief Regulatory Officer and is responsible for the Compliance, Anti-Financial Crime (AFC) and Regulatory Affairs functions.

Ms. Matherat joined Deutsche Bank in 2014 from Banque de France where she was Deputy Director General and was responsible for regulation and financial stability issues, payment and settlement infrastructures, banking services, and the Target 2 Securities project. Ms. Matherat previously held various positions at the Banking Supervisory Authority and in the private sector.

She studied public law and finance at the Institut d'Études Politiques de Paris, France, and holds a Master's degree in law and political sciences. In 2014 she was awarded the Légion d'Honneur.

Ms. Matherat is not and was not, within the last five years, a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group.

Nicolas Moreau
Born in 1965
First appointed: 2016
Term expires: 2019

Nicolas Moreau became a member of the Management Board of Deutsche Bank AG on October 1, 2016. He is the Head of Deutsche Asset Management.

Previously, he was Chairman and Chief Executive Officer of AXA France and a Member of the AXA Group Management Committee, as well as Vice Chairman of the Group Investment Committee. Mr. Moreau spent 25 years with the AXA Group, where he held positions including Chief Executive Officer of AXA Investment Managers and Chief Executive Officer of AXA UK & Ireland.

He studied at the École Polytechnique in Paris, France, and holds a Master's degree in engineering. He is also a qualified actuary. He was awarded La Legion d'honneur in 2015.

Mr. Moreau is not and, except as described above, was not, within the last five years, a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group.

Garth Ritchie
Born in 1968
First appointed: 2016
Term expires: 2018

Garth Ritchie became a member of the Management Board of Deutsche Bank AG on January 1, 2016. He is Head of Deutsche Bank's Global Markets Corporate Division and is also Regional Chief Executive Officer for UK & Ireland.

Mr. Ritchie joined Deutsche Bank in 1996 and became Head of Equities in the Corporate Banking & Securities business division in 2010. He held positions in trading and derivatives for over two decades.

Prior to joining Deutsche Bank, Mr. Ritchie held positions at Fergusson Brothers and First National Bank of South Africa.

He holds a Bachelor of Commerce in Finance and Economics from the University of Port Elizabeth (South Africa).

Mr. Ritchie is not and was not, within the last five years, a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group.

Karl von Rohr
Born in 1965
First appointed: 2015
Term expires: 2018

Karl von Rohr became a member of the Management Board of Deutsche Bank AG on November 1, 2015. He is the Company's Chief Administrative Officer and is responsible for the Legal, Global Corporate Governance and Human Resources functions and also for the coordination of the Regional Management Chief Operations Officer, Organization.

Mr. von Rohr joined Deutsche Bank in 1997. From 2013 to 2015 he was Global Chief Operating Officer, Regional Management. Prior to this, he was Head of Human Resources for Deutsche Bank in Germany and member of the Management Board of Deutsche Bank PGK AG. During his time at Deutsche Bank he held various senior management positions in other divisions in Germany and Belgium.

He studied law at the universities of Bonn (Germany), Kiel (Germany), Lausanne (Switzerland) and Cornell University (U.S.).

Since June 24, 2016, Mr. von Rohr has been a member of the supervisory boards of the following companies: BVV Versicherungsverein des Bankgewerbes a.G. and BVV Versorgungskasse des Bankgewerbes e.V. Mr. von Rohr has not been a member of any other administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group within the last five years.

Dr. Marcus Schenck
Born in 1965
First appointed: 2015
Term expires: 2018

Dr. Marcus Schenck became a member of the Management Board of Deutsche Bank AG on May 21, 2015. He is the Company's Chief Financial Officer and is responsible for, among other things, the Finance, Group Tax and Group Treasury functions as well as Corporate M&A and Corporate Investments function since January 2017. On March 5, 2017 he was also appointed as Deputy Chairman of the Management Board.

In January 2015, Dr. Schenck joined Deutsche Bank from Goldman Sachs International, where he was Partner and Head of Investment Banking Services for Europe, Middle East & Africa. Additionally, he was a member of the Operating Committee of the Investment Banking Division of Goldman Sachs. From 2006 to 2013, Dr. Schenck was Chief Financial Officer and a member of the Management Board of German energy supplier E.ON SE. From 1997 to 2006, he held a number of senior positions at Goldman Sachs in Frankfurt. Prior to that, he was a consultant at McKinsey & Company.

He holds a "Diplom-Volkswirt" degree from the University of Bonn and a PhD in Economics from the University of Cologne.

Dr. Schenck is not and, except as described above, was not, within the last five years, a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group.

Christian Sewing
Born in 1970
First appointed: 2015
Term expires: 2017

Christian Sewing became a member of the Management Board of Deutsche Bank AG on January 1, 2015. Since January 2016, he has been the Company's Head of Private, Wealth & Commercial Clients as well Regional Chief Executive Officer for Germany. On March 5, 2017 he was also appointed as Deputy Chairman of the Management Board.

From January until June 2015, he was responsible on the Management Board for Legal, Incident Management Group and Group Audit, and thereafter he assumed responsibility for Private & Business Clients.

Prior to assuming his role on the Management Board, Mr. Sewing was Global Head of Group Audit and before that held a number of positions in Risk, including Deputy Chief Risk Officer (from 2012 to 2013) and Chief Credit Officer of Deutsche Bank (from 2010 to 2012).

From 2005 until 2007, Mr. Sewing was a member of the management board of Deutsche Genossenschafts-Hypothekenbank.

Before graduating with a diploma from the Bankakademie Bielefeld and Hamburg, Mr. Sewing completed a bank apprenticeship at Deutsche Bank in 1989.

Mr. Sewing is not and was not, within the last five years, a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group.

Werner Steinmüller
Born in 1954
First appointed: 2016
Term expires: 2019

Werner Steinmüller became a member of the Management Board of Deutsche Bank AG on August 1, 2016. He is Regional Chief Executive Officer Asia Pacific.

From 2004 to July 2016, he was Head of Global Transaction Banking, from 2003 to 2004 he was Chief Operating Officer for Global Transaction Banking, from 1998 to 2003 he was Head of Global Banking Division Europe, and from 1996 to 1998 he was Co-Head of Corporate Finance Germany. Mr. Steinmüller joined Deutsche Bank in 1991 from Citibank.

Mr. Steinmüller holds a Diploma in Business Administration and Mechanical Engineering from TU Darmstadt.

Mr. Steinmüller is not and was not, within the last five years, a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group.

Jeffrey Urwin
Born in 1956
First appointed: 2016
Term expires: 2018

Jeffrey Urwin became a member of the Management Board of Deutsche Bank AG on January 1, 2016. He is Head of Corporate & Investment Banking and is responsible for Regional Management in America. Mr. Urwin joined Deutsche Bank in 2015 as Co-Head of Corporate Banking & Securities and Head of Corporate Finance.

Mr. Urwin joined from JP Morgan, most recently as Global Co-Head of Treasury Services, Corporate Banking and Investment Banking. During his career at JP Morgan, he was Chairman and Chief Executive Officer of JP Morgan Asia, Head of Global Investment Banking, Co-Head of North American Investment Banking, and Head of Americas Investment Banking Coverage. He joined JP Morgan following its acquisition of Bear Stearns Inc.

He holds an LLB from the University of Birmingham (UK) and is a Barrister at Law.

Mr. Urwin is not and, except as described above, was not, within the last five years, a member of any administrative, management or supervisory body of any company or partnership outside Deutsche Bank Group.

15.2.3 Compensation; Shareholdings; Loans, Other Legal Relationships and Conflicts of Interest

15.2.3.1 Principles of the Compensation System

The Supervisory Board as a plenary body is responsible for the structuring of the Management Board's compensation system and for determining the individual compensation of each Management Board member. The Supervisory Body is supported by the Compensation Control Committee (see section "*15.3.3 Committees*").

Under Section 25a(5) of the German Banking Act, the variable compensation of a member of the Management Board must not exceed 100 % of the fixed compensation unless the General Meeting has approved a higher ratio of variable compensation, which, nonetheless must not exceed 200% of the fixed compensation for such member. In 2014, the General Meeting approved the proposal of the Supervisory Board to set the upper limit on the variable compensation components for the members of the Management Board at 200 % of their respective individual fixed compensation.

When designing the specific structure of the compensation system, determining individual compensation amounts, and structuring its delivery and allocation, the focus is on ensuring a close link between the interest of both the Management Board members and shareholders. This is achieved through the utilization of clearly defined key financial figures which are directly linked to the performance of Deutsche Bank and granting equity-based compensation components amounting to at least 50 % of the total variable compensation. The equity-based compensation components are directly linked to the performance of the Company's share price, and only become eligible for payment over a period of several years. The performance of Deutsche Bank compared to other companies in the market is another important criterion for structuring and determining compensation.

Furthermore, the compensation system for the Management Board members is aligned with performance and success targets. Particular emphasis is given to the Bank's long-term focus, as well as appropriateness and sustainability measures. Through the structure of the compensation system the members of the Management Board shall be urged to avoid unreasonably high risks, to achieve the objectives set out in the Bank's strategies and to work continuously towards the positive development of the Group.

In 2015, the Supervisory Board resolved to change the structure of the compensation system for Management Board members with regard to the amount of fixed compensation, the contributions to the company pension plan, the variable compensation components and their target figures, all with effect from January 1, 2016. In May 2016, the amended compensation system was presented to the General Meeting for approval. As the General Meeting did not approve the amended system by a majority vote, the Supervisory Board decided to review the compensation system again. In February 2017, the Supervisory Board resolved, with effect from January 1, 2017, to replace the existing three variable compensation components with two new components, which are respectively linked to Deutsche Bank's short-term and long-term objectives. It is expected that in May 2017, the General Meeting will vote on a resolution on the approval of the amended compensation system.

15.2.3.2 Compensation Structure

The total compensation of the members of the Management Board is divided into both non-performance-related components (fixed compensation) and performance-related components (variable compensation).

At the beginning of each year, the Supervisory Board reviews the fixed compensation and the target figures for the variable compensation components. Furthermore, it defines the general Group-wide and individual objectives for the Management Board members and verifies that the standardized target objectives set for the Bank's long-term performance-related components are still aligned to the Bank's long-term strategy. The performance of individual Management Board members is evaluated by the Supervisory Board and discussed with the Management Board members throughout and at the end of each year.

Described below are the performance- and non-performance-related components of the Management Board members' compensation in the form applied in 2016 and in the form applied as of January 1, 2017.

15.2.3.2.1 Non-Performance-Related Components (Fixed Compensation)

The fixed compensation includes a base salary. The base salary is disbursed in twelve equal monthly payments.

In 2016, the base salaries per member of the Management Board were as follows:

Base salary

in €	**2016**
Co-Chairmen[1]	3,800,000
Ordinary members of the Management Board	2,400,000

1 Jürgen Fitschen was Co-Chairman until May 19, 2016 (his service contract ended on May 31, 2016).

For 2017, the base salaries per member of the Management Board will be as follows:

Base salary

in €	2017
Chairman	3,400,000
Deputy Chairmen	3,000,000
Ordinary board members (CIB)	3,000,000
Ordinary board members (Deutsche AM/PCB/Infrastructure/Region)	2,400,000

Contributions to Deutsche Bank's company pension plan also qualify as fixed compensation and are thus included in the basis for calculating the ratio between fixed and variable compensation components.

For 2016, the Supervisory Board defined the contributions to the company pension plan per member of the Management Board, based on the Group's business segmentation at the beginning of 2016, as follows:

Contributions to the company pension plan

in €	2016
Co-Chairmen	650,000
Ordinary board members (CIB)	2,000,000
Ordinary board members (GM/AM)	1,000,000
Ordinary board members (PWCC)	650,000
Ordinary board members (Infrastructure/Region)	400,000

For 2017, the Supervisory Board defined the contributions to the company pension plan, based on the Group's new business segmentation, as follows:

Contributions to the company pension plan

in €	2017
Chairman	650,000
Ordinary board members (CIB/Deutsche AM)	1,000,000
Ordinary board members (PCB/Infrastructure/Region)	650,000

Additional non-performance-related components include "other benefits". "Other benefits" are comprised of the monetary value of non-cash benefits such as company cars and driver services, insurance premiums, expenses for company-related social functions and security measures including payments, if applicable, of taxes on these benefits as well as taxable reimbursements of expenses (also called "fringe benefits").

15.2.3.2.2 Performance-Related Components (Variable Compensation)

In 2016, the variable compensation of the members of the Management Board was comprised of two and for members of the Management Board with front office responsibility (CIB, GM, AM and PWCC) of three, performance-related components:

- the Annual Performance Award ("APA"), the purpose of which was to reward the achievement of the Bank's short- and medium-term business policy and corporate objectives that were set as part of the objective-setting agreement for the respective financial year's performance evaluation;
- the Long-Term Performance Award ("LTPA"), the level of which was linked to the relative total shareholder return ("Relative Total Shareholder Return" or "RTSR") of the Group, was also based on a culture and client factor, and was in general formula-based and calculated on the basis of pre-defined target figures set by the Supervisory Board; and
- the Division Performance Award ("DPA") for members of the Management Board with front office responsibility only, which was aimed at rewarding the achievement of the Bank's short- and medium-term business policy and strategic objectives established within the context of the objective-setting process for the performance evaluation for the respective year. In principle, the DPA followed the same logic as the APA, while allowing for a stronger focus on the business success parameters of client-oriented business units.

As of January 1, 2017, the Supervisory Board introduced two new performance-related components which replaced the formerly applicable three components, APA, LTPA and DPA, described above:

- The Short-Term Award ("STA") is linked to the achievement of short-term objectives, including collecting objectives that are set for the Management Board as a whole, and individual objectives that are determined individually for each member for the Management Board. Accordingly, the STA takes two components into account: the "Group Component" and the "Individual Component". The Group Component is aligned with the performance of the Deutsche Bank Group and is closely linked to selected key financial figures that also form the basis of the group component that is taken into account in the compensation system for Deutsche Bank's employees. The Individual Component aims to reward the accomplishment of short- and medium-term individual and front office-related objectives.

- The Long-Term Award ("LTA") focuses on the achievement of long-term objectives and is based on three components: (i) the Group's relative total shareholder return (RTSR), (ii) the Group's organic capital growth, and (iii) a culture and client factor ("Culture & Client Factor"). These components are formula-based and/or calculated on the basis of pre-defined target figures set by the Supervisory Board.

As part of its plans for implementing its strategy, the Company is considering the adoption of a retention plan that would involve the issuance of long-dated restricted stock units to members of the Management Board. The units would be subject to performance hurdles based on the Company's share price. Any plan affecting the Management Board would be adopted by the Supervisory Board.

15.2.3.2.3 Maximum Total Compensation

In line with the compensation structure for 2016 described above, the maximum total compensation amounts per member of the Management Board for the fiscal year 2016 were defined as follows:

	2016				
in €	**Base salary**	**APA**	**LTPA**	**DPA**	**Total compensation**
Co-Chairmen					
Target	3,800,000	1,500,000	3,800,000	0	9,100,000
Maximum	3,800,000	3,000,000	5,700,000	0	12,500,000
Ordinary board members (CIB)					
Target	2,400,000	1,650,000	2,800,000	1,650,000	8,500,000
Maximum	2,400,000	3,300,000	4,200,000	3,300,000	13,200,000
Ordinary board members (GM/AM)					
Target	2,400,000	1,200,000	2,200,000	1,200,000	7,000,000
Maximum	2,400,000	2,400,000	3,300,000	2,400,000	10,500,000
Ordinary board members (PWCC)					
Target	2,400,000	800,000	1,800,000	800,000	5,800,000
Maximum	2,400,000	1,600,000	2,700,000	1,600,000	8,300,000
Ordinary board members (Infrastructure/Region)					
Target	2,400,000	1,000,000	2,400,000	0	5,800,000
Maximum	2,400,000	2,000,000	3,600,000	0	8,000,000

Furthermore, in 2016 the total compensation per member of the Management Board was subject to a cap of € 9.85 million. Consequently, total compensation was capped at a maximum of € 9.85 million per member, even if the individual level of performance had resulted in a higher amount.

For information on the individual compensation actually determined by the Supervisory Board for the fiscal year 2016, see section *"15.2.3.3 Compensation for Fiscal Year 2016"*.

In line with the compensation structure for 2017, the maximum total compensation amounts per member of the Management Board for the fiscal year 2017 have been defined as follows:

	2017				
in €	**Base salary[1]**	**STA (Group component)**	**STA (Individual component)**	**LTA**	**Total compensation[2]**
Chairman					
Target	3,400,000	500,000	1,400,000	3,400,000	8,700,000
Maximum	3,400,000	1,000,000	2,800,000	5,100,000	9,850,000
Ordinary board members (CIB)					
Target	3,000,000	500,000	1,400,000	2,800,000	7,700,000
Maximum	3,000,000	1,000,000	2,800,000	4,200,000	9,850,000
Ordinary board members (Deutsche AM)					
Target	2,400,000	500,000	1,300,000	2,800,000	7,000,000
Maximum	2,400,000	1,000,000	2,600,000	4,200,000	9,850,000
Ordinary board members (PCB)					
Target	2,400,000	500,000	1,100,000	2,800,000	6,800,000
Maximum	2,400,000	1,000,000	2,200,000	4,200,000	9,800,000
Ordinary board members (Infrastructure/Region)					
Target	2,400,000	500,000	800,000	2,800,000	6,500,000
Maximum	2,400,000	1,000,000	1,600,000	4,200,000	9,200,000

1 For Deputy Chairmen the base salary will amount to € 3,000,000 and the total compensation will be increased accordingly.

2 The Supervisory Board set a cap of € 9.85 million for the total compensation per member for the year 2017. Consequently, total compensation per member is capped at a maximum of € 9.85 million for 2017, even if the individual level of performance would result in higher compensation.

15.2.3.2.4 Long-Term Incentive/Sustainability

In accordance with the respective regulatory and bank-specific requirements in effect, the total amount of the variable compensation is granted primarily on a deferred basis and spread out over several years in order to ensure a long-term incentive effect over a multi-year period.

According to the requirements of the German Credit Institution Remuneration Regulation (*Institutsvergütungsverordnung*) at least 60 % of the total variable compensation must be granted on a deferred basis. Not less than half of this deferred portion may comprise equity-based compensation components, while the remaining portion may be granted as deferred cash compensation. Both compensation components must be deferred over a multi-year period which, for the equity-based compensation components, must be followed by a retention period. During the period until payment or delivery, the compensation portions awarded on a deferred basis may be forfeited. A maximum of 40 % of the total variable compensation may be granted on a non-deferred basis. However, at least half of this must consist of equity-based compensation components and only the remaining portion may be paid out directly in cash. Of the total variable compensation, no more than a maximum of 20 % may be paid out in cash immediately, while at least 80 % must be paid or delivered at a later date.

Since 2014, the total variable compensation has been granted to members of the Management Board only on a deferred basis either in the form of deferred cash compensation components ("Restricted Incentive Awards") or equity-based compensation components ("Restricted Equity Award"). The Restricted Incentive Awards vest in four equal tranches over a period of four years. The Restricted Equity Awards vest after four and a half years in one tranche ("cliff vesting") and have an additional retention period of six months.

As of 2017, the LTA will be granted in the form of Restricted Equity Awards which will form no less than 75 % of total variable compensation. The STA will be granted in the form of Restricted Incentive Awards up to a maximum of 25 % of total variable compensation; the remaining portion will be granted in Restricted Equity Awards.

15.2.3.2.5 Forfeiture Conditions

Because some of the compensation components are deferred or spread out over several years (Restricted Equity Awards, Restricted Incentive Awards and Equity Upfront Awards) certain forfeiture conditions apply until vesting or the end of the retention periods, in order to create a long-term incentive. Awards may be fully or partially forfeited, for example, due to individual misconduct (including a breach of regulations) or to termination for cause, and, with regard to Restricted Equity Awards and Restricted Incentive Awards, also due to a negative Group result or to individual negative contributions to results. In addition, the LTPA will be forfeited completely if the statutory or regulatory minimum requirements for the core capital ratio are not met during this period.

15.2.3.2.6 Limitations in the Event of Exceptional Developments

In the event of exceptional developments (for example, the sale of large investments), the total compensation for each Management Board member is limited to a maximum amount. A payment of variable compensation elements will not take place if the payment of variable compensation components is prohibited or restricted by the German Federal Financial Supervisory Authority in accordance with existing statutory requirements.

15.2.3.2.7 Pension and Transitional Benefits

The Supervisory Board allocates an entitlement to pension plan benefits to the Management Board members. These entitlements involve a defined contribution pension plan. Under this pension plan, a personal pension account has been set up for each participating member of the Management Board after appointment to the Management Board. A contribution is made annually into this pension account. This annual contribution is calculated using an individual contribution rate on the basis of each member's base salary and total bonus up to a defined ceiling, and accrues interest credited in advance, determined by means of an age-related factor, at an average rate of 4 % per year up to the age of 60. From the age of 61 on, the pension account is credited with an annual interest payment of 4 % up to the date of retirement. The annual payments, taken together, form the pension amount available to pay the future pension benefit. Under defined conditions, the pension may also become due for payment before a regular pension event (age limit, disability or death) has occurred. The pension right is vested from the start.

15.2.3.2.8 Shareholding Guidelines

To foster the identification with Deutsche Bank and its shareholders, the Management Board members are required to invest a portion of their private funds in shares of the Company. For this purpose, the members of the Management Board are required to continuously hold a number of the Company's shares in their securities accounts equivalent to two times the annual base salary for the Chairman and one time the annual base salary for ordinary Management Board members. Deferred, equity-based compensation may be taken into account at 75 % of its value towards fulfillment of the obligation.

15.2.3.3 Compensation for Fiscal Year 2016

In January 2017, the members of the Management Board unanimously decided to waive any variable compensation claims for 2016.

The tables below show the compensation that the Management Board members individually received for their service on the Management Board for or in the year 2016, including non-performance-related fringe benefits:

Compensation of members of the Management Board in 2016

in €	John Cryan	Jürgen Fitschen[1]	Kimberly Hammonds[2]	Stuart Lewis
Base salary	3,800,000	1,583,333	1,000,000	2,400,000
Fringe benefits	41,795	38,937	6,035	77,938
One-year variable compensation	0	0	0	0
thereof:				
Immediately paid out	0	0	0	0
Multi-year variable compensation	0	0	0	0
thereof:				
Equity Upfront Awards	0	0	0	0
Restricted Incentive Awards	0	0	0	0
Restricted Equity Awards	0	0	0	0
Pension service costs	821,114	232,666	270,466	546,402
Total	**4,662,909**	**1,854,936**	**1,276,501**	**3,024,340**

1 Member of the Management Board until May 19, 2016 (service contract ended May 31, 2016).
2 Member of the Management Board since August 1, 2016.

in €	Sylvie Matherat	Nicolas Moreau[3]	Quintin Price[4]	Garth Ritchie[5]
Base salary	2,400,000	600,000	1,100,000	2,400,000
Fringe benefits	12,905	5,239	13,783	110,241
One-year variable compensation	0	0	0	0
thereof:				
Immediately paid out	0	0	0	0
Multi-year variable compensation	0	0	0	0
thereof:				
Equity Upfront Awards	0	0	0	0
Restricted Incentive Awards	0	0	0	0
Restricted Equity Awards	0	0	0	0
Pension service costs	517,352	442,672	525,143	1,443,171
Total	**2,930,257**	**1,047,911**	**1,638,926**	**3,953,412**

3 Member of the Management Board since October 1, 2016.
4 Member of the Management Board from January 1 until June 15, 2016 (service contract ended on the same date).
5 Member of the Management Board since January 1, 2016.

in €	Karl von Rohr	Dr. Marcus Schenck	Christian Sewing	Werner Steinmüller[6]
Base salary	2,400,000	2,400,000	2,400,000	1,000,000
Fringe benefits	47,730	23,720	204,758	165,001
One-year variable compensation	0	0	0	0
thereof:				
Immediately paid out	0	0	0	0
Multi-year variable compensation	0	0	0	0
thereof:				
Equity Upfront Awards	0	0	0	0
Restricted Incentive Awards	0	0	0	0
Restricted Equity Awards	0	0	0	0
Pension service costs	546,402	546,402	984,198	164,232
Total	**2,994,132**	**2,970,122**	**3,588,956**	**1,329,233**

6 Member of the Management Board since August 1, 2016.

in €	Jeffrey Urwin[7]
Base salary	2,400,000
Fringe benefits	59,763
One-year variable compensation	0
thereof:	
Immediately paid out	0
Multi-year variable compensation	0
thereof:	
Equity Upfront Awards	0
Restricted Incentive Awards	0
Restricted Equity Awards	0
Pension service costs	2,036,367
Total	**4,496,130**

7 Member of the Management Board since January 1, 2016.

15.2.3.4 Other Benefits upon Premature Termination

The Management Board members are in principle entitled to receive a severance payment upon early termination of their appointment at the Bank's initiative, provided that the Bank is not entitled to revoke the appointment or give notice under the contractual agreement for cause. The severance payment, as a rule, will not exceed the lesser of two annual compensation amounts and the claims to compensation for the remaining term of the contract. The calculation of the compensation is based on the annual compensation for the previous fiscal year.

If a Management Board member leaves office in connection with a change of control, he or she is also, under certain conditions, entitled to a severance payment. The severance payment, as a rule, will not exceed the lesser of three annual compensation amounts and the claims to compensation for the remaining term of the contract. The calculation of the compensation is based on the annual compensation for the previous fiscal year.

The severance payment mentioned above is determined by the Supervisory Board and within its sole discretion. In principle, the disbursement of the severance payment takes place in two installments; the second installment is subject to certain forfeiture conditions until vesting.

For further information on payments to former members of the Management Board of the Company or their surviving dependents as well as provisions with respect to pension commitments vis-à-vis former members of the Management Board and their surviving dependents see Note 44 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016. The 2016 consolidated financial statements of Deutsche Bank are contained in section "*23. Financial Statements*" of this Prospectus.

Except as described above, no service agreements exist between the Company or its subsidiaries on the one hand and one or more members of the Management Board, who have been active in 2016, on the other hand, which provide for benefits in the event that the service agreement is terminated. No agreements exist with major shareholders, customers or other persons, according to which a member of the Management Board was appointed to the Management Board.

15.2.3.5 Shareholdings

As of March 3, 2017 the current members of the Management Board held the following numbers of shares:

	Number of shares
John Cryan	9,160
Kimberly Hammonds	22,800
Stuart Lewis	51,347
Sylvie Matherat	0
Nicolas Moreau	0
Garth Ritchie	28,778
Karl von Rohr	3,737
Dr. Marcus Schenck	52,112
Christian Sewing	36,249
Werner Steinmüller	79,792
Jeffrey Urwin	240,624
Total	**524,599**

The current members of the Management Board held an aggregate of 524,599 shares on March 3, 2017, amounting to approximately 0.04 % of the Company's shares issued on that date.

The following table shows the number of share awards held by the current members of the Management Board as of February 19, 2016 and March 3, 2017 as well as the number of share awards newly granted, delivered or forfeited in this period.

	Balance as of February 19, 2016	Granted	Delivered	Forfeited	Balance as of March 3, 2017
John Cryan	17,441	0	17,441	0	0
Kimberly Hammonds	–	2,756	–	–	90,828
Stuart Lewis	166,538	0	0	0	166,538
Sylvie Matherat	3,217	7,541	0	0	10,758
Nicholas Moreau	–	–	–	–	0
Garth Ritchie	244,227	305,424	0	0	549,651
Karl von Rohr	22,846	22,623	2,013	0	43,456
Dr. Marcus Schenck	132,517	84,462	48,868	0	168,111
Christian Sewing	85,508	0	0	0	85,508
Werner Steinmüller	–	3,153	–	–	195,032
Jeffrey Urwin	379,808	263,125	253,205	0	389,728

In the table above, a dash ("–") indicates that the person was not a member of the Management Board as of February 19, 2016.

15.2.3.6 Loans, Other Legal Relationships and Conflicts of Interest

The Company has concluded a directors' and officers' liability insurance policy (D&O Insurance) with a deductible for the members of the Management Board.

For the fiscal year 2016, loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 8,433,662.

Besides their functions as members of the Management Board, the current members of the Management Board have not entered into any other material legal relationship with Deutsche Bank AG and have no potential conflicts of interest with regard to their commitments *vis-à-vis* Deutsche Bank AG on the one hand and their private interests or other commitments on the other hand.

15.3 Supervisory Board

15.3.1 General

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the Bank. The Management Board regularly informs the Supervisory Board of business policies and other fundamental matters relating to the assets, liabilities, financial and profit situation of the Bank as well as its risk situation, risk management and risk controlling. A report is made to the Supervisory Board on corporate planning at least once a year. The Supervisory Board decides on the appointment and dismissal of members of the Management Board including long-term succession planning for the Management Board based on the recommendations of the Chairman's Committee. Based on the recommendation of the Compensation Control Committee, the Supervisory Board determines the total compensation of the individual members of the Management Board, resolves on the compensation system for the Management Board and reviews it regularly. The Chairman of the Supervisory Board coordinates work within the Supervisory Board. He maintains regular contact with the Management Board, especially with the Chairman of the Management Board, and consults with him on

strategy, the development of business and risk management. The Supervisory Board Chairman is informed by the Chairman of the Management Board without delay of important events of substantial significance for the situation and development as well as for the management of Deutsche Bank Group. The types of business that require the approval of the Supervisory Board to be transacted are specified in the Bank's Articles of Association. The Supervisory Board meets if required without the Management Board. For the performance of its duties, the Supervisory Board may, at its professional discretion, use the services of auditors, legal advisors and other internal and external consultants. The duties, procedures and committees of the Supervisory Board are specified in its terms of reference.

Pursuant to the Articles of Association, the Company's Supervisory Board has twenty members. Ten members representing the shareholders are elected by the General Meeting in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*). A further ten members representing employees are elected in accordance with the provisions of the German Co-Determination Act of 1976 (*Mitbestimmungsgesetz*). Of these ten Supervisory Board members, seven must be employees of the Company including a senior salaried employee. The remaining three Supervisory Board members must be representatives of the unions represented within the enterprise. Members of the Supervisory Board are appointed for a term of office that ends with the conclusion of the General Meeting at which a resolution is adopted that discharges the Supervisory Board for the fourth fiscal year following the commencement of the term of office. The fiscal year in which the term of office commences is not included. The General Meeting may resolve that with regard to the election of shareholders' representatives the terms in office of up to five members may commence or end at different times. Members of the Supervisory Board who were elected by the General Meeting without formal advance nomination as a candidate for election may be removed from office by the General Meeting prior to the end of their term in office. The resolution requires a majority of at least three quarters of the votes cast. Employee representatives may be removed by a three quarters majority of the votes cast by the employee group that elected the respective representative. In accordance with the provisions of the Articles of Association, every member of the Supervisory Board may tender his resignation, adhering to a one-month notice period, by furnishing an appropriate declaration *vis-à-vis* the Management Board even without a good cause.

A quorum for resolutions of the Supervisory Board is established if the members have been invited to attend in writing or by electronic means to their last known address and at least half of its total number of members participates in voting on a resolution either in person or by casting their vote in writing. The chairman of the Supervisory Board or his deputy shall chair the meeting. The type of voting is set forth by the chairman of the meeting. Resolutions may be adopted without the holding of a meeting by mail, telegraph, telephone or electronic voting should the chairman of the Supervisory Board or his deputy so determine. Supervisory Board resolutions are adopted by a simple majority of votes cast, unless provided otherwise by law. In the event of a tied vote, the vote of the chairman of the Supervisory Board shall be decisive.

The Articles of Association require consent of the Supervisory Board to be obtained for the following transactions and actions on the part of the Company:

- the granting of general powers of attorney;
- the acquisition and disposal of real estate insofar as the object involves more than 1 % of the Company's liable capital and reserves pursuant to the German Banking Act;
- the granting of credits, including the acquisition of interests in other companies, for which approval of a credit institution's supervisory board is required under the German Banking Act; and
- the acquisition and disposal of other participations, insofar as the object involves more than 2 % of the Company's liable capital and reserves pursuant to the German Banking Act. The Supervisory Board must be informed without delay of any acquisition or disposal of such participations involving more than 1 % of the Company's liable capital and reserves.

Consent of the Supervisory Board is also required when the acquisition and disposal of real estate or of other participations is conducted in a dependent company. The Supervisory Board may also determine other transactions requiring its consent. The Management Board may demand that the General Meeting resolve the issue of consent should the Supervisory Board withhold its consent. A resolution of the General Meeting granting consent requires a majority of at least three quarters of the votes cast.

15.3.2 Current Supervisory Board Members

The following table lists the current members of the Supervisory Board. It also includes the respective members' year of birth, the year in which they were first elected or appointed, the year in which their current term expires, their principal occupation, and the companies and partnerships outside of Deutsche Bank of which such person is or has been, within the last five years, a member of an administrative, management or supervisory body or a partner. Unless indicated otherwise, each of the memberships is current.

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships outside of Deutsche Bank Group
Dr. Paul Achleitner Year of birth: 1956 First elected: 2012 Current term expires: 2017 First degree and doctorate in Business Administration from the University of St. Gallen; ISP Harvard Business School; more than 23 years of experience in financial services industry, many years of experience as a member of management and supervisory boards	Chairman of the Supervisory Board of Deutsche Bank AG	Henkel AG & Co. KGaA (Member of the Shareholders' Committee); Bayer AG; Daimler AG; RWE AG (until April 2013); Allianz SE (Member of the Management Board until May 2012); in his capacity as member of the management board of Allianz SE, Dr. Achleitner held various board memberships within Allianz Group until May 2012
Stefan Rudschäfski* Year of birth: 1965 Promoted to member: 2017 (elected alternate member in 2013) Current term expires: 2018 Bank apprenticeship at Deutsche Bank, long-time employee of Deutsche Bank	Deputy Chairman of the Supervisory Board of Deutsche Bank AG, Deputy Chairman of the General Staff Council of Deutsche Bank, Deputy Chairman of the Group Staff Council of Deutsche Bank, Exempted Staff Council member of Deutsche Bank Privat- und Geschäftskunden AG Hamburg, Chairman of the Staff Council of Deutsche Bank Hamburg	None
Wolfgang Böhr* Year of birth: 1963 First elected: 2008 (term expired 2013) Promoted to member: 2015 (elected alternate member in 2013) Current term expires: 2018 Bank apprenticeship at Deutsche Bank, long-time employee of Deutsche Bank	Chairman of the Staff Council of Deutsche Bank Düsseldorf, Member of the Group Staff Council of Deutsche Bank, Member of the General Staff Council of Deutsche Bank	None
Frank Bsirske* Year of birth: 1952 First elected: 2013 Current term expires: 2018 Degree in Political Science, Scholarship from the Hans Böckler Foundation	Chairman of the trade union ver.di (Vereinte Dienstleistungsgewerkschaft)	RWE AG (Deputy Chairman); IBM Central Holding GmbH; Kreditanstalt für Wiederaufbau (KfW) (Member of the Board of Supervisory Directors); innogy SE (Deputy Chairman)
Dina Dublon Year of birth: 1953 First elected: 2013 Current term expires: 2018 Studies of Economics and Mathematics at Hebrew University of Jerusalem, Studies of Accounting & Finance at Carnegie Mellon University; many years of experience as a member of management and supervisory boards	Member of the Supervisory Board of Deutsche Bank AG; member of the board of PepsiCo Inc.	PepsiCo Inc.; Accenture PLC (until February 2017); Microsoft Corporation (until December 2014)

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships outside of Deutsche Bank Group
Jan Duscheck* Year of birth: 1984 Appointed by court: 2016 Current term expires: 2018 Apprenticeship as hospice assistant, apprenticeship as healthcare professional and pediatric nurse, Leipzig	Head of national working group Banking of the trade union ver.di (Vereinte Dienstleistungsgewerkschaft)	None
Katherine Garrett-Cox Year of birth: 1967 First elected: 2011 Current term expires: 2021 BA Hons in History from Durham University; many years of experience as a member of management and supervisory boards	Member of the Supervisory Board of Deutsche Bank AG	Alliance Trust PLC (CEO, until February 2016), in her capacity as CEO of Alliance Trust PLC, Ms. Garrett-Cox held various board memberships within Alliance Trust Group; The Baring Foundation (Trustee)
Timo Heider* Year of birth: 1975 First elected: 2013 Current term expires: 2018 Office administrator trainee at BHW Bausparkasse AG; Training as an electronic specialist for energy systems at BHW Bausparkasse AG	Chairman of the Group Staff Council of Deutsche Postbank AG, Chairman of the General Staff Council of BHW Kreditservice GmbH, Chairman of the General Staff Council of BHW Bausparkasse AG, BHW Kreditservice GmbH, Postbank Finanzberatung AG and BHW Holding AG, Member of the Group Staff Council of Deutsche Bank, Member of the European Staff Council of Deutsche Bank	None
Sabine Irrgang* Year of birth: 1962 First elected: 2013 Current term expires: 2018 Bank apprenticeship at Deutsche Bank, long-time employee of Deutsche Bank; Certified Conflict Mediator	Head of Human Resources Baden-Württemberg, Deutsche Bank AG	None
Prof. Dr. Henning Kagermann Year of birth: 1947 First elected: 2000 Current term expires: 2018 Studies of physics at Universities in Braunschweig and Munich; Doctorate as Dr. rer. nat. in theoretical physics; many years of experience as a member of management and supervisory boards	President of acatech – German Academy of Science and Engineering	Münchener Rückversicherungs-Gesellschaft AG; Deutsche Post AG; BMW Bayerische Motoren Werke AG; Franz Haniel & Cie. GmbH (until April 2015); Wipro Technologies (until June 2014); Nokia Corporation (until June 2014)
Martina Klee* Year of birth: 1962 First elected: 2008 Current term expires: 2018 Studies of Political sciences and Romance languages at universities in Marburg, Kassel and Lyon, Industrial clerk/Applications programmer, long-time employee of Deutsche Bank	Chairperson of the Staff Council Group COO Eschborn/ Frankfurt of Deutsche Bank	Sterbekasse für die Angestellten der Deutschen Bank VV a.G.

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships outside of Deutsche Bank Group
Peter Löscher Year of birth: 1957 First elected: 2012 Current term expires: 2017 Studies of economics at universities in Vienna and Hong Kong, MBA, completed Advanced Management Program at Harvard Business School, many years of experience as a member of management and supervisory boards	Chairman of the Supervisory Board of OMV AG	OMV AG (Chairman); Sulzer AG (Chairman of the Board of Directors); Telefónica S.A.; Siemens Stiftung (President of the Board of Trustees, until September 2014); Renova Management AG (until April 2016); TBG Limited (until November 2014); Münchener Rückversicherungs-Gesellschaft AG (until April 2014); Siemens AG (Chairman of the Management Board, until July 2013), in his capacity as chairman of the management board of Siemens AG, Mr. Löscher held various board memberships within Siemens Group
Henriette Mark* Year of birth: 1957 First elected: 2003 Current term expires: 2018 Studies in Communications Science, Spanish and Psycholinguistics at University Munich, Conflict Management and Mediation, Master of Advanced Studies (Mediaton), long-time employee of Deutsche Bank	Chairperson of the Combined Staff Council Munich and Southern Bavaria of Deutsche Bank; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank	None
Richard Meddings Year of birth: 1958 Appointed by court: 2015 First elected 2016 Current term expires: 2021 BA (Hons) Modern History, Exeter College, Oxford ACA, Institute of Chartered Accountants in England and Wales, many years of experience as a member of management and supervisory boards	Member of the Supervisory Board of Deutsche Bank AG; member of the boards of HM Treasury Board and Legal & General Group PLC	HM Treasury Board (Non-Executive Director); Legal & General Group PLC (Non-Executive Director); 3i PLC (Non-Executive Director, until July 2014); Standard Chartered PLC (Group Executive Director, until June 2014)
Louise M. Parent Year of birth: 1950 Appointment by court: 2014 First elected 2015 Current term expires: 2018 Law degree (J.D.) from Georgetown University Law Center, many years of experience as a member of management and supervisory boards	Of Counsel, Cleary Gottlieb Steen & Hamilton LLP	Zoetis Inc. (Director); Calvary Fund of Calvary Hospital New York (Director); Cold Spring Harbor Laboratory (Director)
Gabriele Platscher* Year of birth: 1957 First elected: 2003 Current term expires: 2018 Bank trainee, Bank officer exam (*Bankfachwirt*), long-time employee of Deutsche Bank	Chairperson of the Combined Staff Council Braunschweig/ Hildesheim of Deutsche Bank	BVV Versicherungsverein des Bankgewerbes a.G. (Deputy Chairperson); BVV Versorgungskasse des Bankgewerbes e.V. (Deputy Chairperson); BVV Pensionsfonds des Bankgewerbes AG (Deputy Chairperson)

Member/Education, Experience	Principal occupation	Supervisory board memberships and other directorships outside of Deutsche Bank Group
Bernd Rose* Year of birth: 1967 First elected: 2013 Current term expires: 2018 Post office clerk	Chairman of the General Staff Council of Postbank Filialvertrieb AG; Member of the General Staff Council of Deutsche Postbank; Member of the General Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank	ver.di Vermögensverwaltungsgesellschaft (Deputy Chairman)
Prof. Dr. Stefan Simon Year of birth: 1969 Appointed by court: 2016 Current term expires: 2017 Studies of law and doctorate in law at the University of Cologne, honorary professor at the University of Cologne, self-employed attorney at law and tax consultant, former Partner at Flick Gocke Schaumburg	Managing Partner, SIMON GmbH	Managing Partner, SIMON GmbH (since February 2017); Leop. Krawinkel GmbH & Co. KG, Bergneustadt (advisory council); Partner at German law firm Flick Gocke Schaumburg (until December 2016)
Dr. Johannes Teyssen Year of birth: 1959 First elected: 2008 Current term expires: 2018 Studies of economics and legal sciences at universities Freiburg, Göttingen and Boston, doctorate in law, many years of experience as a member of management and supervisory boards	Chairman of the board of management of E.ON SE	Uniper SE; Salzgitter AG (until September 2015); E.ON SE (CEO); in his capacity as chairman of the management board of E.ON SE, Dr. Teyssen currently holds and, in the past has held, various board memberships within the E.ON Group
Prof. Dr. Klaus Rüdiger Trützschler Year of birth: 1948 First elected: 2012 Current term expires: 2017 Doctorate in political science, university degree in mathematics and business mathematics, postgraduate studies in work science and economics, many years of experience as a member of management and supervisory boards	Member of the Supervisory Board of Deutsche Bank AG; member of the supervisory boards of Sartorius AG, Wuppermann AG, Zwiesel Kristallglas AG and Wilh. Werhahn KG	Sartorius AG; Wuppermann AG (Chairman); Zwiesel Kristallglas AG (Chairman); Wilh. Werhahn KG; TAKKT AG (Deputy Chairman until June 2014; Chairman until January 2013); Bilfinger SE (until June 2013); Franz Haniel & Cie GmbH (until April 2012); Celesio AG (until May 2012)

* Employee representatives.

15.3.3 Committees

The Supervisory Board may form committees in addition to the Mediation Committee required under the provisions of the German Co-Determination Act of 1976 (*Mitbestimmungsgesetz*). They act in the name and on behalf of the entire Supervisory Board in discharging the tasks assigned to them under the Supervisory Board's terms of reference and by special resolutions adopted by the Supervisory Board. The Supervisory Board has currently formed seven standing committees: the Chairman's Committee, the Nomination Committee, the Audit Committee, the Risk Committee, the Integrity Committee, the Compensation Control Committee and the Mediation Committee. The Supervisory Board may form further committees. In 2016, a total of 82 meetings of the Supervisory Board and its committees took place. As in previous years, joint meetings were held on topics of relevance for several committees.

Chairman's Committee: The Chairman's Committee is responsible for all Management Board and Supervisory Board matters. It prepares the decisions for the Supervisory Board on the appointment and dismissal of members of the Management Board, including long-term succession planning, while taking into account the recommendations of the Nomination Committee. It is responsible for entering into, amending and terminating the service contracts and other agreements in consideration of the Supervisory

Board's sole authority to decide on the remuneration of the members of the Management Board and provides its approval for ancillary activities, honorary offices or special tasks outside of Deutsche Bank Group of Management Board members pursuant to Section 112 of the German Stock Corporation Act and for certain contracts with Supervisory Board members pursuant to Section 114 of the German Stock Corporation Act. Furthermore, it prepares the decisions of the Supervisory Board in the area of corporate governance. The Chairman's Committee held 23 meetings in 2016, thereof one joint meeting with the Compensation Control Committee.

The current members of the Chairman's Committee are Dr. Paul Achleitner (Chairman), Frank Bsirske, Stefan Rudschäfski and Professor Dr. Henning Kagermann.

Nomination Committee: The shareholder representatives on the Nomination Committee prepare the Supervisory Board's proposals for the election or appointment of new shareholder representatives to the Supervisory Board. In this context, they orient their recommendations on the criteria specified by the Supervisory Board for its composition. In accordance with Section 25d (11) of the German Banking Act (KWG), the Nomination Committee supports the Supervisory Board in identifying candidates to fill positions on the Bank's Management Board, drawing up an objective to promote the representation of the underrepresented gender on the Supervisory Board as well as a strategy for achieving this. It supports the Supervisory Board with the regular assessment, to be performed at least once a year, of the structure, size, composition and performance of the Management Board and of the Supervisory Board and makes recommendations regarding this to the Supervisory Board. It continues to support the Supervisory Board with the regular assessment, to be performed at least once a year, of the knowledge, skills and experience of the individual members of the Management Board and of the Supervisory Board as well as of the respective body collectively. The Nomination Committee reviews the management's principles for selecting and appointing persons to the upper management levels and the recommendations made to the Management Board in this respect. The Nomination Committee held six meetings in 2016.

The current members of the Nomination Committee are Dr. Paul Achleitner (Chairman), Frank Bsirske, Stefan Rudschäfski, Professor Dr. Henning Kagermann and Dr. Johannes Teyssen.

Audit Committee: The Audit Committee supports the Supervisory Board in the following matters in particular: in monitoring the financial accounting process; the effectiveness of the risk management system, particularly of the internal control system and the internal audit system; the auditing of the financial statements, especially with regard to the auditor's independence and the additional services provided by the auditor; and the Management Board's prompt remediation – through suitable measures – of the deficiencies identified by the auditor. The Audit Committee pre-reviews the documentation relating to the annual and consolidated financial statements and discusses the audit reports with the auditor. It prepares the decisions of the Supervisory Board on establishing the annual financial statements and the approval of the consolidated financial statements and discusses important changes to the audit and accounting methods. The Audit Committee also discusses the quarterly financial statements and the report on the limited review of the quarterly financial statements with the Management Board and the auditor prior to their publication. Furthermore, the Audit Committee submits proposals to the Supervisory Board for the appointment of the auditor and prepares the proposal of the Supervisory Board to the General Meeting for the election of the auditor. The Audit Committee advises the Supervisory Board on issuing the audit mandate to the auditor elected by the General Meeting, submits proposals to the Supervisory Board for the auditor's remuneration and supports the Supervisory Board in monitoring the independence, qualifications and efficiency of the auditor as well as the rotation of the members of the audit team. The Audit Committee is entitled to obtain, in connection with its activities, information from the auditor, the Management Board, the head of internal audit and the head of risk controlling and – with the prior consent of the Management Board – senior managers of Deutsche Bank reporting directly to the Management Board. The Chairman of the Audit Committee is entitled, in addition to the Chairman of the Supervisory Board, to obtain information directly from the Head of Compliance. The Audit Committee is responsible for acknowledging communications about significant reductions in the compliance budget and for taking receipt of and handling the report by the Head of Compliance on the appropriateness and effectiveness of the principles, methods and procedures in accordance with Section 33(1) sentence 2 No. 5 of the German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG) (Compliance Report). The Compliance Report is issued at least once a year. The Head of Group Audit regularly reports to the Audit Committee on its ongoing work. The Audit Committee is informed about special audits, substantial complaints and other exceptional measures on the part of bank regulatory authorities. It has functional responsibility for receiving and handling complaints concerning accounting, internal audit process and issues relating to the audit. The Audit Committee supports the Supervisory Board in connection with its approval for mandates engaging the auditor for non-audit-related services. The Audit Committee held 14 meetings in 2016, thereof one joint meeting with the Integrity Committee and three joint meetings with the Risk Committee.

The current members of the Audit Committee are Richard Meddings (Chairman), Dr. Paul Achleitner, Katherine Garret-Cox, Henriette Mark, Gabriele Platscher, Bernd Rose and Professor Dr. Klaus Rüdiger Trützschler.

Risk Committee: The Risk Committee advises the Supervisory Board, in particular on the current and future overall risk appetite and overall risk strategy and supports the Supervisory Board in monitoring the implementation of this strategy by the upper management level. The Risk Committee monitors the terms and conditions in the client business to ensure they are in line with the Deutsche Bank's business model and risk structure and submits proposals as necessary to the Management Board indicating how the terms and conditions could be structured to bring them into line with Deutsche Bank's business model and risk structure. The Risk Committee examines whether the incentives set by the compensation system take into consideration the company's risk, capital and liquidity structure as well as the likelihood and timing of earnings. The Risk Committee also performs all of the tasks assigned to it by law or regulatory authorities. It handles loans which require a resolution by the Supervisory Board pursuant to law or Deutsche Bank's Articles of Association. Subject to its review, it grants its approval for the acquisition of shareholdings in other companies that amount to between 2 % and 3 % of Deutsche Bank's regulatory banking capital if it is likely that the shareholding will not remain in Deutsche Bank's full or partial possession for more than twelve months. At the meetings of the Risk Committee, the Management Board reports on credit, market, liquidity, operational, litigation and reputational risks. The Management Board also reports on risk strategy, credit portfolios, loans requiring a Supervisory Board approval pursuant to law or Deutsche Bank's Articles of Association, questions of capital resources and matters of special importance due to the risks they entail. The Chairman of the Risk Committee is entitled to obtain, in connection with its activities, information directly from the Management Board, the head of internal audit and the head of risk controlling and – with the prior consent of the Management Board – senior managers of Deutsche Bank reporting directly to the Management Board. The Risk Committee held 14 meetings in 2016, thereof three joint meetings with the Audit Committee, one joint meeting with the Integrity Committee and four joint meetings with the Compensation Control Committee.

The current members of the Risk Committee are Dina Dublon (Chairperson), Dr. Paul Achleitner, Wolfgang Böhr, Richard Meddings and Louise M. Parent.

Integrity Committee: The Integrity Committee continually advises and monitors the Management Board with regard to (i) whether the management is committed to the economically sound, sustainable development of the company while observing the principles of sound, responsible management, fulfilling the company's social responsibilities and protecting the natural resources of the environment (environmental, social and governance (ESG) issues), and (ii) whether the business management is aligned to these values with the objective of a holistic corporate culture.

The Integrity Committee deals, in particular, with the following matters:

- monitoring the Management Board's measures to ensure the Company's compliance with legal requirements, authorities' regulations and the Company's own in-house policies;
- regular review of the Bank's Code of Business Conduct and Ethics to foster conduct both within and outside the Company and that such conduct is not just aligned to the formal compliance with statutory requirements;
- observation and analysis of the legal and reputational risks of the Bank to ensure such risks are avoided. For this purpose, advising the Management Board on how to generate awareness of the importance of such risks;
- regular review of the suitability of the risk management for providing an appropriate basis for the Supervisory Board's monitoring tasks in order to avoid significant legal and reputational risks. If necessary, preparation of resolutions of the Supervisory Board to ensure the adequate involvement of the Supervisory Board in the Bank's risk management; and
- preparation of the decision of the Supervisory Board on pursuing recourse claims or taking other measures against current or former members of the Management Board.

The Integrity Committee held 12 meetings in 2016, thereof one joint meeting with the Audit Committee and one joint meeting with the Risk Committee.

The current members of the Integrity Committee are Louise M. Parent (Chairperson), Dr. Paul Achleitner, Sabine Irrgang, Timo Heider, Martina Klee, Peter Löscher and Dr. Johannes Teyssen (Vice-Chairman).

Compensation Control Committee: The Compensation Control Committee supports the Supervisory Board in the appropriate structuring of the compensation systems for senior management. It monitors the appropriate structure of the compensation systems for senior management and employees and, in particular, the appropriate structure of the compensation for the head of the compliance function and for

the employees who have a material influence on Deutsche Bank's overall risk profile. It supports the Supervisory Board in monitoring the appropriate structure of the compensation systems for the company's employees and assesses the effects of the compensation systems on risk, capital and liquidity management, while ensuring that the compensation systems and strategies are aligned to achieving the objectives set out in the business and risk strategies of Deutsche Bank. The Compensation Control Committee prepares the Supervisory Board's resolutions on the compensation of senior management, considering, in particular, the effects of the resolutions on the company's risks and risk management. The long-term interests of shareholders, investors and other stakeholders as well as the public interest are also taken into account. It prepares the Supervisory Board's resolutions on setting the total amount of variable compensation for senior managers in accordance with Section 45 (2) sentence 1 No. 5a of the German Banking Act (KWG) in consideration of Section 7 of the German Credit Institution Remuneration Regulation (*Institutsvergütungsverordnung*) and on setting the appropriate compensation parameters, targets for contributions to performance, payment and deferral periods as well as the conditions for a full forfeiture or partial reduction of deferred variable compensation. It also checks regularly, at least annually, whether the adopted specifications are still appropriate. Furthermore, it checks, as part of its support to the Supervisory Board in monitoring the appropriate structure of the compensation systems for employees, regularly, but at least annually, in particular, whether the total amount of variable compensation has been set in accordance with Section 45 (2) sentence 1 No. 5a of the German Banking Act (KWG) in consideration of Section 7 of the German Credit Institution Remuneration Regulation (*Institutsvergütungsverordnung*) and whether the specified principles to assess the compensation parameters, contributions to performance as well as the payment and deferral periods including the conditions for a full forfeiture or partial reduction of the variable compensation are appropriate. In addition, it supports the Supervisory Board in monitoring whether the internal controls and other relevant areas are properly involved in the structuring of the compensation systems. The Compensation Control Committee held 12 meetings in 2016, thereof four joint meetings with the Risk Committee and one joint meeting with the Chairman's Committee.

The current members of the Compensation Control Committee are Dr. Paul Achleitner (Chairman), Frank Bsirske, Stefan Rudschäfski and Professor Dr. Henning Kagermann.

Mediation Committee: The Mediation Committee, which is required by German law, makes proposals to the Supervisory Board on the appointment or dismissal of members of the Management Board in those cases where the Supervisory Board is unable to reach a two-thirds majority decision with respect to the appointment or dismissal. The Mediation Committee only meets if necessary and held no meetings in 2016.

The current members of the Mediation Committee are Dr. Paul Achleitner (Chairman), Stefan Rudschäfski, Professor Dr. Henning Kagermann and Wolfgang Böhr.

15.3.4 Compensation; Shareholdings; Loans, Other Legal Relationships and Conflicts of Interest

15.3.4.1 Principles of the Compensation System

The principles of the compensation of the Supervisory Board members are set forth in the Articles of Association, which may be amended by the General Meeting.

The members of the Supervisory Board receive fixed annual compensation ("Supervisory Board Compensation"). The annual base compensation amounts to € 100,000 for each Supervisory Board member. The Supervisory Board Chairman receives twice that amount and the Deputy Chairperson one and a half times that amount.

For 2016, the members and chairs of the committees of the Supervisory Board were paid additional fixed annual compensation as follows:

in €	Chairperson	Member
Audit Committee	200,000	100,000
Risk Committee	200,000	100,000
Nomination Committee	100,000	50,000
Mediation Committee	0	0
Integrity Committee	200,000	100,000
Chairman's Committee	100,000	50,000
Compensation Control Committee	100,000	50,000

75 % of the compensation determined is disbursed to each Supervisory Board member after submitting invoices in February of the following year. The other 25 % is converted by the Bank at the same time into Company shares based on the average closing price on the Frankfurt Stock Exchange (XETRA or successor system) during the last ten trading days of the preceding January, calculated to three digits after the decimal point. The share value of this number of shares is paid to the respective Supervisory Board

member in February of the year following his departure from the Supervisory Board or the expiration of his term of office, based on the average closing price on the Frankfurt Stock Exchange (XETRA or successor system) during the last ten trading days of the preceding January, provided that the member does not leave the Supervisory Board due to important cause which would have justified dismissal.

In case of a change in Supervisory Board membership during the year, compensation for the fiscal year will be paid on a pro rata basis, rounded up/down to full months. For the year of departure, the entire compensation is paid in cash; a forfeiture regulation applies to 25 % of the compensation for that fiscal year.

The Company reimburses the Supervisory Board members for the cash expenses they incur in the performance of their office, including any value added tax (VAT) on their compensation and reimbursements of expenses. Furthermore, any employer contributions to social security schemes that may be applicable under foreign law to the performance of their Supervisory Board work shall be paid for each Supervisory Board member affected. Finally, the Supervisory Board Chairman will be appropriately reimbursed for travel expenses incurred in performing representative tasks that his function requires and for the costs of security measures required on account of his function.

In the interest of the Company, the members of the Supervisory Board will be included in an appropriate amount, with a deductible, in any financial liability insurance policy held by the Company. The premiums for this are paid by the Company.

15.3.4.2 Compensation for Fiscal Year 2016

The members of the Supervisory Board received the following compensation for the 2016 fiscal year (excluding statutory value added tax):

Member of the Supervisory Board in €	**Fixed**	**Paid out in 2017**
Dr. Paul Achleitner	800,000	600,000
Wolfgang Böhr	141,667	106,250
Frank Bsirske	250,000	187,500
Dina Dublon	300,000	225,000
Jan Duscheck[(1)]	41,667	31,250
Katherine Garret-Cox	125,000	104,167
Timo Heider	200,000	150,000
Alfred Herling[(2)]	300,000	300,000
Sabine Irrgang	200,000	150,000
Prof. Dr. Henning Kagermann	250,000	187,500
Martina Klee	200,000	150,000
Peter Löscher	200,000	150,000
Henriette Mark	200,000	150,000
Richard Meddings	400,000	300,000
Louise M. Parent	333,333	250,000
Gabriele Platscher	200,000	150,000
Bernd Rose	200,000	150,000
Stefan Rudschäfski[(3)]	0	0
Prof. Dr. Stefan Simon[(4)]	33,333	25,000
Rudolf Stockem[(5)]	116,667	116,667
Dr. Johannes Teyssen	216,667	162,500
Georg Thoma[(6)]	108,333	108,333
Prof. Dr. Klaus Rüdiger Trützschler	200,000	150,000
Total	**5,016,667**	**3,904,167**

1 Member since August 2, 2016.
2 Member until December 31, 2016.
3 Member since January 1, 2017.
4 Member since August 23, 2016.
5 Member until July 31, 2016.
6 Member until May 28, 2016.

Following the submission of invoices in February 2017, 25 % of the compensation determined for each Supervisory Board member for the 2016 fiscal year was converted into notional shares of the company on the basis of a share price of € 18.455 (average closing price on the Frankfurt Stock Exchange (XETRA) during the last ten trading days of January 2017, calculated to three digits after the decimal point). Members who left the Supervisory Board in 2016 were paid the entire amount of compensation in cash.

The following table shows the number of notional shares calculated to three digits after the decimal point that were converted in February 2017 for members of the Supervisory Board as part of their 2016 compensation:

Member of the Supervisory Board	Number of notional share units
Dr. Paul Achleitner	10,837.171
Wolfgang Böhr	1,919.082
Frank Bsirske	3,386.616
Dina Dublon	4,063.939
Jan Duscheck[(1)]	564.436
Katherine Garrett-Cox	1,128.872
Timo Heider	2,709.293
Alfred Herling[(2)]	0
Sabine Irrgang	2,709.293
Prof. Dr. Henning Kagermann	3,386.616
Martina Klee	2,709.293
Peter Löscher	2,709.293
Henriette Mark	2,709.293
Richard Meddings	5,418.586
Louise M. Parent	4,515.488
Gabriele Platscher	2,709.293
Bernd Rose	2,709.293
Stefan Rudschäfski[(3)]	0
Prof. Dr. Stefan Simon[(4)]	451.549
Rudolf Stockem[(5)]	0
Dr. Johannes Teyssen	2,935.067
Georg Thoma[(6)]	0
Prof. Dr. Klaus Rüdiger Trützschler	2,709.293
Total	**60,281.766**

1 Member since August 2, 2016.
2 Member until December 31, 2016.
3 Member since January 1, 2017.
4 Member since August 23, 2016.
5 Member until July 31, 2016.
6 Member until May 28, 2016.

All employee representatives on the Supervisory Board, with the exception of Mr. Bsirske and Mr. Duscheck, are employed by Deutsche Bank. In the 2016 fiscal year, Deutsche Bank paid such members a total amount of € 1.05 million in the form of salary, retirement and pension compensation in addition to their Supervisory Board compensation.

The Company does not provide the members of the Supervisory Board any benefits upon termination of their service on the Supervisory Board, though members who are or were employed by Deutsche Bank are entitled to the benefits associated with their termination of such employment.

During 2016, the Company set aside € 0.08 million for pension, retirement or similar benefits for the members of the Supervisory Board who are or were employed by Deutsche Bank.

With the agreement of the Bank's Management Board, Dr. Achleitner performs representative functions in various ways on an unpaid basis for the Bank and participates in opportunities for referrals of business for the Bank. These tasks are related to the functional responsibilities of the Chairman of the Supervisory Board of Deutsche Bank AG. In this respect, the reimbursement of costs is regulated in the Articles of Association. On the basis of a separate contractual agreement, the Bank provides Dr. Achleitner with infrastructure and support services free of charge for his services in the interest of the Bank. He is therefore entitled to avail himself of internal resources for preparing and carrying out his activities. The Bank's security and car services are available for Dr. Achleitner to use free of charge for these tasks. The Bank also reimburses travel expenses and participation fees and covers the taxes for any non-cash benefits provided. On September 24, 2012, the Chairman's Committee approved the conclusion of this agreement. The provisions apply for the duration of Dr. Achleitner's tenure as Chairman of the Supervisory Board and are reviewed on an annual basis for appropriateness. Under this agreement between Deutsche Bank and Dr. Achleitner, support services equivalent to € 225,000 were provided and reimbursements for expenses amounting to € 234,488 were paid during the 2016 fiscal year.

15.3.4.3 Shareholdings

As of March 3, 2017, the current members of the Supervisory Board held the following numbers of the Company's shares and share awards under the employee share plans:

Members of the Supervisory Board	Number of shares	Number of share awards
Dr. Paul Achleitner	0	0
Stefan Rudschäfski	482	10
Wolfgang Böhr	0	0
Frank Bsirske	0	0
Dina Dublon	0	0
Jan Duscheck	0	0
Katherine Garrett-Cox	0	0
Timo Heider	0	0
Sabine Irrgang	773	10
Prof. Dr. Henning Kagermann	0	0
Martina Klee	1,485	10
Peter Löscher	0	0
Henriette Mark	1,016	0
Richard Meddings	0	0
Louise M. Parent	0	0
Gabriele Platscher	1,114	10
Bernd Rose	0	0
Prof. Dr. Stefan Simon	0	0
Dr. Johannes Teyssen	0	0
Prof. Dr. Klaus Rüdiger Trützschler	2,950	0
Total	**7,820**	**40**

As of March 3, 2017, the members of the Supervisory Board held 7,820 shares, amounting to less than 0,01 % of Deutsche Bank AG's shares issued on that date.

15.3.4.4 Loans, Other Legal Relationships and Conflicts of Interest

The Company has concluded a directors' and officers' liability insurance policy (D&O Insurance) with a deductible for the members of the Supervisory Board.

As of December 31, 2016, loans and advances granted and contingent liabilities assumed for members of the Supervisory Board amounted to € 40,005,403. Members of the Supervisory Board repaid € 160,944 loans in 2016. Besides their functions as members of the Supervisory Board and other than as described above under section "*15.3.4.2 Compensation for Fiscal Year 2016*", the members of the Supervisory Board have not entered into any other material legal relationship with Deutsche Bank. Potential conflicts of interest may arise if the subject of the discussion of the Supervisory Board directly or indirectly concerns a member, for instance in the case where members of the Supervisory Board are also members of the boards of other companies. This is the case, for example, if the Risk Committee has to decide on a loan to be granted to a company and a member of the Bank's Supervisory Board is also a member of the board of the borrower. If such a potential conflict of interest arises, the relevant member of the Supervisory Board does not participate in the discussion and voting of the Supervisory Board or the relevant committee.

Except for the above, the members of the Supervisory Board have no potential conflicts of interest with regard to their commitments *vis-à-vis* Deutsche Bank AG on the one hand and their private interests or other commitments on the other hand.

15.4 Additional Information on Members of the Management Board and Supervisory Board

In the last five years, no member of the Management Board or the Supervisory Board of the Company has been found guilty of any fraudulent offences.

In the last five years, there have been no public incriminations and/or sanctions with respect to the members of the Management Board or the Supervisory Board from statutory or regulatory authorities (including designated professional bodies). In the course of the last five years, no current member of the Management Board or of the Supervisory Board, acting in the capacity of his or her position in administrative, management or supervisory bodies of any company, was associated with any insolvency, receivership or liquidation. No member of the Management Board or Supervisory Board has been disqualified by a court in the last five years from acting as a member of the administrative, management or supervisory bodies of an issuer (or other company) or from acting in the management, or conduct of the

affairs of, any issuer (or other company). There is no kinship between the members of the Management Board and Supervisory Board, neither within either body nor with respect to any member of the respective other corporate body.

The members of the Management Board and the Supervisory Board can be reached at the business address of the Company: Taunusanlage 12, 60325 Frankfurt am Main, Germany.

15.5 Corporate Governance Code

The "Government Commission for the German Corporate Governance Code" (*Regierungskommission Deutscher Corporate Governance Kodex*), appointed by the Federal Minister of Justice in September 2001, adopted the German Corporate Governance Code (the "Code") on February 26, 2002 and resolved various amendments to the Code, most recently on February 7, 2017. The Code contains recommendations and suggestions relating to the management and supervision of German listed companies. It follows internationally and nationally recognized standards for good and responsible corporate governance. The Code aims to make the German corporate governance system transparent and understandable. The Code contains corporate governance recommendations (so called "shall" provisions) and suggestions (so called "should" provisions), with respect to shareholders and the general shareholders' meeting, the management board and supervisory board, transparency, accounting policies and audits.

There is no duty to comply with the recommendations or suggestions of the Code. The German stock corporation law only obliges the management boards and supervisory boards of listed companies to issue an annual declaration stating either that the Code recommendations have been complied with and are being complied with, or to declare which recommendations have not been applied or are not being applied. The declaration has to be made accessible to shareholders at all times. Non-compliance with suggestions contained in the Code need not be disclosed.

The Management Board and Supervisory Board issued the last declaration of conformity regarding the Code in accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz*) on October 27, 2016 as follows:

> *"The Management Board and Supervisory Board of Deutsche Bank AG state pursuant to Section 161 of the Stock Corporation Act (AktG):*
>
> *The last Declaration of Conformity was issued on October 28, 2015. Since then Deutsche Bank AG has complied and will continue to comply in the future with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of the Code dated May 5, 2015, published in the Bundesanzeiger on June 12, 2015, subject to the following deviations:*
>
> – *Relating to No. 5.3.3, according to which the Supervisory Board is to form a Nomination Committee composed exclusively of shareholder representatives. Section 25 (d) of the German Banking Act stipulates that the Nomination Committee of the Supervisory Board of Deutsche Bank AG must take on additional tasks that should be performed not solely by the shareholder representatives on the Supervisory Board. For this reason, the Nomination Committee also comprises representatives of the employees. However, it will be ensured that the candidate recommendations for the election proposals to the General Meeting will be made exclusively by the Committee's shareholder representatives.*
>
> – *Relating to No. 4.2.3 (2) sentence 6, according to which the amount of compensation for the Management Board members is to be capped, both overall and with regard to variable compensation components. The existing employment contracts (in conjunction with equity plan conditions) of the members of the Management Board of Deutsche Bank AG do provide for a limit (cap) in the awarding of total compensation and their variable compensation components. In this context, however, some hold the view that such limits would have to apply not only to the granting and awarding of the compensation components but also to their later payout. Although Deutsche Bank AG does not consider this view to be convincing, we state merely as a precautionary measure that a limit (cap) has not been set for the payout amount of deferred equity-based compensation and that therefore Deutsche Bank AG deviates from the recommendation in No. 4.2.3 (2) sentence 6 according to this interpretation."*

This declaration of conformity of October 27, 2016 still applies at the date of this Prospectus.

15.6 General Meeting

According to the Articles of Association, the General Meeting of the Company is held in Frankfurt am Main, Düsseldorf or in another major German city with a population of more than 500,000. It is called by the Management Board or by the Supervisory Board. Each no-par value share confers one vote at the General Meeting.

In particular, the General Meeting resolves on the following:

- appointment of shareholder representatives to the Supervisory Board;
- allocation of the balance sheet profit (*Bilanzgewinn*);
- formal approval (*Entlastung*) of the acts of the Management Board and the Supervisory Board;
- appointment of auditors;
- capital increases and capital reductions; and
- any amendments to the Articles of Association.

Resolutions of the Company's General Meeting are adopted by a simple majority of the votes cast and, should a majority of the share capital be required, a simple majority of the share capital present at the adoption of the resolution, absent mandatory laws or Articles of Association to the contrary. Under German stock corporation law, certain resolutions of fundamental importance require a majority of at least three quarters of the share capital present at the adoption of a resolution in addition to a majority of the votes cast. Such resolutions include the following in particular:

- amendments changing the business objectives;
- capital increases that exclude subscription rights;
- capital reductions;
- creation of authorized or conditional capital;
- dissolution of the Company;
- actions involving legal conversion such as mergers, spin-offs and changes in legal form;
- transfer of all assets of the Company;
- integration of another company; and
- intercompany agreements (in particular, controlling and profit-transfer agreements).

A General Meeting is usually called once a year (Annual General Meeting). The Annual General Meeting is held within the first eight months of each fiscal year. In addition, the Management Board or Supervisory Board can call an extraordinary General Meeting if such is required in the interest of the Company. Shareholders who have combined shareholdings of at least 5 % of the share capital can request the Management Board to call a General Meeting. Such request must be made in writing and provide details of the purpose and reasons for calling such meeting.

Shareholders who are registered with the Company's share register and have registered for the General Meeting in due time are entitled to participate in the respective General Meeting and exercise their voting rights. The registration must be received by the Company at the address specified in the notice calling the meeting in written or electronic form at least five days before the meeting. The day of receipt is not to be counted.

The General Meeting must be convened at least 30 days before the end of the day, on which the shareholders are required to register, unless the law provides for a shorter notice period. The notice period does not include the day on which the meeting convenes nor the final day of the registration period.

15.7 Employees

As of December 31, 2016, Deutsche Bank Group employed a total of 99,744 staff members as compared to 101,104 as of December 31, 2015 or 98,138 as of December 31, 2014. The Bank and its subsidiaries calculate the employee figures on a full-time equivalent basis, meaning proportionate numbers of part-time employees are included.

The following table shows the numbers of full-time equivalent employees of Deutsche Bank Group as of December 31, 2016 as well as of December 31, 2015 and 2014.

	December 31,		
Employees[1]	**2016**	**2015**	**2014**
Germany	44,600	45,757	45,392
Europe (outside Germany), Middle East and Africa	24,062	23,767	23,063
Asia/Pacific	20,099	20,144	19,023
North America[2]	10,611	10,842	10,054
Latin America	373	595	606
Total employees	**99,744**	**101,104**	**98,138**

1 Full-time equivalent employees.

2 Primarily the United States.

The following table shows the relative proportions of employees of Deutsche Bank's Corporate Divisions as of the dates specified.

Employees as %	December 31, 2016	2015	2014
Global Markets	4.7 %	4.9 %	5.2 %
Corporate & Investment Banking	7.1 %	7.3 %	7.4 %
Private, Wealth & Commercial Clients	24.6 %	25.4 %	26.2 %
Asset Management	2.6 %	2.7 %	2.6 %
Postbank	18.2 %	18.5 %	19.1 %
Non-Core Operations Unit	0.1 %	0.1 %	0.2 %
Infrastructure/Regional Management	42.7 %	41.1 %	39.3 %
Total employees	**100.0 %**	**100.0 %**	**100.0 %**

Note: Segmentation reflects employee numbers as of December 31, 2016; employee numbers as of December 31, 2015 and 2014 have been restated.

As of the date of this Prospectus no material changes in the number of employees of Deutsche Bank Group have occurred since December 31, 2016.

In 2016, the total number of employees of Deutsche Bank Group decreased by 1,360, or 1.3 %, due to the following factors:

- In Global Markets, the number of employees decreased by 185 particularly as a result of reduced engagements, primarily in India, the U.S., Latin America and the Russian Federation;
- The number of staff in Corporate & Investment Banking decreased by 244 primarily due to decreases in the number of employees in Corporate Finance by 161 and Global Transaction Banking by 84;
- The number of Private, Wealth & Commercial Clients staff decreased by 1,156 primarily due to reductions in Germany and the divestment of Private Client Services in the U.S.;
- The number of employees in Deutsche Asset Management decreased by 157 primarily as a result of developments in the U.S. and the UK, as well as the divestment of Deutsche Asset Management (India);
- In Postbank, the number of staff decreased by 547, primarily due to reductions in the branch network;
- The Non-Core Operations Unit decreased its number of staff by 25, primarily due to investment banking-related Non-Core Operations; and
- In Infrastructure/Regional Management, employee headcount increased by 953, mainly driven by insourcing of external roles, primarily the Chief Operating Officer, and due to strengthening of control functions, e.g., Compliance, Anti-Financial Crime, Risk and Audit.

In 2015, the total number of the employees of Deutsche Bank Group increased by 2,966, or 3.0 %, due to the following factors:

- In Global Markets, the number of employees decreased by 200 primarily due to adjustments related to the market development;
- The number of staff in Corporate & Investment Banking increased by 121 driven by an increase in Global Transaction Banking staff by 147, which was partially offset by a decrease in Corporate Finance staff by 26;
- The number of Private, Wealth & Commercial Clients staff remained almost unchanged (-15);
- The number of employees in Deutsche Asset Management increased by 106, primarily as a result of the development in the UK and in the U.S;
- In Postbank, the number of staff decreased by 52, primarily due to reductions in the branches;
- The Non-Core Operations Unit decreased its number of staff by 45, primarily due to investment banking-related Non-Core Operations; and
- In Infrastructure/Regional Management, employee headcount increased by 3,051, mainly due to a further build-out of Deutsche Bank's captive operative platforms and strengthening of control functions, e.g., Compliance, Risk and Audit.

In 2014, the total number of employees of Deutsche Bank Group decreased by 117, or 0.1 %, due to the following factors:

- In Global Markets, the number of employees decreased by 92 primarily due to adjustments related to the market development;

- The number of staff in Corporate & Investment Banking increased by 15, driven by an increase in Global Transaction Banking staff by 54, which was partially offset by a decrease in Corporate Finance staff by 39;
- The number of Private, Wealth & Commercial Clients staff decreased by 470, primarily related to reductions in Germany and the divestment of Tilney in the UK;
- The number of employees in Deutsche Asset Management increased by 10, primarily in the U.S. and in UK, an increase that has partly been offset by reductions related to Sal. Oppenheim entities in Germany;
- In Postbank, the number of staff increased by 488, primarily driven by the setup of a Banking Services Platform in Germany;
- The Non-Core Operations Unit decreased its number of staff by 1,253, primarily as a result of the divestment of BHF-BANK in Germany; and
- In Infrastructure/Regional Management, employee headcount increased by 1,185, mainly due to a further build-out of Deutsche Bank's operative platform and due to strengthening of control functions, e.g., Compliance, Risk and Audit.

Deutsche Bank offers a number of post-employment benefit plans. Further information hereto is contained in Note 36 to the consolidated financial statements for the fiscal year 2016. Information on the share-based compensation plans of Deutsche Bank is also contained in Note 36 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016 which are contained in section "*23. Financial Statements*" of this Prospectus.

No subscription rights with respect to New Shares are allocated to the rights held by participants in Deutsche Bank's share-based compensation plans. These rights will therefore be diluted by the capital increase which is the subject of this Prospectus. As a consequence of the offering of the New Shares the Company may decide in the future to adjust its share-based compensation plans in a way which compensates plan participants for a dilution of their outstanding equity awards. The impact of such plan adjustments on Deutsche Bank's net capital and income statement would depend, among others, on the value of the subscription rights, the remaining tenor of the share-based compensation plans and the development of the share price of Deutsche Bank shares.

16. TRANSACTIONS AND LEGAL RELATIONSHIPS WITH RELATED PARTIES

16.1 Overview

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions.

Deutsche Bank Group's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members,
- subsidiaries, joint ventures and associates and their respective subsidiaries, and
- post-employment benefit plans for the benefit of Deutsche Bank employees.

Deutsche Bank Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectability or present other unfavorable features.

Deutsche Bank has business relationships with a number of the companies in which it owns significant equity interests. Deutsche Bank also has business relationships with a number of companies where members of its Management Board also hold positions on boards of directors. Deutsche Bank's business relationships with these companies cover many of the financial services it provides to its clients generally. Deutsche Bank believes that it conducts its business with these companies on terms equivalent to those that would prevail if it did not have equity holdings in them or management members in common, and Deutsche Bank has conducted business with these companies on that basis to date in 2017 and in prior years, including 2014 through 2016. None of these transactions is or was material to Deutsche Bank.

Among Deutsche Bank's business with related party companies since January 2014, there have been and currently are loans, guarantees and commitments, which totaled € 364 million (including loans amounting to € 212 million) as of December 31, 2016, compared to € 789 million (including loans amounting to € 309 million) as of December 31, 2015.

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 present other unfavorable features compared to loans to nonrelated parties at their initiation.

16.2 Related Party Impaired Loans

In addition to its other shareholdings, Deutsche Bank holds acquired equity interests in some of its clients arising from its efforts to protect its 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 € 3 million to nil, from December 31, 2016. The following table presents an overview of the impaired loans Deutsche Bank holds of some of Deutsche Bank's related parties as of December 31, 2016.

in € m.	Amount outstanding as of December 31, 2016	Largest amount outstanding January 1, to December 31, 2016	Provision for loan losses in 2016[1]	Allowance for loan losses as of December 31, 2016[1]	Nature of the loan and transaction in which incurred
Customer A	0	1	0	0	Uncollateralized shareholder loan bearing interest at 7.5 % 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	0	2	0	0	Consisting of a claim from a collateralized real estate leasing finance unpaid at maturity, bearing interest at 6.62 % per annum. The exposure was past due and payable, interest is accreted at the effective interest rate applied to the carrying amount. After the sale of the real estate (Deutsche Bank's collateral) and a partial repayment of the exposure, the remaining amount was written off in 2016.
Total	0	n/m[2]	0	0	

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 the Company and customer B is an investment held at equity. Impaired loans to all related party customers have been carried forward from the previous year end.

The names of the related party customers described above are not disclosed because Deutsche Bank has 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.

For further information on the business relationships with related third parties in the fiscal year 2016, see Note 39 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, which are contained in section "*23. Financial Statements*" of this Prospectus. For corresponding information for the fiscal years 2015 and 2014, see Note 38 to the consolidated financial statements of Deutsche Bank for the fiscal year 2015. Deutsche Bank's consolidated financial statements for the fiscal year 2015 are incorporated into this Prospectus by reference, see section *"2.1 Documents Incorporated by Reference"*.

17. MATERIAL CONTRACTS

In the ordinary course of business, companies of Deutsche Bank Group enter into numerous contracts with other companies. In the two years immediately preceding the date of this Prospectus, Deutsche Bank Group has not entered into any contracts outside the ordinary course of business, which are material to the Group.

18. REGULATION AND SUPERVISION

18.1 Overview

The operations of Deutsche Bank throughout the world are regulated and supervised by the relevant authorities in each of the jurisdictions where it conducts 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 Deutsche Bank conducts in a country and how it structures 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 ("Basel Committee") proposed revised minimum 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 Deutsche Bank's 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 some of the regulatory requirements being gradually phased in through January 1, 2019.

On November 23, 2016, following a routine review of the CRR/CRD 4 legislative package and other major legal acts in the area of banking regulation and supervision, the European Commission published a comprehensive package of reforms to further strengthen the resilience of European Union banks. If implemented, the proposals will amend, among others, CRR/CRD 4, in order to incorporate various remaining elements of the regulatory framework agreed within the Basel Committee and the Financial Stability Board ("FSB") to refine and supplement Basel 3. This includes more risk-sensitive capital requirements, in particular in the area of market risk, counterparty credit risk, and for exposures to central counterparties, methodologies that reflect more accurately the actual risks to which banks may be exposed, a binding leverage ratio, a binding net stable funding ratio, tighter regulation of large exposures, and a requirement for global systemically important banks ("G-SIBs"), such as Deutsche Bank AG, to hold certain minimum levels of capital and other instruments which are capable of bearing losses in resolution ("Total Loss-Absorbing Capacity" or "TLAC"). Other proposed measures are aimed at improving banks' lending capacity to support the European Union economy and further facilitate the role of banks in achieving deeper and more liquid European Union capital markets. It is expected that most of the proposed amendments will start being applied in 2019 at the earliest.

In addition to the continued implementation and refinement of the CRR/CRD 4 legislative package, the European Union is pursuing a deeper integration and harmonization of banking regulation and supervision by establishing a banking union. Currently, the banking union consists of two pillars, the Single Supervisory Mechanism ("SSM") and the Single Resolution Mechanism ("SRM") for banks domiciled in the eurozone as well as for banks domiciled in other member states of the European Union that decide to participate in the SSM and the SRM. The banking union shall be complemented by a third pillar, a common European Deposit Insurance Scheme ("EDIS"), and is underpinned by an increasingly harmonized regulatory framework (the so-called "single rulebook") for financial services in the European Union. While the SSM and the SRM have already become effective, the EDIS is currently debated among European Union member states, based upon a proposal of the European Commission published on November 24, 2015.

Under the SSM, the European Central Bank ("ECB") is the primary supervisor of "significant" credit institutions (such as Deutsche Bank AG) and their banking affiliates in the relevant member states. The competent national authorities supervise the remaining, "less significant" banks under the oversight of the ECB. The SSM is based on a European Union regulation (referred to as the "SSM Regulation") which is directly enforceable as law in every participating member state.

The SRM, which came into force on January 1, 2016, centralizes at a European level the key competences and resources for managing the failure (or likely failure) of any bank in the participating member states. Under the SRM, broad resolution powers with respect to banks domiciled in the participating member states are granted to the Single Resolution Board ("SRB") as the central European resolution authority and to the competent national resolution authorities. Resolution powers in particular include the power to reduce, including to zero, the nominal value of shares, or to cancel shares outright, and to write down certain eligible subordinated and unsubordinated unsecured liabilities, including to zero, or convert them into equity (commonly referred to as "bail-in"). The SRB is also in charge of the Single Resolution Fund

("SRF"), a pool of money financed by the banking sector which is set up to ensure that medium-term funding support is available for purposes of restructuring banks under the SRM. The SRM is based on a European Union regulation (referred to as the "SRM Regulation") which is directly enforceable as law in every participating member state and a European Union directive (referred to as the Bank Recovery and Resolution Directive or "BRRD") which has been implemented into national (in Deutsche Bank's case, German) law. The BRRD is also applicable to member states that do not participate in the SRM.

In February 2012, the European Commission established a High-level Expert Group chaired by Erkki Liikanen to examine possible reforms to the structure of the European Union's banking sector. In its final report of October 2, 2012 (the so-called "Liikanen report"), the expert group proposed, inter alia, a legal separation of certain particularly risky financial activities from deposit-taking banks within a banking group. Taking into account the recommendations of the Liikanen report, the German Federal Parliament, in 2013, adopted the German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups (*Trennbankengesetz*, the "Separation Act"). Since July 1, 2016 (unless such period is extended, as it has been for Deutsche Bank AG, to June 30, 2017), 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 as further described below. Also based upon the Liikanen report, the European Commission published on January 29, 2014 a proposal which, if enacted, will impose measures similar to the Separation Act. The proposal is currently being negotiated at the European level and its ultimate impact on Deutsche Bank will depend on the outcome of such negotiations.

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 Deutsche Bank operates. 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, leverage, employee compensation, conduct of business, limitations on activities and other aspects of Deutsche Bank's operations that may have a material effect on Deutsche Bank's business and the services and products that Deutsche Bank will be able to offer.

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

18.2 Regulation and Supervision in Germany – Basic Principles

Deutsche Bank AG is authorized to conduct banking business and to provide financial services as set forth in the German Banking Act (*Kreditwesengesetz*) and is subject to comprehensive regulation and supervision by the ECB, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) and the Deutsche Bundesbank ("Bundesbank"), the German central bank.

As a "significant" credit institution within the meaning of the SSM Regulation, Deutsche Bank AG is directly supervised by the ECB. With respect to Deutsche Bank AG and other "significant" credit institutions, the ECB is the primary supervisor and is responsible for most tasks of prudential supervision, such as compliance with regulatory requirements set forth in CRR/CRD 4 concerning own funds, large exposure limits, leverage, liquidity, securitizations, corporate governance, business organization and risk management requirements. The ECB carries out its supervisory functions through a Joint Supervisory Team ("JST") established for Deutsche Bank Group. The JST is led by the ECB and comprises staff from the ECB and national supervisory authorities, including the BaFin and the Bundesbank. In addition, and regardless of whether an institution is significant or not, the ECB is responsible for issuing new licenses to credit institutions and for assessing the acquisition and increase of significant participations (also referred to as qualifying holdings) in credit institutions established in those member states of the European Union that participate in the SSM and where notification of such changes must be filed.

The BaFin is Deutsche Bank's principal supervisor for regulatory matters with respect to which Deutsche Bank is not supervised by the ECB. These include the rules on business conduct in the securities markets, in particular when providing securities services to clients, 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 supervises Deutsche Bank with respect to those requirements under the German Banking Act that are not based upon European law. 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 Deutsche Bank and of Deutsche Bank AG's audit reports as well as assessments of the adequacy of Deutsche Bank's capital base and risk management systems. The ECB, the BaFin and the Bundesbank receive comprehensive information from Deutsche Bank in order to monitor Deutsche Bank's compliance with applicable legal requirements and to obtain information on Deutsche Bank's 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) (see section "*18.7 Consolidated Regulation and Supervision*"). However, banks forming part of a consolidated group may be allowed to waive the application of specific regulatory requirements on an unconsolidated basis if certain conditions are met. As of December 31, 2016, Deutsche Bank AG was allowed to waive the application of provisions on own funds (Part Two CRR), capital requirements (Part Three CRR), large exposures (Part Four CRR), exposures to transferred credit risk (Part Five CRR), leverage (Part Seven CRR) and disclosure by institutions (Part Eight CRR) as well as certain risk management requirements on a stand-alone basis.

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, to impose monetary and other sanctions, to request the replacement of members of the bank's management or supervisory board, or to repeal the license of a bank.

18.3 Banking Legislation

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 Deutsche Bank AG relating to regulatory capital, risk-based capital adequacy, monitoring and control of large exposures, consolidated supervision, leverage, liquidity and public disclosure. Certain other requirements applicable to Deutsche Bank AG, including those with respect to capital buffers, organizational and risk management requirements, are set forth in the German Banking Act and other German laws, partly implementing European Union directives such as CRD 4.

Furthermore, European banking regulation is to a large extent based on legislative and administrative acts at the European level with the purpose of implementing or complementing the rules contained in the so-called "basic acts" and to ensure a consistent application of European Union law by the relevant national supervisory authorities (so-called level 2 and 3 measures). Among these acts are delegated and implementing regulations enacted by the European Commission (level 2) as well as regulatory and technical standards, guidelines, recommendations and questions and answers (Q&A) developed and issued by the European Supervisory Authorities ("ESAs"), in particular the European Banking Authority ("EBA") and the European Securities and Markets Authority ("ESMA") (level 3).

18.4 Securities Trading Legislation

Under the German Securities Trading Act (*Wertpapierhandelsgesetz*), the BaFin regulates and supervises securities trading, including the provision of securities services, 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 organizational requirements as well as rules of conduct which 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 investment advice. The BaFin has broad powers to investigate businesses providing securities services to monitor their compliance with the organizational requirements, rules of conduct and 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.

On July 3, 2016, a new legal regime on market abuse entered into force consisting of a directly applicable European Union regulation on market abuse (Market Abuse Regulation or "MAR") and a European Union directive on criminal sanctions for market abuse ("MAD") which has been implemented into national (in Deutsche Bank's case, German) law. The MAR establishes a common European Union framework for, inter alia, insider dealing, the public disclosure of inside information, market manipulation, and managers'

transactions. The German Securities Trading Act, which had contained rules on market abuse prior to the entering into force of the MAR, continues to supplement the MAR and, e.g., provides for sanctions in case of violations of the MAR.

The European Union has enacted several legislative proposals which result in further regulation of securities trading and the trading in derivatives in particular. Notably, the European Union adopted 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 reported 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 ESAs (mainly the ESMA) are still in the process of finalizing certain implementing rules mandated by EMIR. Further legislative measures such as the overhauled Markets in Financial Instruments Directive ("MiFID 2") and the new Markets in Financial Instruments Regulation ("MiFIR") and corresponding delegated legislation 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, greater restrictions on operating trading platforms, and greater sanctioning powers. MiFID 2/MiFIR, which will be applicable as from January 3, 2018, 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 Deutsche Bank distributes products. MiFID 2 will need to be implemented into national law, whereas MiFIR is a directly applicable European Union regulation.

Furthermore, European securities regulation is to a large extent based on technical standards, guidelines and recommendations developed by the ESMA.

18.5 Capital Adequacy Requirements

18.5.1 Minimum Capital Adequacy Requirements (Pillar 1)

The minimum 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 regulatory capital is "Additional Tier 1" capital which includes, for example, certain unsecured subordinated perpetual capital instruments and related share premium accounts. Generally, the terms and conditions of all instruments recognized as Additional Tier 1 capital must require that the principal amount of the instruments will 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 % (or such higher level as the issuing bank may determine), 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 regulatory 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 what is known as 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 %.

18.5.2 Capital Buffers

The German Banking Act 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 set a domestic counter-cyclical capital buffer for Germany (Common Equity Tier 1 capital of generally 0 % to 2.5 % of risk-weighted assets, or more in particular circumstances) during periods of high credit growth. In order to comply with the countercyclical capital buffer requirement, banks must calculate their institution-specific countercyclical capital buffer as the weighted average of the countercyclical capital buffers that apply to them in the jurisdictions where their relevant credit exposures are located. Accordingly, the total countercyclical buffer requirement (if any) that Deutsche Bank AG needs to comply with also depends on the corresponding buffer requirements in other jurisdictions. 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. G-SIBs (such as Deutsche Bank AG) are subject to an additional capital buffer (Common Equity Tier 1 capital of between 1 % and 3.5 % of risk-weighted assets), which the BaFin determines for German banks based on a scoring system measuring the bank's global systemic importance. The BaFin can also determine a capital buffer of Common Equity Tier 1 capital of up to 2 % of risk-weighted assets for other systemically important banks (so-called O-SIIs, such as Deutsche Bank AG) in Germany, based on criteria measuring, among others, the bank's importance for the economy in Germany and the European Economic Area. The provisions in the German Banking Act on capital buffers are generally being phased in gradually through January 1, 2019. The systemic risk buffer, the buffers for G-SIBs and the buffer for O-SIIs are generally not cumulative; only the highest of these buffers applies. 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. Also, the ECB may require banks 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, as currently in effect, does not require banks 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. Among the package of reforms published by the European Commission on November 23, 2016 (see "*18.1 Overview*") is a proposal to introduce a binding minimum leverage ratio requirement of 3% of Tier 1 capital into the CRR.

18.5.3 Supervisory Review and Evaluation Process or "SREP" (Pillar 2)

Furthermore, the ECB may impose capital requirements on individual significant credit institutions within the SSM which are more stringent than the statutory minimum requirements set forth in the CRR, the German Banking Act or the related regulations. In this context, in December 2014, the EBA published its final guidelines for common procedures and methodologies for the supervisory review and evaluation process ("SREP"). In connection with the SREP, competent supervisory authorities, including the ECB, are required to review the arrangements, strategies, processes and mechanisms of supervised banks on a regular basis, in order to evaluate risks to which they are or might be exposed, risks they could pose to the financial system, and risks revealed by stress testing, taking into account the nature, scale and complexity of their activities. At the end of the process, the competent supervisory authority takes an SREP decision in relation to each relevant bank setting out, depending on the outcome of the SREP, specific capital and liquidity requirements for each affected bank. Any additional bank-specific capital requirements resulting from the SREP are referred to as "Pillar 2" requirements and must be fulfilled in addition to the statutory minimum capital and buffer requirements. The "Pillar 2" requirement must be met with Common Equity Tier 1 capital. Also following the SREP, the ECB may communicate to individual banks an expectation to hold a further "Pillar 2" Common Equity Tier 1 capital add-on, the so-called "Pillar 2" guidance. The ECB has stated that it expects banks to meet the "Pillar 2" guidance although it is not legally binding and failure to meet the "Pillar 2" guidance does not automatically trigger legal action. Finally, also based on the outcome of the SREP, the competent supervisory authority may take a range of other measures in response to shortcomings in a bank's governance and risk management processes as well as its capital or liquidity position, such as prohibiting dividend payments to shareholders or distributions to holders of regulatory capital instruments.

For details of Deutsche Bank's regulatory capital, see section "*13.5 Risk and Capital Performance*."

18.6 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*) supplement the CRR. For example, the Large Exposure Regulation sets forth exemptions (in addition to those contained in the CRR) from the applicability of limits to large exposures. Under the CRR, Deutsche Bank's 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 Deutsche Bank's "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 Deutsche Bank's 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. If the customer is a credit institution or investment firm, the exposure is limited to the higher of 25 % of Deutsche Bank's eligible regulatory capital or € 150 million. Competent authorities may set a lower limit than € 150 million. Among the package of reforms published by the European Commission on November 23, 2016 (see section "*18.1 Overview*"), is a

proposal to 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 G-SIBs (such as Deutsche Bank AG) to 15 % of Tier 1 capital.

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.

18.7 Consolidated Regulation and Supervision

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 German Banking Act and the CRR. Generally, a regulatory group of institutions (*Institutsgruppe*) consists of an institution (meaning a credit institution or an investment firm within the meaning of the CRR that is responsible for the consolidation of the group) as the parent company, and all other institutions, financial institutions (comprising inter alia financial holding companies, payment institutions and asset management companies) and ancillary services undertakings that are the parent company's subsidiaries as defined in the CRR. The provisions of the German Banking Act and the CRR on consolidated supervision require that a regulatory group of institutions taken as a whole complies with the requirements on capital adequacy, limitations on large exposures as well as organizational, risk management and other prudential requirements under the CRR and the German Banking Act. The ECB is responsible for Deutsche Bank AG's 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. In November 2007, the BaFin designated Deutsche Bank as a financial conglomerate. Therefore, Deutsche Bank is required to comply with and report capital adequacy requirements and risk concentrations also on a conglomerate level. In addition, Deutsche Bank is required to report significant conglomerate internal transactions as well as significant risk concentrations. Deutsche Bank's supervision at the conglomerate level is coordinated by the ECB. Following a reorganization of the insurance sector within Deutsche Bank's financial conglomerate in 2016, including a sale of the most material insurance entity Abbey Life Assurance Company Limited with effect from December 30, 2016, Deutsche Bank has initiated a re-assessment of its status as a financial conglomerate.

18.8 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 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 ("LCR") 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 is being gradually phased in through January 1, 2018, with a minimum required level of liquidity of 80 % in 2017 which will be increased to 100 % in 2018. Details on the liquidity coverage requirement have been set forth by the European Commission in implementing legislation, which became applicable on October 1, 2015. The ECB supervises Deutsche Bank's compliance with the liquidity coverage requirement under the CRR and the corresponding implementing legislation.

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 over a one-year period. The CRR contains interim reporting requirements on stable funding but does not yet include substantive provisions relating to the NSFR. Among the package of reforms published by the European Commission on November 23, 2016 (see section "*18.1 Overview*") is a proposal to introduce a binding NSFR into the CRR. According to this proposal, the NSFR is defined as the ratio of a bank's available stable funding relative to the amount of required stable funding over a one-year period. According to the proposal, banks must maintain an NSFR of at least 100 %.

National liquidity requirements under the German Banking Act and the German Liquidity Regulation (*Liquiditätsverordnung*) will continue to be applicable to Deutsche Bank AG 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 German 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 German 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 Bundesbank on a monthly 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.

18.9 Financial Statements and Audits

As required by the German Commercial Code (*Handelsgesetzbuch*), Deutsche Bank AG prepares its non-consolidated financial statements in accordance with German GAAP. Deutsche Bank AG's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), and its compliance with capital adequacy requirements and large exposure limits is determined solely based upon such consolidated financial statements.

Under German law, Deutsche Bank AG is required to be audited annually by a certified public accountant (*Wirtschaftsprüfer*). The Bank's auditor is appointed each year at the annual shareholders' meeting. However, the supervisory board mandates the auditor and supervises the audit. The BaFin must be informed of and may reject the auditor's appointment. The German Banking Act requires that a bank's auditor inform the BaFin of any facts that come to the auditor'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.

18.10 Investigative and Enforcement Powers

18.10.1 Investigations and Supervisory 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 Deutsche Bank's compliance with requirements with respect to which it supervises Deutsche Bank AG, such as those set forth in CRR/CRD 4. The BaFin may also decide to audit Deutsche Bank's compliance with requirements with respect to which it supervises Deutsche Bank AG, such as those relating to business conduct in the securities markets and the regulation of anti-money laundering, to counter 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 and 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.

18.10.2 Supervisory and Enforcement Powers

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

- impose additional own funds or liquidity requirements in excess of statutory minimum 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 dividend payments to shareholders or distributions to holders of Additional Tier 1 instruments; or
- remove the members of the bank's management or supervisory board members from office.

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 administrative penalties in case of breaches of directly applicable European Union 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 or such other amounts as may be provided for in relevant European Union law. 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 remaining with the BaFin, the BaFin may take 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 or, in certain cases, € 20 million, depending of the type of offense. 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 twice the amount of the economic benefit derived from the violation.

Finally, violations of the German Banking Act may result in criminal penalties against the members of the Management Board or senior management.

18.11 Recovery and Resolution Planning, Restructuring Powers

Germany participates in the SRM, which centralizes at a European level the key competences and resources for managing the failure of banks in member states of the European Union participating in the banking union. The SRM is based on the SRM Regulation and the BRRD, which was implemented in Germany through the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*, "SAG"). In addition, the German Resolution Mechanism Act (*Abwicklungsmechanismusgesetz*) adapted German bank resolution laws to the SRM. The SRM Regulation and the German Recovery and Resolution Act require the preparation of recovery and resolution plans for banks and grant broad powers to public authorities to intervene in a bank which is failing or likely to fail. For a bank directly supervised by the ECB, such as Deutsche Bank AG, the SRB draws up the resolution plan, assesses the bank's resolvability and may require legal and operational changes to the bank's structure to ensure its resolvability.

In the event that a bank is failing or likely to fail and certain other conditions are met, in particular where there is no reasonable prospect that any alternative private sector measures would prevent the failure and resolution measures are necessary in the public interest, the SRB is responsible for adopting a resolution scheme for resolving the bank pursuant to the SRM Regulation. The European Commission and, to a lesser extent, the Council of the European Union, have a role in endorsing or objecting to the resolution scheme proposed by the SRB. The resolution scheme would be addressed to and implemented by the competent national resolution authorities (in Germany: the Federal Agency for Financial Market Stabilization, "FMSA").

Resolution measures that could be imposed upon a failing bank may include a range of measures including the transfer of shares, assets or liabilities of the bank to another legal entity, the reduction, including to zero, of the nominal value of shares, the dilution of shareholders of a failing bank or the cancellation of shares outright, or the amendment, modification or variation of the terms of the bank's outstanding debt instruments, for example by way of deferral of payments or a reduction of the applicable interest rate. Furthermore, certain eligible unsecured liabilities, in particular certain senior unsecured debt instruments specified by the German Resolution Act, as amended by the German Resolution Mechanism Act, may be written down, including to zero, or converted into equity (commonly referred to as "bail-in"). In addition, the SRB is charged with administering the SRF, a pool of money which is financed by bank levies raised at national level and is intended to reach a target level of 1 % of insured deposits of all banks in member

states participating in the SRM by the end of 2023. It will be used for resolving failing banks after other options, such as the bail-in tool, have been exhausted. In line with the German Recovery and Resolution Act, public financial support for a failing bank should only be used as a last resort, after having assessed and exploited, to the maximum extent possible, resolution measures set forth in the SRM Regulation and the German Recovery and Resolution Act, including the bail-in tool.

To prevent banks from structuring their liabilities in a way that impedes the effectiveness of the bail-in or other resolution tools, the SRM Regulation and the German Recovery and Resolution Act, implementing the BRRD, introduced a requirement for banks to meet minimum requirements for own funds and eligible liabilities ("MREL"). The MREL is to be determined by the competent resolution authorities for each supervised bank individually. MREL applies to all banks across the European Union. In addition, on November 9, 2015, the FSB published a similar new standard applicable to all G-SIBs (and not only European G-SIBs), such as Deutsche Bank AG, to meet a new minimum requirement for TLAC as from January 1, 2019. The FSB has proposed that competent authorities determine a firm-specific minimum TLAC requirement for each G-SIB of at least 16 % of risk-weighted assets as from January 1, 2019, rising to at least 18% from January 1, 2022. In addition, the FSB has proposed that minimum TLAC must be at least 6 % of the Basel 3 leverage ratio denominator from January 1, 2019, rising to at least 6.75 % of the Basel 3 leverage ratio denominator from January 1, 2022. Among the package of reforms published by the European Commission on November 23, 2016 (see section "*18.1 Overview*") is a proposal to implement the FSB's TLAC proposal in the European Union and harmonize it with MREL through amendments to CRR/ CRD 4, the BRRD and the SRM Regulation. The ultimate impact of any TLAC requirements on Deutsche Bank will depend on how the proposals will be implemented into binding legislation.

Furthermore, under the German Resolution Act, as amended by the German Resolution Mechanism Act, obligations of banks resulting from specifically defined senior unsecured debt instruments issued by them (such as bank bonds) would, in an insolvency proceeding of the issuing bank, rank junior to all other outstanding unsecured unsubordinated obligations of such bank (such as certain structured products), without technically constituting subordinated debt, but continue to rank in priority to contractually or statutorily subordinated debt instruments. Correspondingly, such senior unsecured debt instruments, in a resolution proceeding, would be bailed in prior to any other unsubordinated debt, but only after contractually or otherwise subordinated debt. This order of priority applies to insolvency proceedings commenced, and resolution measures imposed upon the relevant bank, on or after January 1, 2017, and applies to all instruments then outstanding. Among the package of reforms published by the European Commission on November 23, 2016 (see section "*18.1 Overview*") is a proposal to harmonize national rules on the priority of claims of banks creditors in the European Union by requiring member states to create a new asset class of "non-preferred" senior debt that should be affected by a bail-in during resolution after other regulatory capital instruments, but prior to other unsubordinated liabilities. The ultimate impact on Deutsche Bank will depend on how the proposal will be implemented into binding legislation.

Finally, in addition to resolution proceedings under the SRM and the German Recovery and Resolution Act, a German bank can become subject to a stabilization plan or reorganization proceedings under the German Credit Institution Reorganization Act (*Gesetz zur Reorganisation von Kreditinstituten*).

18.12 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 (referred to as a financial trading institution (*Finanzhandelsinstitut*)). The separation requirement applies if certain thresholds are exceeded, which is the case for Deutsche Bank AG. In addition, the German Separation Act authorizes the BaFin, since July 1, 2016, 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 financial trading institution. The financial trading institution 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 became effective on July 1, 2015, with a further transitional period of twelve months to accomplish the separation requirement, unless the BaFin extends this period. For Deutsche Bank Group, the period to cease or transfer activities concerned was extended by the BaFin until June 30, 2017 (see section "*18.1 Overview*"). The implementation of the German Separation Act will require ongoing surveillance of the activities of banks within the scope of the

legislation and assessment of compliance and control frameworks to ensure that no prohibited activities are conducted. Deutsche Bank is currently in the process of implementing the necessary controls to be compliant with the law as of July 1, 2017.

On January 29, 2014, the European Commission published a proposal for a regulation on structural measures improving the resilience of European Union credit institutions (referred to as "Proposed Regulation"), which if enacted, will impose measures similar to the German Separation Act. The Proposed Regulation would apply to large banks which are either identified as G-SIBs (such as Deutsche Bank AG), or whose total assets and trading activities exceed certain thresholds (which Deutsche Bank exceeds). If the Proposed Regulation were enacted as proposed, it would, inter alia, ban proprietary trading in financial instruments and commodities. On June 19, 2015, the Council of the European Union agreed its position at first reading on the Proposed Regulation, which contains significant amendments to the Proposed Regulation. If adopted, the Proposed Regulation might overrule certain requirements set out in the German Separation Act at the national level. The ultimate impact on Deutsche Bank of the Proposed Regulation will depend on the content of the final version thereof.

18.13 Remuneration Rules

Under the German Banking Act and the German Credit Institution Remuneration Regulation (*Institutsvergütungsverordnung*), Deutsche Bank AG is subject to certain restrictions on the remuneration it pays its management board members and employees. The remuneration rules have been revised on the basis of the CRR/CRD 4 framework which imposes a cap on bonuses. Pursuant to this cap, the variable remuneration for management board members and employees must not exceed the fixed remuneration. The variable remuneration may be increased to twice the management board member's or employee's fixed remuneration if expressly approved by the shareholders' meeting with the required majority. In addition, Deutsche Bank AG is obliged to identify individuals who have a material impact on Deutsche Bank AG's risk profile ("material risk takers"). Such material risk takers are subject to additional rules, such as the requirement that between 40 % and 60 % of the variable remuneration granted to them must be on a deferred basis. The deferral period must be at least three to five years. Also at least 50 % of the variable remuneration for material risk takers must be paid in the form of instruments that adequately reflect the credit quality of the bank, such as shares or instruments linked to shares. Finally, Deutsche Bank AG is required to comply with certain disclosure requirements relating to the remuneration it pays to, and the remuneration principles in respect of, Deutsche Bank's material risk takers and other affected employees.

For details of Deutsche Bank's remuneration system with respect to the members of its Management Board, see section "*15.2.3.2 Compensation Structure*" of this Prospectus.

18.14 Deposit Protection and Investor Compensation in Germany

18.14.1 The Deposit Protection Act and the Investor Compensation Act

The German Deposit Protection Act (*Einlagensicherungsgesetz*) and the German Investor Compensation Act (*Anlegerentschädigungsgesetz*) provide for a mandatory deposit protection and investor compensation system in Germany, based on a European Union directive on deposit guarantee schemes ("DGS Directive"), recast in 2014, and a European Union directive on investor compensation schemes.

The German Deposit Protection Act requires that each German bank participates in one of the statutory government-controlled deposit protection schemes (*Entschädigungseinrichtungen*). Entschädigungseinrichtung deutscher Banken GmbH acts as the deposit protection scheme for private sector banks such as Deutsche Bank AG, collects and administers the contributions of the member banks, and settles any compensation claims of depositors in accordance with the German Deposit Protection Act.

Under the German Deposit Protection Act, deposit protection schemes are liable for obligations resulting from deposits denominated in any currency in an amount of up to € 100,000 per depositor and bank. In addition, deposits made in connection with particular life events (such as the sale of private residential properties, marriage or severance payments) are protected up to an amount of € 500,000 for a period of six months after the amount has been deposited or become transferable. Deposit protection schemes are not liable for liabilities the existence of which can be proven only by financial instruments such as transferable securities that are not repayable at par or the principal of which is repayable at par only under a particular guarantee or agreement provided by the bank or a third party. Deposits by certain entities, such as banks, financial institutions (*Finanzinstitute*), insurance companies, investment funds, the Federal Republic of Germany, the German federal states and municipalities, as well as liabilities arising from own acceptances (*eigene Akzepte*) and sola bills (*Solawechsel*) are not protected.

The deposit protection scheme must repay insured deposits in euro within seven working days after the BaFin has ascertained a compensation case for the bank concerned and without the requirement for depositors to specifically apply for repayment, except where they claim to be insured above the level of € 100,000 in connection with specific life events.

Deposit protection schemes are financed by annual contributions of the participating banks. They must have "available financial means" proportionate to their potential liabilities and must 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. Deposit protection schemes may also levy special contributions if required to settle compensation claims. There is no absolute limit on such special contributions.

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, deposit protection schemes under certain circumstances may provide funding to its participating banks to avoid their failure.

Under the German Investor Compensation Act, in the event that the BaFin ascertains a compensation case, Entschädigungseinrichtung deutscher Banken GmbH as Deutsche Bank AG's deposit protection scheme is also required to compensate 90 % of any creditor's aggregate claims arising from securities transactions denominated in euro or in a currency of any other European Union member state up to an amount of the equivalent of € 20,000. Claims arising from securities transactions include claims of securities account holders for the return of instruments owned by, and held or deposited for them in connection with securities transactions. Claims arising from securities transactions 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.

18.14.2 European Deposit Insurance Scheme

On November 24, 2015, the European Commission proposed a regulation to establish a European Deposit Insurance Scheme, or "EDIS" for bank deposits of all credit institutions which are members of any of the current national statutory deposit guarantee schemes of member states participating in the banking union (see "*18.1 Overview*"). The Commission's proposal envisages a progressive integration of existing national deposit guarantee schemes in three stages, from a re-insurance of national deposit guarantee schemes, to a co-insurance system, and then to the final stage, which would be reached in 2024, when EDIS would fully insure all relevant national deposit guarantee schemes in case of a bank failure. EDIS would be administered by the SRB in all stages jointly with participating national deposit guarantee schemes or, where a deposit guarantee scheme does not administer itself, by the national designated authority responsible for administering the respective participating deposit guarantee scheme. The proposal is currently being negotiated at the European Union level and the ultimate impact on Deutsche Bank is uncertain.

18.14.3 Voluntary Deposit Protection System

Liabilities to creditors that are not covered by a statutory compensation scheme may be covered by one of the various protection funds set up by the banking industry on a voluntary basis. Deutsche Bank AG takes part in the Deposit Protection Fund (*Einlagensicherungsfonds*) set up by the Association of German Banks (*Bundesverband 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, Deutsche Bank may therefore participate in their restructuring even where Deutsche Bank has 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 Deutsche Bank may be required to make such special contributions.

On February 17, 2017, the Association of German Banks published a press release announcing that it is going to reform the Deposit Protection Fund. First, from October 1, 2017, "bank-like" clients (certain investment firms and financial institutions) as well as federal, regional and local governments would no longer be covered by the Deposit Protection Fund, but individuals, businesses, insurance companies and

semi-governmental agencies, such as pension schemes for certain professions, would remain protected. Second, also from October 1, 2017, promissory notes (*Schuldscheindarlehen*) and registered bonds (*Namensschuldverschreibungen*) would no longer be covered by the Deposit Protection Fund, unless held by individuals or foundations and subject to grandfathering provisions. Third, from January 1, 2020, deposits with a term of over 18 months would no longer be protected, unless held by individuals or foundations and again subject to grandfathering provisions. The reform needs to be ratified by the Delegates' Assembly (*Delegiertenversammlung*) of the Association of German Banks which is meeting on April 5, 2017.

18.15 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 Deutsche Bank's branches generally operate under the so-called "European Passport". Under the European Passport, Deutsche Bank's branches are subject to regulation and supervision primarily by the ECB and the BaFin. Similarly, Deutsche Bank also provides cross-border services in the European Economic Area under the "European Passport" directly without intermediation of branches. To the extent that activities are carried out within its jurisdiction, the authorities of the host country supervise the conduct of such activities. This includes, for example, rules on treating clients fairly and rules governing a bank's conduct in the securities market.

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 ESAs: the EBA, the ESMA and the European Insurance and Occupational Pensions Authority ("EIOPA").

The ESRB is responsible for the macro-prudential oversight of the financial system within the European Union. It collects and analyzes in particular all relevant information to identify systemic risks and issue warnings and recommendations for remedial action as appropriate. The secretariat of the ESRB is supported by the ECB. The tasks of the EBA, EIOPA, and ESMA are to further integrate and harmonize the work of the relevant national supervisory authorities and to ensure a consistent application of European Union 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 European Union is jeopardized (see section "*18.3 Banking Legislation*"). 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.

18.16 Regulation and Supervision in the United States

Deutsche Bank's operations are subject to extensive federal and state banking, securities and derivatives regulation and supervision in the United States. Deutsche Bank AG engages in U.S. banking activities directly through its New York branch. Deutsche Bank AG also controls U.S. banking organization subsidiaries, including DB USA Corporation, Deutsche Bank Trust Corporation and 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.

In 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, full implementation of the Dodd-Frank Act will require further detailed rulemaking and uncertainty remains about the final details, timing and impact of many of the rules. In addition, the substance and impact of the Dodd-Frank Act may be affected by changes in the U.S. political landscape.

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 permit certain activities conducted outside the United States, provided that certain criteria are satisfied. 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 Volcker Rule. 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 Deutsche Bank AG, had to bring their activities and investments into compliance and implement a specific compliance program. The Federal Reserve Board has extended the Volcker Rule's general conformance period for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 until July 21, 2017. This 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.

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 are also able to restrict the size and growth of systemically significant non-bank financial companies and large interconnected bank holding companies. U.S. regulators are also required to impose bright-line debt-to-equity ratio limits on financial companies that the Financial Stability Oversight Council determines pose a grave threat to financial stability if it determines that the imposition of such limits is necessary to minimize the risk.

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

Under the FBO Rules, by July 1, 2016, a large FBO with U.S. $ 50 billion or more in U.S. non-branch assets, such as Deutsche Bank AG, was 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 its U.S. subsidiaries. On July 1, 2016, Deutsche Bank AG designated DB USA Corporation as its IHC and, as of that date, DB USA Corporation became 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 has the authority to examine DB USA Corporation and any of its subsidiaries, as well as the New York branch. 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, under certain circumstances, asset maintenance requirements. Additionally, the FBO Rules place requirements on the FBO itself related to the adequacy and reporting of the FBO's home country capital and stress testing regime. On March 4, 2016, the Federal Reserve Board issued a re-proposal of its requirements relating to single counterparty credit limits that would apply to an FBO's combined U.S. operations and its IHC. The re-proposal is still under consideration by the Federal Reserve Board. In addition, the Federal Reserve Board is still considering an "early remediation" framework under which the Federal Reserve Board would implement prescribed restrictions and penalties against the FBO and its U.S. operations, such as restrictions on the ability of the FBO and its U.S. operations to make discretionary compensation payments to certain of its officers and directors, if the FBO and/or its U.S. operations do not meet certain risk-based capital, leverage, liquidity, stress testing or other risk management 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 Federal Deposit Insurance Corporation ("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 companies subject to these resolution planning requirements such as Deutsche Bank AG, the Title I US Resolution Plan only relates to subsidiaries, branches, agencies and businesses that are domiciled in or whose activities are carried out in whole or in material part in the United States. Deutsche Bank AG filed its last Title I US Resolution Plan in July 2015 and was not required to file a Title I US Resolution Plan in 2016. In addition to the Title I US Resolution Plan, in 2014, DBTCA, one of Deutsche Bank AG's insured depository institutions ("IDIs") in the United States, became 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 (the "IDI Plan" and, together with the Title I US Resolution Plan, the "US Resolution Plan") under the Federal Deposit Insurance Act (the "IDI Rule"). In 2014, Deutsche

Bank AG expanded its Title I US Resolution Plan to also be responsive to the IDI Rule requirements. In September 2015, DBTCA prepared and submitted a separate IDI Plan and was not required to file an IDI Plan in 2016. Deutsche Bank's next US Resolution Plan is currently expected to be due on July 1, 2017.

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.

Deutsche Bank AG's other U.S. bank holding company subsidiary, 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. On June 29, 2016, the Federal Reserve Board publicly indicated that it had objected to Deutsche Bank Trust Corporation's 2016 capital plan submission due to weaknesses in its capital planning processes. Deutsche Bank Trust Corporation's stressed Common Equity Tier 1 capital ratio was forecast by the Federal Reserve Board to fall to as low as 30.1 % under the supervisory severely adverse scenario. This hypothetical stressed ratio would be substantially above the minimum required ratio of 4.5 %. Stress testing results are based on hypothetical adverse scenarios and should not be viewed or interpreted as forecasts of expected outcomes or capital adequacy or of the actual financial condition of Deutsche Bank Trust Corporation. Deutsche Bank Trust Corporation will submit its 2017 capital plan, incorporating enhancements to its processes, on April 5, 2017. The Federal Reserve has indicated that this capital plan will be judged publicly only on a quantitative basis. DB USA Corporation will provide its first capital plan submission to the Federal Reserve Board in April 2017; however, the results of its first submission will not be made public by the Federal Reserve Board. 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 DB USA Corporation become fully effective in January 2018.

In September 2014, the Federal Reserve Board and other U.S. regulators approved a final rule implementing liquidity coverage ratio ("LCR") requirements for large U.S. banking holding companies and certain of their subsidiary depositary institutions that are generally consistent with the Basel Committee's revised Basel 3 liquidity standards. The LCR requirement is meant to ensure that an organization maintains sufficient high-quality liquid assets to withstand a 30-days stress scenario. Deutsche Bank Trust Corporation, as a U.S. bank holding company with total assets of U.S. $ 50 billion or more that is not an advanced approaches bank holding company, became subject to a modified, less stringent version of the LCR beginning in January 2016. Since DB USA Corporation is a U.S. bank holding company that had more than $ 10 billion in foreign exposure as of December 31, 2016, it will become subject to the full LCR on April 1, 2017. At the same time, Deutsche Bank Trust Company Americas, an indirect insured depository institution subsidiary of DB USA Corporation with more than $ 10 billion in total consolidated assets, will also become subject to the full LCR. Once DB USA Corporation becomes subject to the full LCR on April 1, 2017, Deutsche Bank Trust Corporation will no longer be subject to a standalone LCR requirement. On June 1, 2016, the Federal Reserve Board and other U.S. regulators proposed rules implementing the second element of the Basel 3 liquidity framework, the net stable funding ratio ("NSFR"), which measures whether an institution maintains sufficiently stable amounts of longer-term funding. Under the proposed rules, DB USA Corporation and Deutsche Bank Trust Company Americas, would be subject to the full NSFR on January 1, 2018.

On December 15, 2016, the Federal Reserve Board adopted final rules that implement a U.S. version of the FSB's TLAC standard in the United States. The final rules require, among other things, the U.S. IHCs of non-U.S. G-SIBs, including DB USA Corporation, to maintain a minimum amount of TLAC, and separately require them to maintain a minimum amount of long-term debt. Under the final rules, the required amounts of minimum internal TLAC and the ability of the IHC to issue long-term debt externally varies depending on

the G-SIB's planned resolution strategy. The Bank's current expectation is that DB USA Corporation would be considered a "non-resolution covered IHC", which means that it is intended, under the planned resolution strategy of its G-SIB parent (Deutsche Bank AG), to continue to operate outside of resolution proceedings while the G-SIB parent is resolved under a single-point of entry resolution strategy. The final rules require a "non-resolution covered IHC" to maintain, by 2019, (i) internal minimum TLAC of at least 16 % of its risk-weighted assets, 6 % of its Basel 3 leverage ratio denominator and 8 % of its average total consolidated assets, (ii) internal eligible long-term debt of at least 6 % of its risk-weighted assets, 2.5 % of its Basel 3 leverage ratio denominator and 3.5 % of its average total consolidated assets. Eligible long-term debt instruments would be required to meet certain criteria, including issuance to a foreign company that controls directly or indirectly the covered IHC or a foreign affiliate (a non-U.S. entity that is wholly owned, directly or indirectly, by the non-U.S. G-SIB)) and the inclusion of a contractual trigger allowing for, in limited circumstances, the immediate conversion or exchange of some or all of the instrument into Common Equity Tier 1 upon an order by the Federal Reserve Board. Internal TLAC requirements could be satisfied with a combination of eligible long-term debt instruments and Tier 1 capital. DB USA Corporation will also face restrictions on its discretionary bonus payments and capital distributions if it fails to maintain a TLAC buffer consisting of common equity tier 1 capital equal to 2.5% of risk-weighted assets above the minimum TLAC requirement. The final rules also prohibit or limit DB USA Corporation's ability to engage in certain types of financial transactions.

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, security-based swap dealers major swap participants and major security-based swap participants. The Commodity Futures Trading Commission ("CFTC") adopted final rules in 2016 that will require additional interest rate swaps to be cleared, with a phased implementation schedule ending in October 2018. In December 2016, 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. This proposal has not yet been finalized. The Securities and Exchange Commission ("SEC") has also finalized rules regarding registration, business conduct standards and trade acknowledgement and verification requirements for security-based swap dealers and major security-based swap participants, although these rules will not come into effect until the SEC completes further security-based swap rulemakings. Finally, the U.S. Prudential Regulators and the CFTC have adopted final rules establishing margin requirements for non-cleared swaps and security-based swaps. The final margin rules follow a phased implementation schedule, with certain initial margin and variation margin requirements in effect as of September 2016, additional variation margin requirements coming into effect in March 2017, and additional initial margin requirements phased in on an annual basis from September 2017 through September 2020, with the relevant compliance dates depending in each case on the transactional volume of the parties and their affiliates.

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 was 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. Deutsche Bank continues to evaluate the final rules and assess their impact on Deutsche Bank's 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 Deutsche Bank, to establish a "clawback" policy to recoup previously awarded executive compensation in the event of an accounting restatement; in May 2016, the SEC re-proposed rules to implement this provision of the Dodd-Frank Act that would cover foreign private issuers. 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 Deutsche Bank conducts its business. Although uncertainty remains about many of the details, impact and timing of these reforms and any potential changes to the Dodd-Frank Act or new rules, Deutsche Bank expects that there will be significant costs and may be significant limitations on Deutsche Bank's businesses resulting from these regulatory initiatives.

18.16.1 Regulatory Authorities

Deutsche Bank AG, as well as its wholly owned subsidiaries DB USA Corporation and Deutsche Bank Trust Corporation, 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, Deutsche Bank AG's and their ownership of DBTCA. As bank holding companies, Deutsche Bank AG and they have elected to become financial holding companies. As a result, Deutsche Bank AG and Deutsche Bank's U.S. operations are subject to regulation, supervision and examination by the Federal Reserve Board as Deutsche Bank's 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 ("DFS") 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 DFS. Deutsche Bank's federally chartered nondeposit trust companies are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency. Deutsche Bank AG and its subsidiaries are also subject to regulation, supervision and examination by state banking regulators of certain states in which they conduct banking operations.

18.16.2 Restrictions on Activities

As described below, federal and state banking laws and regulations restrict Deutsche Bank AG's ability to engage, directly or indirectly through subsidiaries, in activities in the United States. Deutsche Bank AG is 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, Deutsche Bank AG's U.S. banking operations are also restricted from engaging in certain "tying" arrangements involving products and services.

Deutsche Bank AG's two U.S. FDIC-insured bank subsidiaries, as well as Deutsche Bank AG's 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 Deutsche Bank AG is a financial holding company under U.S. law, Deutsche Bank AG 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, Deutsche Bank AG and its non-U.S. subsidiaries are generally authorized under U.S. law and regulations to acquire a non-U.S. company engaged in nonfinancial activities as long as that 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. In September 2016, the Federal Reserve Board proposed a rule that would limit the commodities activities of financial holding companies by, among other things, imposing additional capital charges in relation to activities involving environmentally hazardous commodities, tightening quantitative limits on certain commodities activities and establishing new public reporting requirements.

Deutsche Bank AG's status as a financial holding company, and Deutsche Bank AG's resulting ability to engage in a broader range of nonbanking activities are dependent on Deutsche Bank AG, DB USA Corporation, Deutsche Bank Trust Corporation and Deutsche Bank's two insured U.S. depository institutions meeting certain requirements under the Bank Holding Company Act and upon Deutsche Bank's 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 Deutsche Bank's 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, DB USA Corporation 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 Deutsche Bank AG's 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 Deutsche Bank's FDIC-insured bank subsidiaries and Deutsche Bank AG's New York branch. In addition, the lending limits applicable to Deutsche Bank's FDIC-insured state-chartered bank subsidiaries take into account credit exposures arising from derivative transactions, and the lending limits applicable to Deutsche Bank AG's 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 Deutsche Bank AG's New York branch) are restricted, which may necessitate a restructuring of how Deutsche Bank's conducts certain of its derivatives activities. Deutsche Bank and other U.S. banking organizations and FBOs were required to comply with the "push-out" provisions by July 2015.

In addition, the regulations which the Consumer Financial Protection Bureau may adopt could affect the nature of the consumer activities which a bank (including Deutsche Bank AG's FDIC-insured bank subsidiaries and Deutsche Bank AG's 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 Deutsche Bank AG and Deutsche Bank's nonbank subsidiaries can borrow or otherwise obtain credit from Deutsche Bank's 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 Deutsche Bank AG's New York branch with Deutsche Bank's U.S. broker-dealers and certain of Deutsche Bank's 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.

18.16.3 New York Branch

The New York branch of Deutsche Bank AG is licensed by the Superintendent of New York State Department 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 Superintendent of Financial Services). Should the New York branch cease to be "well-rated", Deutsche Bank AG 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 the New York branch under certain conditions, pursuant to the FBO Rules. Currently, no such requirements have been imposed upon the 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.

18.16.4 Deutsche Bank Trust Company Americas

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("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 Deutsche Bank's U.S. insured banks have maintained capital above the "well capitalized" standards, 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 minimum reserve ratio for the Deposit Insurance Fund was increased under the Dodd-Frank Act from 1.15 % to 1.35 %, with the target of 1.35 % to be reached by 2020 and with the incremental cost charged to banks with more than U.S. $10 billion in assets. In addition, the FDIC has set the designated reserve ratio at 2 % as a long-term goal. This shift has had financial implications for all FDIC-insured banks, including DBTCA. In order to achieve the 1.35 % goal, in March 2016, the FDIC adopted a rule imposing an additional surcharge of 4.5% per U.S. $ 100 of the quarterly assessments (after making certain adjustments) of insured depository institutions with total consolidated assets of U.S. $ 10 billion or more, including DBTCA. The surcharge took effect on July 1, 2016, and the FDIC expects it to remain in place for two years. The surcharge has increased costs for DBTCA and may be material to the results of operation of DBTCA. The FDIC's standard maximum deposit insurance amount per customer at an insured depository institution is U.S. $ 250,000.

In June 2016, the FDIC updated its 2015 guidance on brokered deposits, providing information regarding identifying, accepting and reporting brokered deposits. To the extent that the FDIC's guidance expands the definition of deposits that constitute brokered deposits, the guidance could have implications for regulatory reporting, the LCR, the NSFR, deposit insurance assessments and other regulatory requirements.

18.16.5 Other

In the United States, Deutsche Bank's 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.

Deutsche Bank AG's 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, Inc. ("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 Deutsche Bank's 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, Deutsche Bank's entities that are swap dealers, security-based swap dealers, major swap participants or major security-based swap participants are registered or will be required to register with the SEC or CFTC, or both. Currently, Deutsche Bank AG is provisionally registered as a swap dealer. At a future date, Deutsche Bank AG 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 Deutsche Bank to requirements as to capital, margin, business conduct and recordkeeping, among other requirements.

19. MAJOR SHAREHOLDERS

The German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG) requires holders of voting rights in a listed stock corporation to notify the respective corporation and the BaFin without undue delay of the level of their holdings if they reach, exceed or fall below certain thresholds (see section "*20.14.1 Disclosure of Interests in a Listed Stock Corporation*"). The minimum threshold triggering a notification requirement is 3 % of the voting rights of the Company.

On the basis of the shareholding notifications received by the Company by March 10, 2017, the following shareholders hold at least 3 % of the shares or voting rights of Deutsche Bank AG:

	Voting rights[1]	
Shareholder	**Total number**	**Percentage**
Hainan Jiaoguan Holding Co., Ltd., People's Republic of China[2]	41,938,864	3.04 %
H.H. Sheikh Hamad bin Khalifa Al Thani, Qatar[3]	42,069,382	3.05 %
H.E. Sheikh Hamad Bin Jassim Bin Jabor Al-Thani, Qatar[4]	42,069,382	3.05 %
BlackRock, Inc., U.S.[5]	83,383,726[6]	6.05 %

1 The percentage of voting rights has been calculated on the basis of the Company's registered share capital on the date of the respective shareholding notification.

2 Based on a shareholding notification dated February 16, 2017.

3 Attributed through Supreme Universal Holdings Limited, Cayman Islands; based on a shareholding notification dated August 24, 2015.

4 Attributed through Paramount Services Holdings Ltd., British Virgin Islands, and Treetop Family Foundation Inc., Panama; based on a shareholding notification dated August 24, 2015.

5 Based on a shareholding notification dated March 6, 2017.

6 Includes 82,070,291 voting rights attached to shares and 1,313,435 voting rights to be attributed with respect to instruments pursuant to Section 25 of the German Securities Trading Act.

Each share of the Company confers one vote at the General Meeting. Voting rights are the same for all of the Company's shareholders. Pursuant to German law and the Company's Articles of Association, to the extent that the Company may have major shareholders at any time, it may not grant them voting rights different from any of the other shareholders.

The Company is not directly or indirectly owned or controlled by any other company or person. There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

20. DESCRIPTION OF DEUTSCHE BANK AG'S SHARE CAPITAL

The following overview presents information regarding the Bank's share capital as well as certain provisions of the Bank's Articles of Association and of German law.

20.1 Share Capital and Shares

As of the date of this Prospectus, and prior to the capital increase pursuant to the Offering, the Company's registered share capital amounts to € 3,530,939,215.36 and is divided into 1,379,273,131 no par value ordinary registered shares, each representing a notional par value of € 2.56 in Deutsche Bank AG's share capital.

All shares are fully paid up. Each share confers one vote at Deutsche Bank AG's General Meeting. There are no restrictions on voting rights.

According to the Articles of Association, all shares of the Company are issued in the form of registered shares. Shareholders are required to notify the Company for registration in the share register in particular, where natural persons are concerned, their name, their address as well as their date of birth or, where legal persons are concerned, their registered name, their business address and their registered domicile, and in all cases the number of shares they hold. The entry in the Company's share register constitutes a prerequisite for attending and for exercising voting rights at the General Meeting.

20.2 Stock Exchange Listing

Deutsche Bank AG's shares have been admitted to the regulated market (*Regulierter Markt*) and the sub-segment of the regulated market with additional obligations arising from admission (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) as well as to the regulated market of the six other German stock exchanges (Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart). In addition, the Company's shares are listed on the New York Stock Exchange.

20.3 Transferability of Shares

The transferability of the Company's shares is not restricted by law or the Company's Articles of Association.

20.4 Development of the Share Capital Since 2014

As of January 1, 2014, the Company's registered share capital amounted to € 2,609,919,078.40, divided into 1,019,499,640 ordinary registered shares with no par value. Since January 1, 2014, the Company's registered share capital has developed as follows:

- By resolution of the Management Board dated May 18, 2014, and with the consent of the Supervisory Board dated the same day, the Company's share capital was increased by € 153,424,655.36 to € 2,763,343,733.76, through the use of authorized capital created by the General Meeting in 2013, by issuing 59,931,506 new ordinary registered shares against cash payments. The new shares were issued to Paramount Services Holdings Ltd., an investment vehicle ultimately beneficially owned and controlled by His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al-Thani. The implementation of the capital increase was registered with the Commercial Register on June 5, 2014. Following this capital increase, the Company's registered share capital amounted to € 2,763,343,733.76, divided into 1,079,431,146 ordinary registered shares.
- On June 5, 2014, the Management Board, with the consent of the Chairman's Committee of the Supervisory Board, which had been authorized by resolution of the Supervisory Board of May 18, 2014, resolved to increase the Company's share capital by € 767,595,481.60 to € 3,530,939,215.36, through the use of authorized capital created by the General Meeting in 2011 and 2013, by issuing 299,841,985 new ordinary registered shares against cash payments. The implementation of this capital increase was registered with the Commercial Register on June 20, 2014. Since then, the Company's registered share capital has amounted to € 3,530,939,215.36, divided into 1,379,273,131 ordinary registered shares.
- On March 19, 2017, the Management Board, with the consent of the Chairman's Committee of the Supervisory Board, which had been authorized by resolution of the Supervisory Board of March 5, 2017, resolved to increase the Company's share capital by € 1,760,000,000.00 to € 5,290,939,215.36, through the use of authorized capital created by the General Meeting in 2015, by issuing 687,500,000 new ordinary registered shares against cash payments. Upon registration of the implementation of this capital increase, which is the subject matter of this Prospectus, the Company's share capital will amount to € 5,290,939,215.36, divided into 2,066,773,131 ordinary registered shares.

20.5 Authorized Capital

The Company's share capital may be increased by issuing new shares out of authorized capital against cash payments. At the date of this Prospectus, the Company, pursuant to its Articles of Association, had authorized but unissued share capital in the aggregate amount of € 1,760,000,000.00 as follows:

- By resolution of the General Meeting dated May 21, 2015, the Management Board is authorized to increase the Company's share capital on or before April 30, 2020, once or more than once, by up to a total of € 352,000,000.00 through the issue of new shares against cash payments. Shareholders are to be granted pre-emptive rights. However, the Management Board is authorized to except fractional amounts from shareholders' pre-emptive rights and to exclude pre-emptive rights insofar as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Company and its affiliated companies pre-emptive rights to new shares to the extent that they would be entitled to such rights after exercising their option or conversion rights. The Management Board is also authorized to exclude the pre-emptive rights in full if the issue price of the new shares is not significantly lower than the quoted price of the shares already listed at the time of the final determination of the issue price and the total shares issued in accordance with Section 186(3) sentence 4 of the German Stock Corporation Act do not exceed 10 % of the share capital at the time the authorization became effective or – if the value is lower – at the time the authorization is utilized. When calculating this 10 % limit the following shares must be included: (a) shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of Section 186(3) sentence 4 of the German Stock Corporation Act, and (b) shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bonds or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of Section 186(3) sentence 4 of the German Stock Corporation Act. Management Board resolutions to utilize authorized capital and to exclude pre-emptive rights require the Supervisory Board's approval. The new shares may also be taken up by banks specified by the Management Board with the obligation to offer them to shareholders (indirect pre-emptive right) (Authorized Capital 2015/I pursuant to Section 4(5) of the Articles of Association).
- Also by resolution of the General Meeting dated May 21, 2015, the Management Board is authorized to increase the Company's share capital on or before April 30, 2020, once or more than once, by up to a total of € 1,408,000,000.00 through the issue of new shares against cash payments. Shareholders are to be granted pre-emptive rights. However, the Management Board is authorized to except fractional amounts from shareholders' pre-emptive rights and to exclude pre-emptive rights insofar as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Company and its affiliated companies pre-emptive rights to new shares to the extent that they would be entitled to such rights after exercising their option or conversion rights. Management Board resolutions to utilize authorized capital and to exclude pre-emptive rights require the Supervisory Board's approval. The new shares may also be taken up by banks specified by the Management Board with the obligation to offer them to shareholders (indirect pre-emptive right) (Authorized Capital 2015/II pursuant to Section 4(6) of the Articles of Association).

After the implementation of the capital increase that is the subject matter of this Prospectus, the Company's aggregate authorized capital will amount to € 0.00.

20.6 Conditional Capital

At the date of this Prospectus, Deutsche Bank AG has conditional but unissued share capital in the aggregate amount of € 486,400,000.00 as follows:

- By resolution of the General Meeting dated May 31, 2012, the share capital of the Company was conditionally increased by up to € 230,400,000.00 through the issuance of up to 90,000,000 new no par value registered shares. This conditional capital increase can only be implemented to the extent that (a) the holders of conversion rights or option rights linked with participatory notes or convertible bonds or bonds with warrants issued on or before April 30, 2017 by the Company or by one of its affiliated companies, based on the authorization granted to the Management Board by the General Meeting on May 31, 2012, exercise their conversion rights or option rights, or (b) the holders with conversion obligations under convertible participatory notes or convertible bonds issued on or before April 30, 2017 by the Company or by one of its affiliated companies, based on the authorization specified above, fulfill their conversion obligations.

  In this context, the Management Board was authorized by the General Meeting on May 31, 2012 to issue once or more than once, bearer or registered participatory notes with bearer warrants and/or

convertible participatory notes, bonds with warrants, and/or convertible bonds on or before April 30, 2017. The Management Board was also authorized, with the consent of the Supervisory Board, to exclude shareholders' pre-emptive rights insofar as the issue price is not substantially lower than the theoretical market value of the participatory notes, bonds with warrants or convertible bonds established using recognized actuarial methods. However, the total number of shares to be issued on the basis of participatory rights and bonds under this authorization in accordance with Section 186(3) sentence 4 of the German Stock Corporation Act together with other shares already issued or sold pursuant to or in accordance with this statutory regulation during the validity of this authorization shall not exceed 10 % of the share capital at the time the authorization became effective or, if the value is lower, at the time the authorization is exercised.

- By resolution of the General Meeting on May 22, 2014, the share capital of the Company was conditionally increased by up to € 256,000,000.00 through the issuance of up to 100,000,000 new no par value registered shares. This conditional capital increase can only be implemented to the extent that (a) the holders of conversion rights or option rights that are linked with participatory notes or convertible bonds or bonds with warrants issued on or before April 30, 2019 by the Company or by one of its affiliated companies, based on the authorization granted to the Management Board by resolution of the General Meeting on May 22, 2014, make use of their conversion or option rights, or (b) the holders with conversion obligations of convertible participatory notes or convertible bonds issued on or before April 30, 2019 by the Company or its affiliated companies, based on the authorization specified above, fulfill their conversion obligations.

  In this context, the Management Board was authorized by the General Meeting on May 22, 2014 to issue bearer or registered participatory notes, once or more than once, on or before April 30, 2019. The participatory notes must meet the requirements of European law, which calls for capital paid up to grant participatory rights to be attributable to the Company's Additional Tier 1 capital. Participatory notes may come with bearer warrants or they can be linked to a conversion right (as well as a conversion obligation) for the bearer. The option and/or conversion rights entitle holders to buy shares of the Company subject to the conditions of warrant-linked participatory rights and/or convertible participatory rights.

  The Management Board was also authorized to issue, instead of or besides participatory notes, on or before April 30, 2019, once or more than once, other hybrid financial instruments with a perpetual maturity that fulfill the requirements as own funds specified above but that are possibly not classified by law as participatory rights if their issue requires the approval of the General Meeting pursuant to Section 221 of the German Stock Corporation Act due to, for example, their dividend-dependent return or other reasons (hereinafter these instruments are referred to as "Hybrid Debt Securities").

  The Management Board was furthermore authorized to issue, instead of or besides participatory notes or Hybrid Debt Securities, on or before April 30, 2019, once or more than once, bonds with warrants and/or convertible bonds with a fixed maturity of at the most 20 years or with a perpetual maturity and to grant option rights to the holders of bonds with warrants and conversion rights (possibly with a conversion obligation) to the holders of convertible bonds, respectively, to subscribe to new shares of the Company subject to the conditions of bonds with warrants and of convertible bonds. The instruments issued pursuant to this paragraph do not have to fulfill the statutory requirements to qualify as Additional Tier 1 capital.

  The total nominal amount of all participatory notes, Hybrid Debt Securities, bonds with warrants and convertible bonds to be issued under this authorization must not exceed a total value of € 12 billion. Option rights and/ or conversion rights may only be issued in respect of shares of the Company with a proportionate amount of share capital of up to a nominal sum of € 256,000,000.00.

20.7 Convertible Bonds and Bonds with Warrants

At the date of this Prospectus, there are no convertible bonds or bonds with warrants of the Company or its subsidiaries outstanding.

20.8 Treasury Shares

As of December 31, 2016, Deutsche Bank held a total of 203,442 treasury shares (including trading positions) with a proportionate interest in the Company's share capital of € 520,811,52. These holdings were the net balance of the shares acquired by Deutsche Bank and agreed share sales. As of December 31, 2016, Deutsche Bank's treasury shares had a book value of € 0. The book value has been calculated by netting the acquisition costs for the shares purchased and the agreed prices for the share sales.

20.9 Authorization to Acquire Own Shares

20.9.1 Authorization to Acquire Own Shares for Trading Purposes Pursuant to Section 71(1) no. 7 of the German Stock Corporation Act

By resolution of the Company's General Meeting dated May 23, 2013, the Management Board is authorized pursuant to Section 71(1) no. 7 of the German Stock Corporation Act to buy and sell, for the purpose of securities trading, its own shares on or before April 30, 2018, at prices which do not exceed or fall short by more than 10 % of the average of the share prices (closing auction prices of the Company's share in XETRA trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the respective three preceding stock exchange trading days. In this context, the shares acquired for this purpose may not, at the end of any day, exceed 5 % of the share capital of the Company.

20.9.2 Authorization to Acquire Own Shares Pursuant to Section 71(1) no. 8 of the German Stock Corporation Act

By resolution of the Company's General Meeting dated May 19, 2016, the Company is authorized to buy, on or before April 30, 2021, its own shares in a total volume of up to 10% of the share capital at the time the resolution is taken or – if the value is lower – of the share capital at the time this authorization is exercised. Together with its own shares acquired for trading purposes and/or for other reasons and which are from time to time in the Company's possession or attributable to the Company pursuant to Sections 71a *et seq.* of the German Stock Corporation Act, the own shares purchased on the basis of this authorization may not at any time exceed 10% of the Company's respectively applicable share capital. The own shares may be bought through the stock exchange or by means of a public purchase offer to all shareholders. The countervalue for the purchase of shares (excluding ancillary purchase costs) through the stock exchange may not be more than 10% higher or more than 20% lower than the average of the share prices (closing auction prices of the Company's share in XETRA trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the obligation to purchase. In the case of a public purchase offer, it may not be more than 10% higher or more than 20% lower than the average of the share prices (closing auction prices of the Company's share in XETRA trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the day of publication of the offer. If the volume of shares offered in a public purchase offer exceeds the planned buyback volume, acceptance must be in proportion to the shares offered in each case. The preferred acceptance of small quantities of up to 50 of the Company's shares offered for purchase per shareholder may be provided for.

The Management Board is authorized to dispose of the purchased shares and of any shares purchased on the basis of previous authorizations pursuant to Section 71(1) no. 8 of the German Stock Corporation Act on the stock exchange or by an offer to all shareholders. The Management Board is also authorized to dispose of the purchased shares against contribution in kind with the exclusion of shareholders' pre-emptive rights for the purpose of acquiring companies or shareholdings in companies or other assets that serve to advance the Company's business operations. In addition, the Management Board is authorized, in case it disposes of such own shares by offer to all shareholders, to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the Company and its affiliated companies pre-emptive rights to the extent that they would be entitled to such rights if they exercised their option and/or conversion rights. Shareholders' pre-emptive rights are excluded for these cases and to this extent. The Management Board is also authorized to use shares purchased on the basis of authorizations pursuant to Section 71(1) no. 8 of the German Stock Corporation Act to issue staff shares, with the exclusion of shareholders' pre-emptive rights, to employees and retired employees of the Company and its affiliated companies or to use them to service option rights on shares of the Company and/or rights or duties to purchase shares of the Company granted to employees or members of executive or nonexecutive management bodies of the Company and of affiliated companies.

Furthermore, the Management Board is authorized, with the exclusion of shareholders' pre-emptive rights, to sell such own shares to third parties against cash payment if the purchase price is not substantially lower than the price of the shares on the stock exchange at the time of sale. Use may only be made of this authorization if it has been ensured that the number of shares sold on the basis of this authorization does not exceed 10% of the Company's share capital at the time this authorization becomes effective or – if the amount is lower – at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of Section 186(3) sentence 4 of the German Stock Corporation Act, are to be included in the maximum limit of 10% of the share capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bonds or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of Section 186(3) sentence 4 of the German Stock Corporation Act.

The Management Board is also authorized to cancel shares acquired on the basis of this or a preceding authorization without the execution of this cancellation process requiring a further resolution by the General Meeting.

Authorization to Use Derivatives Within the Framework of the Purchase of Own Shares Pursuant to Section 71(1) no. 8 of the German Stock Corporation Act

In supplementing the authorization set forth above to acquire own shares pursuant to Section 71(1) no. 8 of the German Stock Corporation Act, the Company is also authorized to acquire own shares with the use of derivatives.

The purchase of shares subject to the authorization to acquire own shares may be executed, apart from in the ways described in the paragraphs above, with the use of put and call options or forward purchase contracts. The Company may sell to third parties put options based on physical delivery and buy call options from third parties if it is ensured by the option conditions that these options are fulfilled only with shares which themselves were acquired subject to compliance with the principle of equal treatment. All share purchases based on put or call options are limited to shares in a maximum volume of 5% of the actual share capital at the time of the resolution by the General Meeting on this authorization. The term of the options must be selected such that the share purchase upon exercising the option is carried out at the latest on April 30, 2021.

The purchase price to be paid per share upon exercise of the put options or upon the maturity of the forward purchase may not exceed or fall short by more than 10% of the average of the share prices (closing auction prices of the Company's share in XETRA trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before conclusion of the respective transaction in each case excluding ancillary purchase costs but taking into account the option premium received. The call options may only be exercised if the purchase price to be paid does not exceed by more than 10% or fall below 10% of the average of the share prices (closing auction prices of the Company's share in XETRA trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the acquisition of the shares. The rules specified above with respect to the authorization dated May 19, 2016 to acquire own shares pursuant to Section 71(1) no. 8 of the German Stock Corporation Act as well as for their use also apply to the sale and cancellation of shares acquired with the use of derivatives.

Own shares may continue to be purchased using existing derivatives that were agreed on the basis and during the existence of previous authorizations.

20.10 General Provisions on Capital Measures

An increase in the Company's share capital through the issuance of new common shares requires a resolution by the General Meeting adopted with a simple majority of the votes cast and of the share capital represented at the time of the resolution. Furthermore, the Management Board may be authorized by resolution of the General Meeting, subject to the approval of the Supervisory Board, to increase the share capital of the Company (authorized capital) by issuing shares up to a certain amount within a maximum of five years. In addition, the shareholders, pursuant to the German Stock Corporation Act, may resolve to create conditional capital, but only for the purposes of issuing conversion or subscription rights to holders of convertible bonds, in preparation of a merger with another company, or to issue subscription rights to employees or members of management of the Company or of an affiliated company (conditional capital increase). Also, the General Meeting may resolve to increase the share capital by transforming the capital reserves into share capital (capital increase using funds from retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*). Resolutions by the General Meeting regarding the creation of authorized or conditional capital require a simple majority of the votes cast and a majority of at least 75 % of the share capital represented at the time of the resolution. A resolution by the General Meeting regarding a capital increase using funds from retained earnings requires a simple majority of the votes cast and of the share capital represented at the time of the resolution.

The total amount of the authorized capital created by the General Meeting may not exceed 50 % of the share capital existing at the time the authorized capital was registered in the Commercial Register. The total amount of the conditional capital created by the General Meeting may not exceed 50 % of the share capital existing at the time of the resolution regarding the conditional capital increase. The total amount of the conditional capital for the purpose of granting subscription rights to employees and members of management of the Company or of an affiliated company may not exceed 10 % of the share capital existing at the time of the resolution regarding the conditional capital increase.

20.11 General Provisions on Shareholders' Pre-Emptive Rights

Under the German Stock Corporation Act, every shareholder generally has pre-emptive rights corresponding to their existing proportionate participation in the company's share capital regarding the issuance of new shares issued in the context of a capital increase. The same applies with regard to convertible bonds, bonds with warrants, profit participation rights and participation bonds. In general, pre-emptive rights are freely transferable. The pre-emptive rights of the Company's shareholders may be excluded upon resolution by the General Meeting with a majority of the votes cast and a concurrent majority of at least 75 % of the share capital represented at the time of the resolution. Such an exclusion of pre-emptive rights further requires a report by the Management Board setting forth the reasons why the Company's interest in excluding the pre-emptive rights outweighs the interest of the shareholders in retaining their pre-emptive rights. Under the German Stock Corporation Act, the exclusion of pre-emptive rights with respect to the issuance of new shares is deemed permissible, in particular if the Company increases its share capital against cash payment in an amount not exceeding 10 % of the existing share capital and the issue price of the new shares is not materially lower than the stock exchange price of the Company's existing shares.

20.12 General Provisions on Use of Profits and Dividend Distribution

The distribution of dividends on the Company's shares for a given fiscal year is resolved by the General Meeting of the subsequent fiscal year following a proposal by the Management Board and the Supervisory Board.

Under the German Stock Corporation Act, a resolution regarding dividends and any distribution thereof must be based on a balance sheet profit, recorded in the Company's non-consolidated financial statements. When determining the balance sheet profit available for distribution, net income/loss must be adjusted to account for profit/loss carry-forwards of the previous years, as well as release of or allocation to reserves. Certain reserves are required by law and the respective allocations must be deducted when calculating the amount of balance sheet profit available for distribution. For further details, see section "*9. Dividend Policy and Earnings per Share*".

Under the Company's Articles of Association, the distributable profit shall be distributed among the shareholders unless the General Meeting determines otherwise. The General Meeting may resolve a non-cash distribution instead of or in addition to a cash dividend. The dividends are to be allocated to the shareholders in proportion to the contribution made on their share in share capital and in proportion to the time which has elapsed since the date fixed for contribution. In the event of new shares being issued, a different dividend entitlement may be established for such shares.

20.13 Squeeze-Out of Minority Shareholders

Under the rules of Sections 327a *et seq*. of the German Stock Corporation Act regarding the so-called "squeeze-out", the general meeting of a stock corporation may resolve upon request by a shareholder who holds 95 % of the share capital (majority shareholder) that the shares held by the remaining minority shareholders be transferred to the majority shareholder against payment of adequate cash compensation. The amount of the cash compensation to be granted to the minority shareholders must reflect the situation of the company at the time the resolution is adopted by the general meeting. For the purpose of calculating the compensation amount, the full enterprise value is relevant, which will generally be determined by applying the discounted future earnings method (*Ertragswertmethode*). The minority shareholders are entitled to file for valuation proceedings (*Spruchverfahren*), in the course of which the appropriateness of the cash compensation is reviewed.

Under the German Transformation Act (*Umwandlungsgesetz*), a majority shareholder holding at least 90 % of a stock corporation's share capital can require the general shareholders' meeting to resolve that the minority shareholders must sell their stock to the majority shareholder against the payment of adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation, a partnership limited by shares (KGaA), or a European stock corporation (SE) having its seat in Germany, and (ii) the squeeze-out is performed to facilitate a merger under the German Transformation Act between the majority shareholder and the stock corporation. The general shareholders' meeting approving the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for the squeeze-out is essentially identical to the squeeze-out under stock corporation law described above, including the minority shareholders' option to have the appropriateness of the cash compensation reviewed.

Furthermore, pursuant to the provisions in Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*) regarding the so-called "takeover law squeeze-out", a bidder who, following a takeover offer or a mandatory tender offer, holds at least 95 % of the voting share capital of the target company may, within a period of three months following the expiration of the acceptance period, apply to the Regional Court (*Landgericht*) of Frankfurt am Main for a court order to transfer to such bidder the remaining voting shares against payment of adequate compensation. No

resolution of the general meeting is required. The consideration granted under the takeover offer or the mandatory tender offer is considered adequate compensation if the bidder, based on such offer, has acquired at least 90 % of the share capital subject to the offer. Furthermore, following a takeover offer or a mandatory tender offer, the shareholders of the target company who did not accept such offer may accept the offer within three months after the expiration of the acceptance period (so-called "sell-out"), provided the bidder is entitled to file an application for the transfer of the remaining voting shares in accordance with Section 39a of the German Securities Acquisition and Takeover Act (Section 39c of the German Securities Acquisition and Takeover Act).

Pursuant to the provisions of Sections 319 *et seq.* of the German Stock Corporation Act regarding the integration (*Eingliederung*) of a subsidiary, the general meeting of a stock corporation may resolve the integration into another company, provided that the future principal company (*Hauptgesellschaft*) is a German stock corporation and holds at least 95 % of the shares of the company to be integrated. The shareholders of the integrated company are entitled to adequate compensation, which is generally to be granted in the form of shares of the principal company. The amount of compensation is to be determined by the so-called merger value ratio (*Verschmelzungswertrelation*) between the companies, *i.e.*, the exchange ratio, which would have to be considered adequate in the event of a merger of the two companies.

20.14 Shareholding Notification Requirements

20.14.1 Disclosure of Interests in a Listed Stock Corporation

20.14.1.1 Disclosure Obligations under the German Securities Trading Act

Deutsche Bank AG, as a listed company, and its shareholders are subject to the shareholding disclosure obligations under the German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG). Pursuant to the German Securities Trading Act, any shareholder whose voting interest in 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 the Company and the BaFin of its current aggregate voting interest in writing. 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 shareholder rights (including voting rights and, in certain cases, the right to receive dividends and liquidation proceeds) until they have complied with the notification requirements. If the failure to comply with the notification obligations specifically relates to the size of the voting interest in the Company and is the result of willful or grossly negligent conduct, the suspension of shareholder rights is – subject to certain exceptions in case of an incorrect notification deviating no more than 10 % from the actual percentage of voting rights – extended by a six-month period commencing upon the submission of the required notification.

Except for the 3 % threshold, similar notification obligations exist for reaching, exceeding or falling below the thresholds described above when a person holds, directly or indirectly, certain instruments other than shares. This applies to instruments which grant upon maturity an unconditional right to acquire existing voting shares of the Company, a discretionary right to acquire such shares, as well as to instruments that refer to such shares and have an economic effect similar to that of the aforementioned instruments, irrespective of whether such instruments are physically or cash-settled. These instruments include, for example, transferable securities, options, futures contracts and swaps. Voting rights to be attributed to a person based on any such instrument will generally be aggregated with the person's other voting rights deriving from shares or other instruments.

Notice must be given without undue delay, but within four trading days at the latest. The notice period commences as soon as the person obliged to notify knows, or, under the circumstances should know, that his or her voting rights reach, exceed or fall below any of the abovementioned relevant thresholds, but in any event no later than two trading days after reaching, exceeding or falling below the threshold. Only in case that the voting rights reach, exceed or fall below any of the thresholds as a result of an event affecting all voting rights, the notice period might commence at a later stage. The Company must publish the foregoing notifications without undue delay, but no later than within three trading days after their receipt,

and report such publication to the BaFin. Furthermore, the Company must publish a notification in case of any increase or decrease of the total number of voting rights without undue delay, but within two trading days at the latest, and such notification must be reported to the BaFin and forwarded to the German Company Register (*Unternehmensregister*). An exception applies where the increase of the total number of voting rights is due to the issue of new shares from conditional capital. In this case, the Company must publish the increase at the end of the month in which it occurred. However, such increase must also be notified without undue delay, but within two trading days at the latest, where any other increase or decrease of the total number of voting rights triggers the aforementioned notification requirement.

Non-compliance with the disclosure requirements regarding shareholdings and holdings of other instruments may result in a significant fine imposed by the BaFin. In addition, the BaFin publishes, on its website, sanctions imposed and measures taken indicating the person or entity responsible and the nature of the breach (so-called "naming and shaming").

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. The Articles of Association of the Company do not contain such a provision.

20.14.1.2 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 section "*20.14.1.1 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 Trading Act. In addition, non-compliance with the disclosure requirement may result in a fine.

20.14.2 Disclosure of Participations in a Credit Institution

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

A person holding a significant participation must also notify the BaFin and the Bundesbank without undue delay and in writing if such person intends to increase the size of its participation up to or beyond the thresholds of 20 %, 30 % or 50 % of the Company's voting rights or capital or in such way that the Company 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.

The BaFin will have to confirm the receipt of a complete notification within two working days in writing to the proposed acquirer. Within a period of 60 working days from the BaFin's written confirmation that a complete notification has been received (assessment period), the BaFin will review and, in accordance with Council Regulation (EU) No 1024/2013 of October 15, 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, forward the notification and a proposal for a decision whether or not to object to the acquisition to the ECB. The ECB

will decide whether or not to object to the acquisition on the basis of the applicable assessment criteria. Within the assessment period the ECB may prohibit the intended acquisition in particular if there appears to be reason to assume that the acquirer or its directors and officers are not reliable or that the acquirer is not financially sound, that the participation would impair the effective supervision of the relevant credit institution, that a 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 assessment period the BaFin may request further information necessary for its or the ECB's assessment. Generally, such a request delays the expiration of the assessment period by up to 30 business days. If the information submitted is incomplete or incorrect the ECB may prohibit the intended acquisition.

If a person acquires a significant participation despite such prohibition or without making the required notification or if, in relation to a holder of a significant participation, the prerequisite for a prohibition are met, the BaFin 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 BaFin 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 significant participation.

20.14.3 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 German 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 such 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.

20.15 EU Short Selling Regulation

Under 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"), short sales of shares (*i.e.*, sales of shares that the seller does not own, with the intention of acquiring shares of the same class at a later point in time in order to be able to deliver the shares to the buyer), 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. The reporting and publication obligations are set forth in detail in the German Regulation on Net-Short Positions (*Netto-Leerverkaufspositionsverordnung*) of December 17, 2012, as amended. 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 restrict short selling and comparable transactions.

20.16 Disclosure of Transactions of Managers

Art. 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (the "EU Market Abuse Regulation") requires persons with management responsibilities ("Managers") in a listed company like Deutsche Bank AG to notify the company and the BaFin of their own transactions in shares of the company or financial instruments based thereon, in particular derivatives. Such notifications must be made promptly and no later than three business days after the date of the transaction. The notification obligation also applies to persons who are closely associated with a Manager. The obligation does not apply if the aggregate annual transactions by a Manager or persons with whom he or she is closely associated do not, individually, exceed an amount of € 5,000.00 through the end of a calendar year. The BaFin may decide to increase this threshold up to € 20,000.00.

The Company is required to promptly publish any notification received but in any case no later than three business days after the transaction. The publication must be made in a manner which enables fast access

to this information on a non-discriminatory basis in accordance with the implementing standards published by the European Securities and Markets Authority. Furthermore, the Company must without undue delay notify the BaFin and forward the notification to the Company Register (*Unternehmensregister*). For the purposes of the EU Market Abuse Regulation, the following persons are deemed to be a Manager: members of management, administrative or supervisory bodies of the Company as well as senior executives who are not such members but who have regular access to inside information relating directly or indirectly to the Company and who have power to take managerial decisions affecting the future developments and business prospects of the Company. The following persons are deemed to be closely associated with a Manager: spouses, registered civil partners (*eingetragene Lebenspartner*), dependent children and other relatives who at the time of the transaction requiring notification have lived in the same household with the Manager for at least one year. Legal entities for which the aforementioned persons have management responsibilities are also subject to the notification requirement. The aforementioned provisions also apply to legal entities, companies and institutions directly or indirectly controlled by a Manager or by a person closely associated with a Manager, which have been founded to the benefit of such a person, or whose economic interests correspond to a considerable extent to those of such a person. Non-compliance with the notification requirements may result in a fine.

21. TAXATION IN GERMANY

This section contains a summary of some important German tax principles that are typically relevant or may be relevant to the acquisition, the holding and the transfer of shares and subscription rights by a shareholder (an individual or a corporation), that is tax resident in Germany (i.e., a holder, that has its permanent residence, habitual abode, statutory seat or effective place of management in Germany), or by a shareholder that is tax resident outside Germany. This summary does not purport to be an exhaustive description of all the tax considerations that may be relevant to shareholders. This summary is based on the German tax laws (including administrative guidance) and the provisions of double taxation treaties typically entered into between Germany and other countries as of the date that stands on this Prospectus. Tax legislation may change, possibly with retroactive effect.

This section cannot replace individual tax advice for the individual shareholder. Potential purchasers of shares or subscription rights are therefore advised to consult with their tax advisors about the tax consequences of the acquisition, holding and transfer of shares and subscription rights, and as to the procedures that must be followed to receive a refund of German withholding tax. Only tax advisors can adequately take into account the specific tax situations of individual shareholders.

21.1 Taxation of the Company

The profits of German corporations are generally subject to corporate income tax. The corporate income tax rate is uniformly 15 % for both distributed and retained earnings plus a solidarity surcharge in the amount of 5.5 % of the corporate income tax liability (*i.e.*, a total of 15.825 %).

Effectively 95 % of dividends and other shares in profits the Company receives from domestic or foreign corporations are generally exempt from corporate income tax. 5 % of the respective receipts are deemed to be non-deductible business expenses and are, therefore, subject to corporate income tax (plus solidarity surcharge). This also applies to profits of the Company resulting from the sale of shares in domestic or foreign corporations. However, if the Company directly holds less than 10% of the share capital of the corporation at the beginning of the calendar year, the full amount of any dividends received is taken into account when determining the Company's taxable income for corporate income tax purposes. The acquisition of a shareholding of at least 10 % is deemed to have occurred at the beginning of the calendar year.

In addition, German corporations are generally subject to trade tax (*Gewerbesteuer*) on trade income (*Gewerbeertrag*) generated from permanent establishments in Germany. Depending on the assessment rate set by the relevant municipality, the trade tax is normally imposed at an effective rate of approximately 7 to 18.55 % of the trade income. The trade tax may not be deducted as a business expense for corporate income tax purposes. Dividends and other shares in profits received from domestic or foreign corporations as well as profits from the sale of shares in other corporations are generally treated, for purposes of trade tax, in the same manner as for purposes of corporate income tax. However, in general, dividends and other profit shares received from domestic or foreign corporations are effectively exempt from trade tax in an amount of 95 % only if the Company held at or, in case of foreign corporations, has held since the beginning of the relevant tax assessment period, a participation of at least 15 % in the share capital of the corporation distributing the profit (trade tax participation exemption). In case of a participation in a corporation within the meaning of Art. 2 of the Council Directive No. 2011/96/EU of November 30, 2011 ("EU Parent Subsidiary Directive") domiciled in another Member State of the European Union, the trade tax participation exemption privilege applies in the case of a 10 % participation in the share capital of the foreign corporation held at the beginning of the relevant tax assessment period. Additional restrictions apply to dividends received from foreign corporations that do not qualify for the EU Parent Subsidiary Directive.

Exceptions apply in relation to the taxation of dividends and capital gains on shares attributable to the trading book of the Company (see below, under section "*21.2.3 Special Rules for Credit Institutions, Financial Services Institutions, Financial Enterprises as well as Life Insurance and Health Insurance Companies and Pension Funds*").

Under the so-called interest ceiling rule, the deduction of interest expense may be limited. Subject to certain exceptions, net interest expense is generally deductible in an amount equal to 30 % of the tax EBITDA of the relevant fiscal year. Non-deductible interest expense and unused tax EBITDA volume can be carried forward to subsequent years provided that certain requirements are met. For trade tax purposes, 25 % of the interest expense that is deductible under the interest ceiling rule must be added back to compute the trade tax base, generally resulting in a deductibility for trade tax purposes of only 75 %.

For corporate income tax and trade tax purposes, tax-loss carry forwards can only be used up to an amount of € 1.0 million to fully offset positive income. If the income exceeds this amount, only 60 % of the excess amount may be offset by existing tax-loss carry forwards. The remaining 40 % are subject to tax (minimum

taxation). Unused tax-loss carry forwards can, in principle, be carried forward indefinitely and can be deducted from future taxable income and trade income, respectively in accordance with the aforementioned rules. In the case of a direct or indirect transfer within five years of more than 25 % or, respectively, more than 50 % of the share capital or voting rights in the Company to one single acquirer or a group of acquirers or in the case of comparable measures (harmful acquisition), the tax-loss carry forwards, interest carry forwards, non-deductible interest expense as well as losses of the current business year that have not been used until the date of the transfer may, however, become unavailable on a pro rata basis or, as the case may be, be lost entirely, or it may not be possible to credit them against future profits (subject to certain exceptions).

21.2 Taxation of Shareholders

Shareholders are subject to taxation in connection with the holding of shares (see below section "*21.2.1 Taxation of Dividends*"), the sale of shares or subscription rights (see section "*21.2.2 Taxation of Capital Gains*") and the gratuitous transfer of shares or subscription rights (see section "*21.2.4 Inheritance and Gift Tax*").

21.2.1 Taxation of Dividends

21.2.1.1 Withholding Tax

Dividends distributed by the Company are generally subject to a withholding tax in the amount of 25 % plus a solidarity surcharge of 5.5 % thereon (*i.e.*, a total of 26.375 %). If the shares are admitted to be held in collective deposit with a German collective deposit bank for securities and are deposited with such common depository in Germany, the Company is generally not responsible for withholding the tax at the source, but the tax is withheld for the account of the shareholder and remitted to the competent tax office by the German bank, German financial services institution, German securities trading enterprise or German securities trading bank (including German branches of foreign institutions) with which the shares are deposited or that administers the shares and that disburses or credits the dividends to the shareholder or that disburses the dividends to a foreign institution, or by the collective deposit bank for securities if it disburses the dividends to a foreign institution. If the shares are not held in collective deposit with a German collective deposit bank for securities, the Company is responsible for withholding the tax at source and the Company consequently has to withhold and remit the tax to the competent tax office. The basis for the withholding tax is the dividend resolved by the general shareholders' meeting.

The withholding tax must generally be deducted regardless of whether and to what extent the dividend is exempt from taxation at the level of the shareholder and whether the shareholder is a person residing in Germany or in a foreign country.

In the case of dividends distributed to a company within the meaning of Art. 2 of the EU Parent Subsidiary Directive domiciled in another Member State of the European Union, an exemption from withholding tax will be granted upon request if further prerequisites are satisfied (*Freistellung im Steuerabzugsverfahren*). This also applies to dividends distributed to a permanent establishment located in another Member State of the European Union of such a parent company or of a parent company tax resident in Germany if the participation in the Company is effectively connected with this permanent establishment. The key prerequisite for the application of the EU Parent Subsidiary Directive is that the shareholder has held a direct participation in the share capital of the Company of at least 10 % for at least one year. In certain other cases, companies domiciled in another European Union or European Economic Area Member State may be entitled to a refund of withholding tax, although the minimum holding requirements of the EU Parent Subsidiary Directive are not met.

The withholding tax on distributions to other foreign resident shareholders is reduced in accordance with a double taxation treaty if Germany has concluded such double taxation treaty with the country of residence of the shareholder and if the shareholder does not hold his shares either as part of the assets of a permanent establishment or a fixed place of business in Germany or as business assets for which a permanent representative has been appointed in Germany. The reduction of the withholding tax is generally granted in such a manner that the difference between the total amount withheld, including the solidarity surcharge, and the tax liability determined on the basis of the tax rate set forth in the applicable double taxation treaty (generally 15 %) is refunded by the German tax administration upon request (Federal Central Office for Taxes (*Bundeszentralamt für Steuern*), main office in Bonn-Beuel, An der Küppe 1, D-53225 Bonn).

In the case of dividends received by corporations whose statutory seat and effective place of management are not located in Germany and who are therefore not tax resident in Germany, generally two-fifths of the withholding tax deducted and remitted can be refunded without the need to fulfill all prerequisites required for such refund under the EU Parent Subsidiary Directive or under a double taxation treaty.

In order to receive a refund pursuant to a double taxation treaty or the aforementioned option for foreign corporations, the shareholder has to submit a completed form for refund (available at the Federal Central Office for Taxes (http://www.bzst.de) as well as at the German embassies and consulates) together with a withholding tax certificate (*Kapitalertragsteuerbescheinigung*) issued by the institution that withheld the tax.

The exemption from withholding tax in accordance with the EU Parent Subsidiary Directive and the aforementioned options for a refund of the withholding tax depend on whether certain additional prerequisites (in particular so-called substance requirements) are fulfilled.

The aforementioned reductions of (or exemptions from) withholding tax are restricted if (i) the applicable double taxation treaty provides for a tax reduction resulting in an applicable tax rate of less than 15 % and (ii) the shareholder is not a corporation that directly holds at least 10 % in the equity capital of the Company and is subject to tax on its income and profits in its state of residence without being exempt. In this case, the reduction of (or exemption from) withholding tax is subject to the following three cumulative prerequisites: (i) the shareholder must qualify as beneficial owner of the shares in the Company for a minimum holding period of 45 consecutive days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70 % of the change in value risk related to the shares in the Company during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder must not be required to fully or largely compensate directly or indirectly the dividends to third parties. However, these further prerequisites do not apply if the shareholder has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends.

21.2.1.2. Taxation of Dividends Derived by German Tax Resident Shareholders

21.2.1.2.1 Taxation of dividend income for German tax resident shareholders who hold their shares as private assets

Dividends that are derived by a German tax resident shareholder who holds the shares as private assets constitute income from capital investment, which is subject to a special, flat income tax rate of 25 % plus a solidarity surcharge of 5.5 % thereon (*i.e.*, a total of 26.375 %). The income tax liability for the dividends is generally satisfied through the deduction of the withholding tax (so-called flat tax regime, *Abgeltungsteuer*). Except for an annual lump-sum allowance for savers (*Sparer-Pauschbetrag*) in the amount of € 801 (€ 1,602 for married couples and registered partners filing jointly) income-related expenses (*Werbungskosten*) may not be deducted from income from capital investment. The shareholder may request his total income from capital investments (including the dividends) to be subject to taxation at the individual, progressive income tax rate together with his other taxable income rather than the flat tax rate for capital investments, if this results in his tax liability being lower. The tax base is the gross income less the lump-sum allowance for savers in the amount of € 801 (€ 1,602 for married couples and registered partners filing jointly), with no deduction for income-related expenses to generate the income. In such a case, the withholding tax can either be credited against the income tax liability of the shareholder or refunded in the amount of the excess, subject to the rules on the restriction of withholding tax credit as described below under section "*21.2.1.2.2 Taxation of dividend income for German tax resident shareholders who hold their shares as business assets*".

Exceptions from the final flat tax regime apply upon application to shareholders that hold at least 25 % of the shares in the Company and shareholders that hold at least 1 % of the shares in the Company and through professional work for the Company are able to exercise significant entrepreneurial influence on the business activities of the Company.

If applicable, church tax generally has to be withheld based on an automatic data access procedure, unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the Federal Central Tax Office. Where church tax is not levied by way of withholding, it is determined by means of an income tax assessment.

21.2.1.2.2 Taxation of dividend income for German tax resident shareholders who hold their shares as business assets

The flat tax does not apply to dividends paid on shares held by a German tax resident shareholder as business assets. The taxation depends on whether the shareholder is a corporation, an individual entrepreneur or partnership (co-entrepreneurship). The withholding tax (including solidarity surcharge) withheld and remitted can either be credited against the income tax or corporate income tax liability of the shareholder or refunded in the amount of the excess.

Pursuant to specials rules on the restriction of withholding tax credit, the credit of withholding tax is subject to the following three cumulative prerequisites: (i) the shareholder must qualify as beneficial owner of the shares in the Company for a minimum holding period of 45 consecutive days occurring within a period of

45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Company during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder must not be required to fully or largely compensate directly or indirectly the dividends to third parties. Absent the fulfillment of all of the three prerequisites, three fifths of the withholding tax imposed on the dividends must not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax due to a tax exemption without qualifying for a full tax credit has to notify the competent local tax office accordingly and has to make a payment in the amount of the omitted withholding tax deduction. The special rules on the restriction of withholding tax credit do not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed € 20,000 or that has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends.

Corporations. If the German tax resident shareholder is a corporation, effectively 95 % of the dividends, subject to certain exceptions for enterprises in the financial and insurance sectors (see section "*21.2.3 Special Rules for Credit Institutions, Financial Services Institutions, Financial Enterprises as well as Life Insurance and Health Insurance Companies and Pension Funds*"), are generally exempt from corporate income tax and the solidarity surcharge. No minimum holding period needs to be observed. 5 % of the dividends are deemed non-deductible business expenses, and are therefore subject to corporate income tax (plus solidarity surcharge) at a tax rate totaling 15.825 %. However, if the corporation directly holds less than 10 % of the share capital of the Company at the beginning of the calendar year, the full amount of any dividends received is taken into account when determining the corporation's taxable income for corporate income tax purposes. The acquisition of a shareholding of at least 10 % is deemed to have occurred at the beginning of the calendar year. Aside from this, business expenses actually incurred and directly connected to the dividends may be deducted. The dividends are subject to trade tax in the full amount (after deduction of the business expenses economically connected to them) unless the corporation held a participation of at least 15 % in the share capital of the Company at the beginning of the relevant tax assessment period (trade tax participation exemption). In this latter case, the dividends are not subject to trade tax. However, trade tax is levied on the amount deemed to be non-deductible business expenses (*i.e.*, in the amount of 5 % of the dividend). Depending on the assessment rate set by the municipality the trade tax is normally imposed at an effective rate of approximately 7 to 18.55 % of the trade income (*Gewerbeertrag*).

Individual entrepreneurs. If the German tax resident shareholder is an individual entrepreneur who holds the shares as business assets, only 60 % of the dividends are subject to the progressive personal income tax plus solidarity surcharge at a tax rate totaling up to approximately 47.5 % and, if applicable, church tax (partial income taxation method; *Teileinkünfteverfahren*). Only 60 % of the business expenses economically connected to the dividends are deductible for tax purposes. If the shares belong to a German permanent establishment of a commercial business of the shareholder, the dividend income (after deduction of the business expenses economically connected to it) are, in addition to personal income tax, also subject to trade tax in the full amount unless the shareholder held a participation of at least 15 % in the share capital of the Company at the beginning of the relevant tax assessment period (trade tax participation exemption). In this latter case, the net amount of the dividends, (*i.e.*, after deduction of the business expenses directly connected to them) is exempt from trade tax. In general, the trade tax may be credited, completely or partially, against the personal income tax of the shareholder in accordance with a lump-sum tax credit method, depending on the assessment rate set by the local municipality and the personal tax situation.

Partnerships. If the German tax resident shareholder is a partnership being engaged or deemed to be engaged in a business (co-entrepreneurship), the personal income tax or corporate income tax is not charged at the level of the partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. If the partner is a corporation, dividends forming part of the partner's profit share are taxed in accordance with the principles applicable to corporations, *i.e.*, effectively 95 % of the dividends are tax exempt, but dividends from a direct shareholding of less than 10% of the Company's share capital are fully subject to taxation (see above under "*Corporations*"). Indirect shareholdings via a partnership are attributed to the partners on a pro-rata basis and are deemed to be direct shareholdings. If the partner is an individual, the taxation is based on the principles applicable to individual entrepreneurs, *i.e.*, the partial income taxation method applies (see "*Individual entrepreneurs*") to the dividends included in the individual partner's profit share.

In addition, the dividends are subject to trade tax at the level of the partnership if the shares are attributable to a permanent establishment of a commercial business of the partnership in Germany, and this generally in the full amount. If the partner in the partnership is an individual, the trade tax on his profit share which is paid by the partnership may generally be credited, completely or partially, against his personal income tax, depending on the assessment rate set by the local municipality and the personal tax circumstances.

If the partnership held a participation of at least 15 % in the share capital of the Company at the beginning of the relevant tax assessment period, the dividends, after deduction of the business expenses economically connected thereto, should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5 % of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10 % of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, under a literal reading of the law, also include corporate partners to whom, on a look-through basis, only participations in the share capital of the Company of less than 10 % are attributable) should (after the deduction of business expenses economically related thereto) not be subject to trade tax.

21.2.1.3 Shareholders Domiciled in Foreign Countries

Shareholders who are not tax resident in Germany and hold their shares through a permanent establishment or a fixed place of business in Germany, or as business assets for which a permanent representative has been appointed in Germany, are subject to the taxation in Germany in respect of their dividend income. The situation described above for shareholders tax resident in Germany who hold their shares as business assets applies accordingly (see section *"21.2.1.2.2 Taxation of dividend income for German tax resident shareholders who hold their shares as business assets"*). The withholding tax deducted and remitted to the tax authorities (including solidarity surcharge) is either credited against the personal income tax or corporate income tax liability or refunded in the amount of an excess of such.

In all other situations, the German tax liability is satisfied for the dividends with the deduction of withholding tax. The withholding tax is only refunded in the situations described above under section "*21.2.1.1 Withholding Tax*".

21.2.2 Taxation of Capital Gains

21.2.2.1. Taxation of Capital Gains for German Tax Resident Shareholders

21.2.2.1.1 Taxation of capital gains for German tax resident shareholders who hold their shares or subscription rights as private assets

Capital gains from the sale of shares acquired by a German tax resident shareholder after December 31, 2008 that are held as private assets are generally subject to personal income tax in Germany – irrespective of any holding period – as income from capital investment at a special, flat tax rate for income from capital investment of 25 % (plus a solidarity surcharge of 5.5 %, *i.e.*, a total of 26.375 %). This also applies to gains from the sale of subscription rights granted for such shares. By contrast, gains from the sale of shares that were acquired by the shareholder prior to January 1, 2009 and gains from the sale of subscription rights that were granted for such shares are not taxable. If the shareholder acquired shares before January 1, 2009 as well as on or after January 1, 2009 and if these shares are kept in the same custodial account, it will be deemed that those shares that were acquired first are sold first.

The amount of the taxable capital gain from the sale is the difference between (a) the proceeds from the sale and (b) the cost of acquisition of the shares or subscription rights and the expenses directly related to the sale. The acquisition costs of subscription rights granted by the Company are deemed to be € 0.

The only deduction available from the overall income from capital investment is the annual lump-sum allowance for savers (*Sparer-Pauschbetrag*) in the amount of € 801 (€ 1,602 for married couples and registered partners filing jointly). Income-related expenses (*Werbungskosten*) may not be deducted from capital gains. Losses from the sale of shares may only be offset against capital gains arising from the sale of the shares in stock corporations. Losses from the sale of subscription rights may only be offset against positive income from capital investment.

According to the German Federal Ministry of Finance (*Bundesministerium für Finanzen*), the exercise of subscription rights is not equivalent to a sale. Shares acquired by exercising subscription rights are considered to be acquired at the price of subscription and at the time of the exercise.

If shares or subscription rights are deposited with or administered by a German bank, German financial services institution, German securities trading enterprise or a German securities trading bank (including German branches of foreign institutions) or such an institution sells the shares or subscription rights and disburses or credits the proceeds from the sale (a "German Disbursing Agent"), the tax on the capital gains is generally settled by way of withholding through the German Disbursing Agent which is required to deduct a withholding tax of 26.375 % (including solidarity surcharge) of the capital gains from the sale proceeds and remit it to the tax authority (final flat tax regime, *Abgeltungsteuer*).

If applicable, church tax generally has to be withheld based on an automatic data access procedure, unless the shareholder has filed a blocking notice (Sperrvermerk) with the Federal Central Tax Office. Where church tax is not levied by way of withholding, it is determined by means of an income tax assessment.

If the withholding tax on the capital gains or, if applicable, the church tax on the capital gains has not been withheld by a German Disbursing Agent, the German tax resident shareholder is required to report the capital gains in his income tax return. The income tax and, if applicable, the church tax on the capital gains are then collected by way of assessment.

The shareholder may request his total income from capital investments to be subject to taxation at the individual, progressive income tax rate together with his other taxable income rather than the flat tax rate for capital investments, if this results in his tax liability being lower. The tax base is the gross income less the lump-sum allowance for savers in the amount of € 801 (€ 1,602 for married couples and registered partners filing jointly), with no deduction for income-related expenses to generate the income. In such a case, withholding tax can either be credited against the individual, progressive income tax or refunded in the amount of the excess.

Irrespective of any holding period or the date of acquisition, a gain from the sale of shares or subscription rights is not subject to the final flat tax regime, but rather the individual, progressive income tax if the German tax resident shareholder, or in the case of a gratuitous acquisition his legal predecessors, or, if the shares have been transferred gratuitously on several succeeding occasions, one of his legal predecessors, at any time during the five years preceding the sale, directly or indirectly held a participation of at least 1 % in the share capital of the Company (a "Qualified Participation"). In this case, the partial income taxation method (*Teileinkünfteverfahren*) applies to gains from the sale of shares, *i.e.*, only 60 % of the gains from the sale of shares are subject to taxation and only 60 % of a loss from the sale of shares and any expenses economically related to the sale of the shares are tax deductible. In case of a Qualified Participation, the partial income taxation method should also apply to capital gains or losses associated with subscription rights. Unlike under the flat tax regime, the acquisition costs of subscription rights are calculated as a fraction of the original acquisition costs of the underlying shares which is split off from the shares and attributed to the subscription rights (aggregate value method). Upon exercise of a subscription right, its acquisition costs increase the acquisition costs of the newly acquired shares. Withholding tax is also deducted by a German Disbursing Agent in the case of a Qualified Participation, but this does not have the effect of a settlement of the shareholder's tax liability. The shareholder is therefore required to report the capital gain in his income tax return. Upon the shareholder's assessment, the withholding tax withheld and remitted (including solidarity surcharge) can either be credited against the personal income tax liability or refunded in the amount of the excess. The exercise of subscription rights should not be considered equivalent to a sale in the case of a Qualified Participation.

21.2.2.1.2 Taxation of capital gains for German tax resident shareholders who hold their shares as business assets

Capital gains from the sale of shares or subscription rights held by German tax resident shareholders as business assets are not subject to the flat tax regime. The taxation of capital gains depends on whether the shareholder is a corporation, an individual or a partnership (co-entrepreneurship). Capital gains derived by enterprises in the financial and insurance sectors or pension funds are subject to the special rules described below (see section "*21.2.3 Special Rules for Credit Institutions, Financial Services Institutions, Financial Enterprises as well as Life Insurance and Health Insurance Companies and Pension Funds*").

Corporations. If the German tax resident shareholder is a corporation, effectively 95 % of the gains from the sale of shares, irrespective of the amount of the participation and irrespective of any holding period, are generally exempt from corporate income tax (including solidarity surcharge) and trade tax. 5 % of the gains are deemed to be non-deductible business expenses and, therefore, are subject to corporate income tax (plus solidarity surcharge) at a tax rate totaling 15.825 % and trade tax (depending on the trade assessment rate set by the local municipality, generally between 7 and 18.55 %). Capital losses and other reductions in profit in connection with the shares sold may, generally, not be deducted as business expenses.

By contrast, the full amount of the gains from the sale of subscription rights is subject to corporate income tax (plus solidarity surcharge) and trade tax. Capital losses and other reductions in profit in connection with the subscription rights should be tax-deductible, subject to general restrictions. The exercise of subscription rights should not be considered equivalent to a sale.

Individual entrepreneurs. If the German tax resident shareholder is an individual entrepreneur who holds the shares as business assets, 60 % of the capital gains from the sale of the shares are subject to progressive personal income tax plus solidarity surcharge at a total tax rate of up to approximately 47.5 % and, if applicable, church tax (partial income taxation method). Only 60 % of any capital losses and expenses economically connected to the sale can be deducted for tax purposes. If the shares are

attributable to a permanent establishment of a commercial business of the shareholder in Germany, 60 % of the capital gains from the sale of the shares are additionally subject to trade tax. The partial income taxation method also applies to gains or losses from the sale of subscription rights that are held by the individual entrepreneur as business assets. The exercise of subscription rights should not be considered equivalent to a sale.

In general, the trade tax may be credited, completely or partially, against the personal income tax of the shareholder in accordance with a lump-sum tax credit method, depending on the assessment rate set by the local municipality and the individual tax circumstances.

Partnerships. If the German tax resident shareholder is a partnership being engaged or deemed to be engaged in a business (co-entrepreneurship), the personal income tax or corporate income tax is not charged at the level of the partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. If the partner is a corporation, the capital gains from the sale of shares and subscription rights included in the partner's profit share are subject to taxation in accordance with the principles applicable to corporations (see above the bullet "*Corporations*"). Capital gains included in the profit share of an individual partner are accordingly subject to the principles applicable to individual entrepreneurs (*i.e.*, the partial income taxation method), see above the bullet "*Individual entrepreneurs*").

In addition, the capital gains are subject to trade tax at the level of the partnership if the shares are attributable to a permanent establishment of a commercial business of the partnership in Germany, and this generally in the amount of 60 % to the extent they are attributable to the profit share of an individual partner and generally in the amount of 5 % to the extent they are attributable to the profit share of a corporate partner. Capital losses or other reductions in profit in connection with the shares sold are not taken into account for purposes of trade tax to the extent they are attributable to a partner that is a corporation, and subject to general restrictions only 60 % of these losses or expenses are taken into account to the extent they are attributable to a partner who is an individual. Capital gains and losses realized from the sale of a subscription right are fully taken into account for purposes of trade tax within the scope of general restrictions to the extent they are attributable to the profit share of a corporate partner. By contrast, if the partner is an individual, the capital gains from the sale of subscription rights included in the profit share are arguably only subject to trade tax at a rate of 60 %; accordingly losses and reductions of profits related to the sale of subscription rights should in this case only be deductible at a rate of 60 % subject to general restrictions. The exercise of subscription rights held as business assets should not be treated as a sale of such subscription rights.

In general, if the partner of the partnership is an individual, the trade tax paid by the partnership and attributable to his profit share is completely or partially credited against the shareholder's personal income tax in accordance with a lump-sum tax credit method, depending on the assessment rate set by the local municipality and the individual tax circumstances.

Withholding tax. In the case of a German Disbursing Agent, capital gains from the sale of shares or subscription rights held as business assets are generally subject to withholding tax just as in the case of a shareholder who holds the shares or subscription rights as private assets (see section "*21.2.2.1.1 Taxation of capital gains for German tax resident shareholders who hold their shares or subscription rights as private assets*"). The German Disbursing Agent may, however, refrain from levying withholding tax if (i) the shareholder is a corporation tax-resident in Germany, or (ii) the shareholder holds the shares or subscription rights as assets of a business in Germany and declares this to the Disbursing Agent in the officially required pre-printed form and certain further prerequisites are fulfilled. If a German Disbursing Agent nonetheless withholds tax on capital gains, the tax withheld and remitted (including solidarity surcharge) can either be credited against the personal income tax or corporate income tax liability or refunded in the amount of the excess.

21.2.2.2 Shareholders Domiciled in Foreign Countries

Capital gains derived by non-German tax resident shareholders are subject to German taxation only if the selling shareholder holds a Qualified Participation in the Company or holds the shares or subscription rights through a German permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany.

In the case of a Qualified Participation (as defined in section "*21.2.2.1.1 Taxation of capital gains for German tax resident shareholders who hold their shares or subscription rights as private assets*"), 5 % of the gains from the sale of shares and 100 % of the gains from the sale of subscription rights are generally subject to corporate income tax plus solidarity surcharge if the shareholder is a corporation. If the shareholder is an individual, only 60 % of the gains from the sale of the shares are subject to the individual, progressive personal income tax plus solidarity surcharge (partial income taxation method). Arguably, the

partial income taxation method also applies to gains from the sale of subscription rights by an individual. However, most double taxation treaties provide for an exemption from German taxation of the capital gain and assign the right to tax to the shareholder's country of residence. In the opinion of the German tax administration, in the case of a Qualified Participation there is no duty to levy withholding tax.

In the case of capital gains or losses from the sale of shares or subscription rights held through a permanent establishment in Germany or a fixed place of business, or as business assets for which a permanent representative has been appointed in Germany, the description above for German tax resident shareholders who hold their shares as business assets applies accordingly (see section "*21.2.2.1.2 Taxation of capital gains for German tax resident shareholders who hold their shares as business assets*"), provided that a German Disbursing Agent may only refrain from levying withholding tax, if the shareholder declares to the German Disbursing Agent in an officially prescribed form that the shares are held as assets of a German business, and certain further prerequisites are fulfilled.

21.2.3 Special Rules for Credit Institutions, Financial Services Institutions, Financial Enterprises as well as Life Insurance and Health Insurance Companies and Pension Funds

If credit institutions and financial services institutions hold or sell shares which are allocable to their trading portfolio (*Handelsbestand*) within the meaning of the German Commercial Code (*Handelsgesetzbuch*), then neither the exemption from corporate income tax (95%) nor the partial-income method will apply to dividends or capital gains and capital losses arising from the sale of shares, i.e., dividends and capital gains are fully subject to corporate income tax and correspondingly capital losses can be offset in full for tax purposes. The same applies for financial companies within the meaning of the German Banking Act if credit institutions or financial services institutions hold, directly or indirectly, a participation of more than 50% in such financial company and if the shares have to be recorded in the current assets (*Umlaufvermögen*) of the financial company at the time of initial recording. The dividends may be exempt from trade tax if a participation of at least 15% is held in the Company's share capital at the beginning of the relevant tax assessment period. Similarly, the 95% exemption for corporate income tax does not apply to dividends paid with respect to, or capital gains and losses arising from the sale of, shares held by life insurance and health insurance companies and pension funds which are allocable to capital investments; for these shareholders an exemption from trade tax in case of a participation of at least 15% in the Company's share capital is also not available.

21.2.4 Inheritance and Gift Tax

The transfer of shares or subscription rights to another person upon death or by way of a gift is generally subject to German inheritance tax or gift tax if:

(i) the decedent, the person making the gift, the heir, the person receiving the gift or the other person acquiring the assets has at the time of the transfer of the assets his domicile or ordinary residence, place of management or registered office in Germany or is a German citizen who has not permanently resided in a foreign country for longer than five years without having a German residence, or

(ii) the shares or subscription rights belong to business assets of the decedent or the person making the gift for which a permanent establishment was maintained in Germany or for which a permanent representative was appointed, or

(iii) the decedent or the person making the gift, either himself or together with other persons related to him, held a direct or indirect participation of at least 10 % in the share capital of the Company at the time of the transfer.

The few German double taxation treaties on inheritance tax and gift tax presently in force usually provide that German inheritance tax or gift tax can only be charged in the case of (i) above and also with certain restrictions in case of (ii). Special rules apply to certain German citizens living outside Germany and former German citizens.

21.2.5 Other Taxes

No German capital transfer taxes, value-added taxes, stamp taxes or similar taxes apply to the acquisition, sale or other form of transferring shares or subscription rights. However, an entrepreneur can opt to pay value-added tax on the sale of shares or subscription rights, despite being generally exempt from value-added tax, if the shares or subscription rights are sold to another entrepreneur for the entrepreneur's business. Wealth tax (*Vermögensteuer*) is presently not levied in Germany.

22. TAXATION IN THE UNITED KINGDOM

The comments below are of a general nature and are based on current United Kingdom tax law. Such law may be repealed, revoked or modified (possibly with retrospective effect), resulting in United Kingdom tax consequences different from those discussed below.

The comments below deal only with United Kingdom withholding tax in respect of payments of dividends. They do not deal with any other United Kingdom tax consequences of acquiring, holding or disposing of New Shares or subscription rights.

Potential purchasers of New Shares or subscription rights should consult their own tax advisers as to the United Kingdom tax consequences of the acquisition, holding and disposal of New Shares and subscription rights.

Based on current United Kingdom tax law, payments of dividends by the Company in respect of the New Shares will not be subject to withholding or deduction for or on account of United Kingdom tax.

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23. FINANCIAL STATEMENTS

Consolidated Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ended December 31, 2016 (audited) **F-3**
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Financial Information Incorporated by Reference

The following financial information of Deutsche Bank Group has been incorporated in this Prospectus by reference, see section "*2.1 Documents Incorporated by Reference*":

- Consolidated Financial Statements (IFRS) of Deutsche Bank AG for the Fiscal Year ended December 31, 2015 (audited), consisting of
  - Consolidated Statement of Income
  - Consolidated Statement of Comprehensive Income
  - Consolidated Balance Sheet
  - Consolidated Statement of Changes in Equity
  - Consolidated Statement of Cash Flows
  - Notes to the Consolidated Financial Statements[2]
  - Independent Auditors' Report
- Consolidated Financial Statements (IFRS) of Deutsche Bank AG for the Fiscal Year ended December 31, 2014 (audited), consisting of
  - Consolidated Statement of Income
  - Consolidated Statement of Comprehensive Income
  - Consolidated Balance Sheet
  - Consolidated Statement of Changes in Equity
  - Consolidated Statement of Cash Flows
  - Notes to the Consolidated Financial Statements[2]
  - Independent Auditors' Report

1 Pursuant to Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, the information identified by brackets in the margins in the sections "Operating and Financial Review" and "Risk Report" of Deutsche Bank Group's management report for 2016 was incorporated by reference into the notes to the consolidated financial statements for the fiscal year 2016. Therefore, the information identified by brackets in the margins of the management report form an integral part of the audited notes to Deutsche Bank's consolidated financial statements for 2016. Reproduced on pages F-178 to F-222, as an excerpt from Deutsche Bank Group's management report for 2016, is the information in Deutsche Bank Group's management report that is marked by brackets in the margins and forms an integral part of the notes to Deutsche Bank's consolidated financial statements for 2016. In addition, with respect to the table entitled "Transitional template for regulatory capital, RWA and capital ratios" set forth in the section "Risk Report: Risk and Capital Performance: Capital and Leverage Ratio: Development of regulatory capital" of Deutsche Bank Group's management report for 2016, reproduced on pages F-204 and F-205, the columns captioned "CRR/CRD 4" for each of December 31, 2016 and December 31, 2015 (but not the columns captioned "CRR/CRD 4 fully loaded") are also an integral part of the consolidated financial statements for the fiscal year 2016, notwithstanding that they are not identified by brackets in the margins. Those parts of Deutsche Bank Group's management report for 2016 that are not marked by brackets in the margins, other than with respect to the table entitled "Transitional template for regulatory capital, RWA and capital ratios" as described in the previous sentence, do not form part of this Prospectus.

2 Pursuant to Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal years 2015 and 2014, respectively, the information identified by brackets in the margins in Deutsche Bank Group's management reports was incorporated by reference into the notes to the Group's respective consolidated financial statements. Therefore, the information identified by brackets in the margins of the Group's 2015 management report forms an integral part of the notes to Deutsche Bank's consolidated financial statements for 2015, and the information identified by brackets in the margins of the Group's 2014 management report forms an integral part of the notes to Deutsche Bank's consolidated financial statements for 2014.

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Consolidated Financial Statements (IFRS) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ended December 31, 2016 (audited)

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Consolidated Statement of Income

in € m.	Notes	2016	2015	2014
Interest and similar income	5	25,636	25,967	25,001
Interest expense	5	10,929	10,086	10,729
Net interest income	**5**	**14,707**	**15,881**	**14,272**
Provision for credit losses	21	1,383	956	1,134
Net interest income after provision for credit losses		**13,324**	**14,925**	**13,138**
Commissions and fee income	6	11,744	12,765	12,409
Net gains (losses) on financial assets/liabilitiesat fair value through profit or loss	5	1,401	3,842	4,299
Net gains (losses) on financial assets available for sale	7	653	203	242
Net income (loss) from equity method investments	18	455	164	619
Net income (loss) from securities held to maturity	17	0	0	0
Other income (loss)	8	1,053	669	108
Total noninterest income		**15,307**	**17,644**	**17,677**
Compensation and benefits	36	11,874	13,293	12,512
General and administrative expenses	9	15,454	18,632	14,654
Policyholder benefits and claims		374	256	289
Impairment of goodwill and other intangible assets	26	1,256	5,776	111
Restructuring activities	10	484	710	133
Total noninterest expenses		**29,442**	**38,667**	**27,699**
Income (loss) before income taxes		**(810)**	**(6,097)**	**3,116**
Income tax expense	37	546	675	1,425
Net income (loss)		**(1,356)**	**(6,772)**	**1,691**
Net income attributable to noncontrolling interests		45	21	28
Net income (loss) attributable to Deutsche Bank shareholders and additional equity components		(1,402)	(6,794)	1,663

Earnings per Share

in €	Notes	2016	2015	2014
Earnings per share:[1,2]	**11**			
Basic		(€1.21)	(€5.06)	€ 1.34
Diluted		(€1.21)	(€5.06)	€ 1.31
Number of shares in million:[1]				
Denominator for basic earnings per share – weighted-average shares outstanding		1,388.1	1,387.9	1,241.9
Denominator for diluted earnings per share – adjusted weighted-average shares after assumed conversions[3]		1,388.1	1,387.9	1,269.5

1 The number of average basic and diluted shares outstanding has been adjusted for all periods before June 2014 in order to reflect the effect of the bonus component of subscription rights issued in June 2014 in connection with the capital increase.
2 Earnings were adjusted by € 276 and € 228 million net of tax for the coupons paid on Additional Tier 1 Notes in April 2016 and April 2015.
3 Due to the net loss situation for 2016 and 2015 potentially dilutive shares are generally not considered for the earnings per share calculation, because to do so would decrease the net loss per share. Under a net income situation however, the number of adjusted weighted average shares after assumed conversion would have been increased by 27 million shares for 2016 and 2015.

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

Consolidated Statement of Comprehensive Income

in € m.	2016	2015	2014
Net income (loss) recognized in the income statement	**(1,356)**	**(6,772)**	**1,691**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gains (losses) related to defined benefit plans, before tax	(861)	203	(403)
Total of income tax related to items that will not be reclassified to profit or loss	344	(213)	407
Items that are or may be reclassified to profit or loss			
Financial assets available for sale			
Unrealized net gains (losses) arising during the period, before tax	(2)	(242)	1,912
Realized net (gains) losses arising during the period (reclassified to profit or loss),before tax	(571)	(163)	(87)
Derivatives hedging variability of cash flows			
Unrealized net gains (losses) arising during the period, before tax	62	1	(6)
Realized net (gains) losses arising during the period (reclassified to profit or loss),before tax	(2)	20	339
Assets classified as held for sale			
Unrealized net gains (losses) arising during the period, before tax	529	662	0
Realized net (gains) losses arising during the period (reclassified to profit or loss),before tax	(1,191)	0	(3)
Foreign currency translation			
Unrealized net gains (losses) arising during the period, before tax	203	2,156	2,955
Realized net (gains) losses arising during the period (reclassified to profit or loss),before tax	(2)	4	3
Equity Method Investments			
Net gains (losses) arising during the period	11	48	(35)
Total of income tax related to items that are or may be reclassified to profit or loss	117	19	(672)
Other comprehensive income (loss), net of tax	**(1,364)**	**2,493**	**4,410**
Total comprehensive income (loss), net of tax	**(2,721)**	**(4,278)**	**6,102**
Attributable to:			
Noncontrolling interests	52	45	54
Deutsche Bank shareholders and additional equity components	(2,773)	(4,323)	6,048

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

Consolidated Balance Sheet

in € m.	Notes	Dec 31, 2016	Dec 31, 2015
Assets:			
Cash and central bank balances		181,364	96,940
Interbank balances (w/o central banks)		11,606	12,842
Central bank funds sold and securities purchased under resale agreements	22, 23	16,287	22,456
Securities borrowed	22, 23	20,081	33,557
Financial assets at fair value through profit or loss			
Trading assets		171,044	196,035
Positive market values from derivative financial instruments		485,150	515,594
Financial assets designated at fair value through profit or loss		87,587	109,253
Total financial assets at fair value through profit or loss	12, 16, 22, 23, 38	743,781	820,883
Financial assets available for sale	16, 22, 23	56,228	73,583
Equity method investments	18	1,027	1,013
Loans	20, 21, 22, 23	408,909	427,749
Securities held to maturity	17	3,206	0
Property and equipment	24	2,804	2,846
Goodwill and other intangible assets	26	8,982	10,078
Other assets	27, 28	126,045	118,137
Assets for current tax	37	1,559	1,285
Deferred tax assets	37	8,666	7,762
Total assets		**1,590,546**	**1,629,130**
Liabilities and equity:			
Deposits	29	550,204	566,974
Central bank funds purchased and securities sold under repurchase agreements	22, 23	25,740	9,803
Securities loaned	22, 23	3,598	3,270
Financial liabilities at fair value through profit or loss	12, 16, 38		
Trading liabilities		57,029	52,304
Negative market values from derivative financial instruments		463,858	494,076
Financial liabilities designated at fair value through profit or loss		60,492	44,852
Investment contract liabilities		592	8,522
Total financial liabilities at fair value through profit or loss		581,971	599,754
Other short-term borrowings	32	17,295	28,010
Other liabilities	27, 28	155,440	175,005
Provisions	21, 30	10,973	9,207
Liabilities for current tax	37	1,329	1,699
Deferred tax liabilities	37	486	746
Long-term debt	33	172,316	160,016
Trust preferred securities	33	6,373	7,020
Obligation to purchase common shares		0	0
Total liabilities		**1,525,727**	**1,561,506**
Common shares, no par value, nominal value of € 2.56	35	3,531	3,531
Additional paid-in capital		33,765	33,572
Retained earnings		18,987	21,182
Common shares in treasury, at cost	35	0	(10)
Equity classified as obligation to purchase common shares		0	0
Accumulated other comprehensive income (loss), net of tax		3,550	4,404
Total shareholders' equity		**59,833**	**62,678**
Additional equity components		4,669	4,675
Noncontrolling interests		316	270
Total equity		**64,819**	**67,624**
Total liabilities and equity		**1,590,546**	**1,629,130**

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

Consolidated Statement of Changes in Equity

in € m.	Common shares (no par value)	Additional paid-in capital	Retained earnings	Common shares in treasury, at cost	Equity classified as obligation to purchase common shares	Unrealized net gains (losses) on financial assets available for sale, net of applicable tax and other[2]
Balance as of December 31, 2013	**2,610**	**26,204**	**28,376**	**(13)**	**0**	**303**
Total comprehensive income, net of tax[1]	0	0	1,663	0	0	1,372
Common shares issued	921	7,587	0	0	0	0
Cash dividends paid	0	0	(765)	0	0	0
Coupon on additional equity components, net of tax	0	0	0	0	0	0
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	5	0	0	0
Net change in share awards in the reporting period	0	(103)	0	0	0	0
Treasury shares distributed under share-based compensation plans	0	0	0	840	0	0
Tax benefits related to share-based compensation plans	0	(32)	0	0	0	0
Additions to Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Deductions from Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Option premiums and other effects from options on common shares	0	(65)	0	0	0	0
Purchases of treasury shares	0	0	0	(9,187)	0	0
Sale of treasury shares	0	0	0	8,352	0	0
Net gains (losses) on treasury shares sold	0	(6)	0	0	0	0
Other	0	41	0	0	0	0
Balance as of December 31, 2014	**3,531**	**33,626**	**29,279**	**(8)**	**0**	**1,675**
Total comprehensive income, net of tax[1]	0	0	(6,794)	0	0	(291)
Common shares issued	0	0	0	0	0	0
Cash dividends paid	0	0	(1,034)	0	0	0
Coupon on additional equity components, net of tax	0	0	(228)	0	0	0
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	(10)	0	0	0
Net change in share awards in the reporting period	0	(80)	0	0	0	0
Treasury shares distributed under share-based compensation plans	0	0	0	880	0	0
Tax benefits related to share-based compensation plans	0	0	0	0	0	0
Additions to Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Deductions from Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Option premiums and other effects from options on common shares	0	(34)	0	0	0	0
Purchases of treasury shares	0	0	0	(9,177)	0	0
Sale of treasury shares	0	0	0	8,295	0	0
Net gains (losses) on treasury shares sold	0	(3)	0	0	0	0
Other	0	63	(31)	0	0	0
Balance as of December 31, 2015	**3,531**	**33,572**	**21,182**	**(10)**	**0**	**1,384**
Total comprehensive income, net of tax[1]	0	0	(1,402)	0	0	(472)
Common shares issued	0	0	0	0	0	0
Cash dividends paid	0	0	0	0	0	0
Coupon on additional equity components, net of tax	0	0	(276)	0	0	0
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	(517)	0	0	0
Net change in share awards in the reporting period	0	64	0	0	0	0
Treasury shares distributed under share-based compensation plans	0	0	0	239	0	0
Tax benefits related to share-based compensation plans	0	2	0	0	0	0
Additions to Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Deductions from Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Option premiums and other effects from options on common shares	0	(129)	0	0	0	0
Purchases of treasury shares	0	0	0	(5,264)	0	0
Sale of treasury shares	0	0	0	5,035	0	0
Net gains (losses) on treasury shares sold	0	(7)	0	0	0	0
Other	0	263	0	0	0	0
Balance as of December 31, 2016	**3,531**	**33,765**	**18,987**	**0**	**0**	**912**

1 Excluding remeasurement gains (losses) related to defined benefit plans, net of tax.
2 Excluding unrealized net gains (losses) from equity method investments.

Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax[2]	Unrealized net gains (losses) on assets classified as held for sale, net of tax[2]	Foreign currency translation, net of tax[2]	Unrealized net gains (losses) from equity method investments	Accumulated other comprehensive income, net of tax[1]	Total shareholders' equity	Additional equity components[3]	Noncontrolling interests	Total equity
(101)	**2**	**(2,713)**	**53**	**(2,457)**	**54,719**	**0**	**247**	**54,966**
181	(2)	2,865	(35)	4,380	6,043	0	54	6,097
0	0	0	0	0	8,508	0	0	8,508
0	0	0	0	0	(765)	0	(4)	(769)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	5	0	0	5
0	0	0	0	0	(103)	0	0	(103)
0	0	0	0	0	840	0	0	840
0	0	0	0	0	(32)	0	0	(32)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(65)	0	0	(65)
0	0	0	0	0	(9,187)	0	0	(9,187)
0	0	0	0	0	8,352	0	0	8,352
0	0	0	0	0	(6)	0	0	(6)
0	0	0	0	0	41	4,619[4]	(44)	4,616
79	**0**	**151**	**18**	**1,923**	**68,351**	**4,619**	**253**	**73,223**
18	662	2,044	48	2,481	(4,313)	0	45	(4,269)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(1,034)	0	(10)	(1,044)
0	0	0	0	0	(228)	0	0	(228)
0	0	0	0	0	(10)	0	0	(10)
0	0	0	0	0	(80)	0	0	(80)
0	0	0	0	0	880	0	0	880
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(34)	0	0	(34)
0	0	0	0	0	(9,177)	0	0	(9,177)
0	0	0	0	0	8,295	0	0	8,295
0	0	0	0	0	(3)	0	0	(3)
0	0	0	0	0	33	56[5]	(17)	72
97	**662**	**2,196**	**66**	**4,404**	**62,678**	**4,675**	**270**	**67,624**
46	(662)	223	11	(854)	(2,256)	0	52	(2,204)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	(11)	(11)
0	0	0	0	0	(276)	0	0	(276)
0	0	0	0	0	(517)	0	0	(517)
0	0	0	0	0	64	0	0	64
0	0	0	0	0	239	0	0	239
0	0	0	0	0	2	0	0	2
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(129)	0	0	(129)
0	0	0	0	0	(5,264)	0	0	(5,264)
0	0	0	0	0	5,035	0	0	5,035
0	0	0	0	0	(7)	0	0	(7)
0	0	0	0	0	263	(6)[5]	4	262
143	**0**	**2,418**	**77**	**3,550**	**59,833**	**4,669**	**316**	**64,819**

3 Includes Additional Tier 1 Notes, which constitute unsecured and subordinated notes of Deutsche Bank and are classified as equity in accordance with IFRS.
4 Includes net proceeds from issuance, purchase and sale of Additional Equity Components.
5 Includes net proceeds from purchase and sale of Additional Equity Components.

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

Consolidated Statement of Cash Flows

in € m.	2016	2015	2014
Net Income (loss)	**(1,356)**	**(6,772)**	**1,691**
Cash flows from operating activities:			
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Provision for credit losses	1,383	956	1,134
Restructuring activities	484	710	133
Gain on sale of financial assets available for sale, equity method investments, and other	(899)	(430)	(391)
Deferred income taxes, net	(312)	(987)	673
Impairment, depreciation and other amortization, and accretion	3,745	8,908	4,567
Share of net income from equity method investments	(183)	(708)	(569)
Income adjusted for noncash charges, credits and other items	**2,862**	**1,677**	**7,238**
Adjustments for net change in operating assets and liabilities:			
Interest-earning time deposits with central banks and with banks w/o central banks	(2,814)	30,096	8,959
Central bank funds sold, securities purchased under resale agreements, securities borrowed	19,440	(10,108)	5,450
Financial assets designated at fair value through profit or loss	20,337	12,935	70,639
Loans	18,190	(14,015)	(26,909)
Other assets	(7,847)	26,756	(28,812)
Deposits	(15,237)	26,537	1,551
Financial liabilities designated at fair value through profit or loss and investment contract liabilities	8,686	6,101	(54,334)
Central bank funds purchased, securities sold under repurchase agreements, securities loaned	16,362	(1,120)	(2,963)
Other short-term borrowings	(10,632)	(16,149)	(17,875)
Other liabilities	(12,888)	(14,177)	22,183
Senior long-term debt	12,328	13,536	14,315
Trading assets and liabilities, positive and negative market values from derivative financial instruments, net	30,341	13,788	4,288
Other, net	(8,518)	(8,605)	(1,678)
Net cash provided by (used in) operating activities	**70,610**	**67,252**	**2,052**
Cash flows from investing activities:			
Proceeds from:			
Sale of financial assets available for sale	26,855	18,027	11,974
Maturities of financial assets available for sale	6,029	3,986	8,745
Maturities of securities held to maturity	0	0	0
Sale of equity method investments	50	165	124
Sale of property and equipment	206	272	133
Purchase of:			
Financial assets available for sale	(21,639)	(29,665)	(34,158)
Securities held to maturity	0	0	0
Equity method investments	(81)	(95)	(78)
Property and equipment	(725)	(432)	(669)
Net cash received in (paid for) business combinations/divestitures	2,023	555	1,931
Other, net	(1,479)	(1,055)	(826)
Net cash provided by (used in) investing activities	**11,239**	**(8,242)**	**(12,824)**
Cash flows from financing activities:			
Issuances of subordinated long-term debt	815	2,942	101
Repayments and extinguishments of subordinated long-term debt	(1,102)	(2,043)	(3,142)
Issuances of trust preferred securities	121	788	49
Repayments and extinguishments of trust preferred securities	(840)	(5,114)	(2,709)
Common shares issued	0	0	8,508
Purchases of treasury shares	(5,264)	(9,177)	(9,187)
Sale of treasury shares	4,983	8,316	8,318
Additional Equity Components (AT1) issued	0	0	4,676
Purchases of Additional Equity Components (AT1)	(207)	(407)	(921)
Sale of Additional Equity Components (AT1)	202	442	888
Coupon on additional equity components, pre tax	(333)	(269)	0
Dividends paid to noncontrolling interests	(11)	(10)	(4)
Net change in noncontrolling interests	(13)	(17)	(17)
Cash dividends paid to Deutsche Bank shareholders	0	(1,034)	(765)
Net cash provided by (used in) financing activities	**(1,649)**	**(5,583)**	**5,795**
Net effect of exchange rate changes on cash and cash equivalents	**(28)**	**94**	**897**
Net increase (decrease) in cash and cash equivalents	80,172	53,521	(4,080)
Cash and cash equivalents at beginning of period	105,478	51,960	56,041
Cash and cash equivalents at end of period	185,649	105,478	51,960
Net cash provided by (used in) operating activities include			
Income taxes paid (received), net	1,572	902	377
Interest paid	10,808	10,608	11,423
Interest and dividends received	25,835	26,177	25,404
Cash and cash equivalents comprise			
Cash and central bank balances (not included Interest-earning time deposits with central banks)	178,292	94,923	47,169
Interbank balances (w/o central banks) (not included: time deposits with banks of € 7,079 m. as of December 31, 2016, € 4,304 m. as of December 31, 2015 and € 31,612 m as of December 31, 2014)	7,599	10,555	4,791
Total	**185,891**	**105,478**	**51,960**

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

Notes to the Consolidated Financial Statements

01 – Significant Accounting Policies and Critical Accounting Estimates

Basis of Accounting

Deutsche Bank Aktiengesellschaft ("Deutsche Bank" or the "Parent") is a stock corporation organized under the laws of the Federal Republic of Germany. Deutsche Bank together with all entities in which Deutsche Bank has a controlling financial interest (the "Group") is a global provider of a full range of corporate and investment banking, private clients and asset management products and services.

The accompanying consolidated financial statements are stated in euros, the presentation currency of the Group. All financial information presented in million euros has been rounded to the nearest million. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU"). The Group's application of IFRS results in no differences between IFRS as issued by the IASB and IFRS as endorsed by the EU.

Some IFRS disclosures incorporated in the Management Report are an integral part of the Consolidated Financial Statements. These disclosures include Segmental Results of Operations and Entity Wide disclosures on Net Revenue Components under IFRS 8, "Operating Segments" provided in the Operating and Financial Review of the Management Report. Additionally the Risk Report includes disclosures about the nature and the extent of risks arising from financial instruments as required by IFRS 7, "Financial Instruments: Disclosures", capital disclosures as required under IAS 1, "Presentation of Financial Statements" and disclosures in relation to insurance contracts as described in IFRS 4, "Insurance Contracts". These audited disclosures are identified by bracketing in the margins of the Management Report. In addition, with respect to the table entitled "Transitional template for regulatory capital, RWA and capital ratios" set forth in the Risk Report within the section "Risk and Capital Performance: Capital and Leverage Ratio: Development of regulatory capital", the columns captioned "CRR/CRD 4" for each of December 31, 2016 and December 31, 2015 (but not the columns captioned "CRR/CRD 4 fully loaded") are also an integral part of the Consolidated Financial Statements, notwithstanding that they are not identified by bracketing in the margins. These disclosures are also audited.

Critical Accounting Estimates

The preparation of financial statements under IFRS requires management to make estimates and assumptions for certain categories of assets and liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates. The Group's significant accounting policies are described in "Significant Accounting Policies".

Certain of the Group's 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 may have a material impact on the Group's 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. The Group has identified the following significant accounting policies that involve critical accounting estimates:

- the impairment of associates (see "Associates" below)
- the impairment of financial assets available for sale (see "Financial Assets and Liabilities – Financial Assets Classified as Available for Sale" below)
- the determination of fair value (see "Financial Assets and Liabilities – Determination of Fair Value" below)
- the recognition of trade date profit (see "Financial Assets and Liabilities – Recognition of Trade Date Profit" below)
- the impairment of loans and provisions for off-balance sheet positions (see "Impairment of Loans and Provision for Off-balance Sheet Positions" below)
- the impairment of goodwill and other intangibles (see "Goodwill and Other Intangible Assets" below)
- the recognition and measurement of deferred tax assets (see "Income Taxes" below)
- the accounting for legal and regulatory contingencies and uncertain tax positions (see "Provisions" below)

Significant Accounting Policies

The following is a description of the significant accounting policies of the Group. Other than as previously described, these policies have been consistently applied for 2014, 2015 and 2016.

Principles of Consolidation

The financial information in the Consolidated Financial Statements includes the parent company, Deutsche Bank AG, together with its consolidated subsidiaries, including certain structured entities presented as a single economic unit.

Subsidiaries

The Group's subsidiaries are those entities which it directly or indirectly controls. Control over an entity is evidenced by the Group's ability to exercise its power in order to affect any variable returns that the Group is exposed to through its involvement with the entity.

The Group sponsors the formation of structured entities and interacts with structured entities sponsored by third parties for a variety of reasons, including allowing clients to hold investments in separate legal entities, allowing clients to invest jointly in alternative assets, for asset securitization transactions, and for buying or selling credit protection.

When assessing whether to consolidate an entity, the Group evaluates a range of control factors, namely:

– the purpose and design of the entity

– the relevant activities and how these are determined

– whether the Group's rights result in the ability to direct the relevant activities

– whether the Group has exposure or rights to variable returns

– whether the Group has the ability to use its power to affect the amount of its returns

Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities.

Potential voting rights that are deemed to be substantive are also considered when assessing control.

Likewise, the Group also assesses existence of control where it does not control the majority of the voting power but has the practical ability to unilaterally direct the relevant activities. This may arise in circumstances where the size and dispersion of holdings of the shareholders give the Group the power to direct the activities of the investee.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The Group reassesses the consolidation status at least at every quarterly reporting date. Therefore, any changes in the structure leading to a change in one or more of the control factors, require reassessment when they occur. This includes changes in decision making rights, changes in contractual arrangements, changes in the financing, ownership or capital structure as well as changes following a trigger event which was anticipated in the original documentation.

All intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation.

Consistent accounting policies are applied throughout the Group for the purposes of consolidation. Issuances of a subsidiary's stock to third parties are treated as noncontrolling interests. Profit or loss attributable to noncontrolling interests are reported separately in the Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.

At the date that control of a subsidiary is lost, the Group a) derecognizes the assets (including attributable goodwill) and liabilities of the subsidiary at their carrying amounts, b) derecognizes the carrying amount of any noncontrolling interests in the former subsidiary, c) recognizes the fair value of the consideration received and any distribution of the shares of the subsidiary, d) recognizes any investment retained in the former subsidiary at its fair value and e) recognizes any resulting difference of the above items as a gain or loss in the income statement. Any amounts recognized in prior periods in other comprehensive income in relation to that subsidiary would be reclassified to the Consolidated Statement of Income or transferred directly to retained earnings if required by other IFRSs.

Associates

An associate is an entity in which the Group has significant influence, but not a controlling interest, over the operating and financial management policy decisions of the entity. Significant influence is generally presumed when the Group holds between 20 % and 50 % of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence. Among the other factors that are considered in determining whether the Group has significant influence are representation on the board of directors (supervisory board in the case of German stock corporations) and material intercompany transactions. The existence of these factors could require the application of the equity method of accounting for a particular investment even though the Group's investment is less than 20 % of the voting stock.

Investments in associates are accounted for under the equity method of accounting. The Group's share of the results of associates is adjusted to conform to the accounting policies of the Group and is reported in the Consolidated Statement of Income as Net income (loss) from equity method investments. The Group's share in the associate's profits and losses resulting from intercompany sales is eliminated on consolidation.

If the Group previously held an equity interest in an entity (for example, as available for sale) and subsequently gained significant influence, the previously held equity interest is remeasured to fair value and any gain or loss is recognized in the Consolidated Statement of Income. Any amounts previously recognized in other comprehensive income associated with the equity interest would be reclassified to the Consolidated Statement of Income at the date the Group gains significant influence, as if the Group had disposed of the previously held equity interest.

Under the equity method of accounting, the Group's investments in associates and jointly controlled entities are initially recorded at cost including any directly related transaction costs incurred in acquiring the associate, and subsequently increased (or decreased) to reflect both the Group's pro-rata share of the post-acquisition net income (or loss) of the associate or jointly controlled entity and other movements included directly in the equity of the associate or jointly controlled entity. Goodwill arising on the acquisition of an associate or a jointly controlled entity is included in the carrying value of the investment (net of any accumulated impairment loss). As goodwill is not reported separately it is not specifically tested for impairment. Rather, the entire equity method investment is tested for impairment at each balance sheet date.

If there is objective evidence of impairment, an impairment test is performed by comparing the investment's recoverable amount, which is the higher of its value in use and fair value less costs to sell, with its carrying amount. An impairment loss recognized in prior periods is only reversed if there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognized. If this is the case the carrying amount of the investment is increased to its higher recoverable amount.

At the date that the Group ceases to have significant influence over the associate or jointly controlled entity the Group recognizes a gain or loss on the disposal of the equity method investment equal to the difference between the sum of the fair value of any retained investment and the proceeds from disposing of the associate and the carrying amount of the investment. Amounts recognized in prior periods in other comprehensive income in relation to the associate are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

Critical Accounting Estimates: As the assessment of whether there is objective evidence of impairment may require significant management judgment and the estimates for impairment could change from period to period based on future events that may or may not occur, the Group considers this to be a critical accounting estimate.

Foreign Currency Translation

The Consolidated Financial Statements are prepared in euro, which is the presentation currency of the Group. Various entities in the Group use a different functional currency, being the currency of the primary economic environment in which the entity operates.

An entity records foreign currency revenues, expenses, gains and losses in its functional currency using the exchange rates prevailing at the dates of recognition.

Monetary assets and liabilities denominated in currencies other than the entity's functional currency are translated at the period end closing rate. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in the Consolidated Statement of Income as net gains (losses) on financial assets/liabilities at fair value through profit or loss in order to align the translation amounts with those recognized from foreign currency related transactions (derivatives) which hedge these monetary assets and liabilities.

Nonmonetary items that are measured at historical cost are translated using the historical exchange rate at the date of the transaction. Translation differences on nonmonetary items which are held at fair value through profit or loss are recognized in profit or loss. Translation differences on available for sale nonmonetary items (equity securities) are included in other comprehensive income and recognized in the Consolidated Statement of Income when the non-monetary item is sold as part of the overall gain or loss on sale of the item.

For purposes of translation into the presentation currency, assets, liabilities and equity of foreign operations are translated at the period end closing rate and items of income and expense are translated into euros at the rates prevailing on the dates of the transactions, or average rates of exchange where these approximate actual rates. The exchange differences arising on the translation of a foreign operation are included in other comprehensive income. For foreign operations that are subsidiaries, the amount of exchange differences attributable to any noncontrolling interests is recognized in noncontrolling interests.

Upon disposal of a foreign subsidiary and associate (which results in loss of control or significant influence over that operation) the total cumulative exchange differences recognized in other comprehensive income are reclassified to profit or loss.

Upon partial disposal of a foreign operation that is a subsidiary and which does not result in loss of control, the proportionate share of cumulative exchange differences is reclassified from other comprehensive income to noncontrolling interests as this is deemed a transaction with equity holders. For a partial disposal of an associate which does not result in a loss of significant influence, the proportionate share of cumulative exchange differences is reclassified from other comprehensive income to profit or loss.

Interest, Commissions and Fees

Revenue is recognized when the amount of revenue and associated costs can be reliably measured, it is probable that economic benefits associated with the transaction will be realized and the stage of completion of the transaction can be reliably measured. This concept is applied to the key revenue generating activities of the Group as follows.

Net Interest Income – Interest from all interest-bearing assets and liabilities is recognized as net interest income using the effective interest method. The effective interest rate is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period using the estimated future cash flows. The estimated future cash flows used in this calculation include those determined by the contractual terms of the asset or liability, all fees that are considered to be integral to the effective interest rate, direct and incremental transaction costs and all other premiums or discounts.

Once an impairment loss has been recognized on a loan, held-to-maturity investment or available for sale debt instruments, although the accrual of interest in accordance with the contractual terms of the instrument is discontinued, interest income is recognized based on the rate of interest that was used to discount future cash flows for the purpose of measuring the impairment loss. For a loan this would be the original effective interest rate, but a new effective interest rate would be established each time an available for sale debt instrument is impaired as impairment is measured to fair value and would be based on a current market rate.

Commissions and Fee Income – The recognition of fee revenue (including commissions) is determined by the purpose of the fees and the basis of accounting for any associated financial instruments. If there is an associated financial instrument, fees that are an integral part of the effective interest rate of that financial instrument are included within the effective yield calculation. However, if the financial instrument is carried at fair value through profit or loss, any associated fees are recognized in profit or loss when the instrument is initially recognized, provided there are no significant unobservable inputs used in determining its fair value. Fees earned from services that are provided over a specified service period are recognized over that service period. Fees earned for the completion of a specific service or significant event are recognized when the service has been completed or the event has occurred.

Loan commitment fees related to commitments that are not accounted for at fair value through profit or loss are recognized in commissions and fee income over the life of the commitment if it is unlikely that the Group will enter into a specific lending arrangement. If it is probable that the Group will enter into a specific lending arrangement, the loan commitment fee is deferred until the origination of a loan and recognized as an adjustment to the loan's effective interest rate.

Performance-linked fees or fee components are recognized when the performance criteria are fulfilled.

The following fee income is predominantly earned from services that are provided over a period of time: investment fund management fees, fiduciary fees, custodian fees, portfolio and other management and

advisory fees, credit-related fees and commission income. Fees predominantly earned from providing transaction-type services include underwriting fees, corporate finance fees and brokerage fees.

Expenses that are directly related and incremental to the generation of fee income are presented net in Commissions and Fee Income.

Arrangements involving multiple services or products – If the Group contracts to provide multiple products, services or rights to a counterparty, an evaluation is made as to whether an overall fee should be allocated to the different components of the arrangement for revenue recognition purposes. The assessment considers the value of items or services delivered to ensure that the Group's continuing involvement in other aspects of the arrangement are not essential to the items delivered. It also assesses the value of items not yet delivered and, if there is a right of return on delivered items, the probability of future delivery of remaining items or services. If it is determined that it is appropriate to look at the arrangements as separate components, the amounts received are allocated based on the relative value of each component.

If there is no objective and reliable evidence of the value of the delivered item or an individual item is required to be recognized at fair value then the residual method is used. The residual method calculates the amount to be recognized for the delivered component as being the amount remaining after allocating an appropriate amount of revenue to all other components.

Financial Assets and Liabilities

The Group classifies its financial assets and liabilities into the following categories: financial assets and liabilities at fair value through profit or loss, loans, held-to-maturity, financial assets available for sale ("AFS") and other financial liabilities. Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified in the Consolidated Balance Sheet.

Financial instruments classified at fair value through profit or loss and financial assets classified as AFS are recognized or derecognized on trade date, which is the date on which the Group commits to purchase or sell the asset or issue or repurchase the financial liability.

Financial Assets and Liabilities at Fair Value through Profit or Loss

The Group classifies certain financial assets and financial liabilities as either held for trading or designated at fair value through profit or loss. They are carried at fair value and presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively. Related realized and unrealized gains and losses are included in net gains (losses) on financial assets/liabilities at fair value through profit or loss. Interest on interest earning assets such as trading loans and debt securities and dividends on equity instruments are presented in interest and similar income for financial instruments at fair value through profit or loss.

Trading Assets and Liabilities – Financial instruments are classified as held for trading if they have been originated, acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or they form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading assets include debt and equity securities, derivatives held for trading purposes, commodities and trading loans. Trading liabilities consist primarily of derivative liabilities and short positions.

Financial Instruments Designated at Fair Value through Profit or Loss – Certain financial assets and liabilities that do not meet the definition of trading assets and liabilities are designated at fair value through profit or loss using the fair value option. To be designated at fair value through profit or loss, financial assets and liabilities must meet one of the following criteria: (1) the designation eliminates or significantly reduces a measurement or recognition inconsistency; (2) a group of financial assets or liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy; or (3) the instrument contains one or more embedded derivatives unless: (a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or (b) it is clear with little or no analysis that separation is prohibited. In addition, the Group allows the fair value option to be designated only for those financial instruments for which a reliable estimate of fair value can be obtained. Financial assets and liabilities which are designated at fair value through profit or loss, under the fair value option, include repurchase and reverse repurchase agreements, certain loans and loan commitments, debt and equity securities and structured note liabilities.

Loan Commitments

Certain loan commitments are classified as derivatives held for trading or designated at fair value through profit or loss under the fair value option. All other loan commitments remain off-balance sheet. Therefore, the Group does not recognize and measure changes in fair value of these off-balance sheet loan

commitments that result from changes in market interest rates or credit spreads. However, as specified in the discussion "Impairment of Loans and Provision for Off-Balance sheet positions", these off-balance sheet loan commitments are assessed for impairment individually and where appropriate, collectively.

Loans

Loans include originated and purchased non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss, held-to-maturity or financial assets AFS. An active market exists when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Loans not acquired in a business combination or in an asset purchase are initially recognized at their transaction price representing the fair value, which is the cash amount advanced to the borrower. In addition, the net of direct and incremental transaction costs and fees are included in the initial carrying amount of loans. These loans are subsequently measured at amortized cost using the effective interest method less impairment.

Loans which have been acquired as either part of a business combination or as an asset purchase are initially recognized at fair value at the acquisition date. This includes loans for which an impairment loss had been established by the acquiree before their initial recognition by the Group. The fair value at the acquisition date incorporates expected cash flows which consider the credit quality of these loans including any incurred losses and becomes the new amortized cost base. Interest income is recognized using the effective interest method. Subsequent to the acquisition date the Group assesses whether there is objective evidence of impairment in line with the policies described in the section entitled "Impairment of Loans and Provision for Off-Balance Sheet Positions". If the loans are determined to be impaired then a loan loss allowance is recognized with a corresponding charge to the provision for credit losses line in the Consolidated Statement of Income. Releases of such loan loss allowances established after their initial recognition are included in the provision for credit losses line. Subsequent improvements in the credit quality of such loans for which no loss allowance had been recorded are recognized immediately through an adjustment to the current carrying value and a corresponding gain is recognized in interest income.

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity and which are not classified as financial assets at fair value through profit or loss, loans or financial assets AFS.

Held-to-maturity investments are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Subsequent to the acquisition date, the Group assesses whether there is objective evidence of impairment in line with the policies described in the section entitled "Impairment of Loans and Provision for Off-Balance Sheet provisions". If a held-to-maturity investment is considered impaired, then an impairment loss is recognized in the Consolidated Statement of Income.

Financial Assets Classified as Available for Sale

Financial assets that are not classified as at fair value through profit or loss, loans or held-to-maturity are classified as AFS. A financial asset classified as AFS is initially recognized at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortization of premiums and accretion of discount are recorded in net interest income. Financial assets classified as AFS are carried at fair value with the changes in fair value reported in other comprehensive income, unless the asset is subject to a fair value hedge, in which case changes in fair value resulting from the risk being hedged are recorded in other income. For monetary financial assets classified as AFS (debt instruments), changes in carrying amounts relating to changes in foreign exchange rate are recognized in the Consolidated Statement of Income and other changes in carrying amount are recognized in other comprehensive income as indicated above. For financial assets classified as AFS that are nonmonetary items (equity instruments), the gain or loss that is recognized in other comprehensive income includes any related foreign exchange component.

In the case of equity investments classified as AFS, objective evidence includes a significant or prolonged decline in the fair value of the investment below cost. In the case of debt securities classified as AFS, impairment is assessed based on the same criteria as for loans.

If there is evidence of impairment, any amounts previously recognized in other comprehensive income are recognized in the consolidated statement of income for the period, reported in net gains (losses) on financial assets available for sale. This impairment loss for the period is determined as the difference

between the acquisition cost (net of any principal repayments and amortization) and current fair value of the asset less any impairment loss on that investment previously recognized in the Consolidated Statement of Income.

When an AFS debt security is impaired, any subsequent decreases in fair value are recognized in the Consolidated Statement of Income as it is considered further impairment. Any subsequent increases are also recognized in the Consolidated Statement of Income until the asset is no longer considered impaired. When the fair value of the AFS debt security recovers to at least amortized cost it is no longer considered impaired and subsequent changes in fair value are reported in other comprehensive income.

Reversals of impairment losses on equity investments classified as AFS are not reversed through the Consolidated Statement of Income; increases in their fair value after impairment are recognized in other comprehensive income.

Realized gains and losses are reported in net gains (losses) on financial assets available for sale. Generally, the weighted-average cost method is used to determine the cost of financial assets. Unrealized gains and losses recorded in other comprehensive income are transferred to the Consolidated Statement of Income on disposal of an available for sale asset and reported in net gains (losses) on financial assets available for sale.

Critical Accounting Estimates – Because the assessment of objective evidence of impairment require significant management judgment and the estimate of impairment could change from period to period based upon future events that may or may not occur, the Group considers the impairment of Financial Assets classified as Available for Sale to be a critical accounting estimate. For additional information see Note 7 "Net Gains (Losses) on Financial Assets Available for Sale".

Financial Liabilities

Except for financial liabilities at fair value through profit or loss, financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities include long-term and short-term debt issued which are initially measured at fair value, which is the consideration received, net of transaction costs incurred. Repurchases of issued debt in the market are treated as extinguishments and any related gain or loss is recorded in the Consolidated Statement of Income. A subsequent sale of own bonds in the market is treated as a reissuance of debt.

Reclassification of Financial Assets

The Group may reclassify certain financial assets out of the financial assets at fair value through profit or loss classification (trading assets) and the AFS classification into the loans or held-to-maturity classification. For assets to be reclassified there must be a clear change in management intent with respect to the assets since initial recognition and the financial asset must meet the definition of a loan or held-to-maturity investment at the reclassification date. Additionally, there must be an intent and ability to hold the asset for the foreseeable future at the reclassification date. For held-to-maturity investments there must be a positive intention and ability to hold the asset until maturity.

Financial assets are reclassified at their fair value at the reclassification date. Any gain or loss already recognized in the Consolidated Statement of Income is not reversed. The fair value of the instrument at reclassification date becomes the new amortized cost of the instrument. The expected cash flows on the financial instruments are estimated at the reclassification date and these estimates are used to calculate a new effective interest rate for the instruments. If there is a subsequent increase in expected future cash flows on reclassified assets as a result of increased recoverability, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than as an adjustment to the carrying amount of the asset at the date of the change in estimate. If there is a subsequent decrease in expected future cash flows the asset would be assessed for impairment as discussed in the section entitled "Impairment of Loans and Provision for Off-Balance Sheet Positions". Any changes in the timing of the cash flows of reclassified assets which are not deemed impaired are recorded as an adjustment to the carrying amount of the asset.

For instruments reclassified from AFS to loans or held-to-maturity, any unrealized gain or loss recognized in other comprehensive income is subsequently amortized into interest income using the effective interest rate of the instrument. If the instrument is subsequently impaired, any unrealized loss which is held in accumulated other comprehensive income for that instrument at that date is immediately recognized in the Consolidated Statement of Income.

To the extent that assets categorized as loans are repaid, restructured or eventually sold and the amount received is less than the carrying value at that time, then a loss would be recognized in the Consolidated Statement of income as a component of the provision for credit losses, if the loan is impaired, or otherwise in other Income, if the loan is not impaired.

Offsetting of Financial Instruments
Financial assets and liabilities are offset, with the net amount presented in the Consolidated Balance Sheet, only if the Group holds a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis or to realize an asset and settle the liability simultaneously. The legal right to set off the recognized amounts must be enforceable in both the normal course of business, in the event of default, insolvency or bankruptcy of both the Group and its counterparty. In all other situations they are presented gross. When financial assets and financial liabilities are offset in the Consolidated Balance Sheet, the associated income and expense items will also be offset in the Consolidated Statement of Income, unless specifically prohibited by an applicable accounting standard.

The majority of the offsetting applied by the Group relates to derivatives and repurchase and reverse repurchase agreements. A significant portion of offsetting is applied to interest rate derivatives and related cash margin balances, which are cleared through central clearing parties such as the London Clearing House. The Group also offsets repurchase and reverse repurchase agreements for which the Group has the right to set off and has the intent to settle on a net basis or to realize an asset and settle a liability simultaneously. For further information please refer to Note 19 "Offsetting Financial Assets and Financial Liabilities".

Determination of Fair Value
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. The fair value of instruments that are quoted in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place. The Group measures certain portfolios of financial assets and financial liabilities on the basis of their net risk exposures when the following criteria are met:

– The group of financial assets and liabilities is managed on the basis of its net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty, in accordance with a documented risk management strategy,

– the fair values are provided to key management personnel, and

– the financial assets and liabilities are measured at fair value through profit or loss.

This portfolio valuation approach is consistent with how the Group manages its net exposures to market and counterparty credit risks.

Critical Accounting Estimates – The Group uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Therefore, where possible, parameter inputs to the valuation techniques are based on observable data derived from prices of relevant instruments traded in an active market. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument's complexity.

In reaching estimates of fair value management judgment needs to be exercised. The areas requiring significant management judgment are identified, documented and reported to senior management as part of the valuation control process and the standard monthly reporting cycle. The specialist model validation and valuation control groups focus attention on the areas of subjectivity and judgment.

The level of management judgment required in establishing fair value of financial instruments for which there is a quoted price in an active market is usually minimal. Similarly there is little subjectivity or judgment required for instruments valued using valuation models which are standard across the industry and where all parameter inputs are quoted in active markets.

The level of subjectivity and degree of management judgment required is more significant for those instruments valued using specialized and sophisticated models and where some or all of the parameter inputs are less liquid or less observable. Management judgment is required in the selection and application of appropriate parameters, assumptions and modeling techniques. In particular, where data are obtained from infrequent market transactions then extrapolation and interpolation techniques must be applied. Where no market data are available for a particular instrument then pricing inputs are determined by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions, and making appropriate adjustment to reflect the actual instrument being valued and current market conditions. Where different valuation techniques indicate a range of possible fair values for an instrument then management has to decide what point within the range of estimates appropriately represents the fair value. Further, some valuation adjustments may require the exercise of management judgment to achieve fair value.

Under IFRS, the financial assets and liabilities carried at fair value are required to be disclosed according to the inputs to the valuation method that are used to determine their fair value. Specifically, segmentation is required between those valued using quoted market prices in an active market (level 1), valuation techniques based on observable parameters (level 2) and valuation techniques using significant unobservable parameters (level 3). Management judgment is required in determining the category to which certain instruments should be allocated. This specifically arises when the valuation is determined by a number of parameters, some of which are observable and others are not. Further, the classification of an instrument can change over time to reflect changes in market liquidity and therefore price transparency.

The Group provides a sensitivity analysis of the impact upon the level 3 financial instruments of using a reasonably possible alternative for the unobservable parameter. The determination of reasonably possible alternatives requires significant management judgment.

For financial instruments measured at amortized cost (which includes loans, deposits and short and long term debt issued) the Group discloses the fair value. Generally there is limited or no trading activity in these instruments and therefore the fair value determination requires significant management judgment.

For further discussion of the valuation methods and controls and quantitative disclosures with respect to the determination of fair value, please refer to Note 14 "Financial Instruments carried at Fair Value" and Note 15 "Fair Value of Financial Instruments not carried at Fair Value".

Recognition of Trade Date Profit

If there are significant unobservable inputs used in the valuation technique, the financial instrument is recognized at the transaction price and any profit implied from the valuation technique at trade date is deferred.

Using systematic methods, the deferred amount is recognized over the period between trade date and the date when the market is expected to become observable, or over the life of the trade (whichever is shorter). Such methodology is used because it reflects the changing economic and risk profile of the instrument as the market develops or as the instrument itself progresses to maturity. Any remaining trade date deferred profit is recognized in the Consolidated Statement of Income when the transaction becomes observable or the Group enters into off-setting transactions that substantially eliminate the instrument's risk. In the rare circumstances that a trade date loss arises, it would be recognized at inception of the transaction to the extent that it is probable that a loss has been incurred and a reliable estimate of the loss amount can be made.

Critical Accounting Estimates – Management judgment is required in determining whether there exist significant unobservable inputs in the valuation technique. Once deferred, the decision to subsequently recognize the trade date profit requires a careful assessment of the then current facts and circumstances supporting observability of parameters and/or risk mitigation.

Derivatives and Hedge Accounting

Derivatives are used to manage exposures to interest rate, foreign currency, credit and other market price risks, including exposures arising from forecast transactions. All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the Consolidated Balance Sheet regardless of whether they are held for trading or nontrading purposes.

The changes in fair value on derivatives held for trading are included in net gains (losses) on financial assets/ liabilities at fair value through profit or loss.

Embedded Derivatives

Some hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative, with the non-derivative component representing the host contract. If the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract and the hybrid contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and reported at fair value, with gains and losses recognized in net gains (losses) on financial assets/liabilities at fair value through profit or loss. The host contract will continue to be accounted for in accordance with the appropriate accounting standard. The carrying amount of an embedded derivative is reported in the same Consolidated Balance Sheet line item as the host contract. Certain hybrid instruments have been designated at fair value through profit or loss using the fair value option.

Hedge Accounting

For accounting purposes there are three possible types of hedges: (1) hedges of changes in the fair value of assets, liabilities or unrecognized firm commitments (fair value hedges); (2) hedges of the variability of

future cash flows from highly probable forecast transactions and floating rate assets and liabilities (cash flow hedges); and (3) hedges of the translation adjustments resulting from translating the functional currency financial statements of foreign operations into the presentation currency of the parent (hedges of net investments in foreign operations).

When hedge accounting is applied, the Group designates and documents the relationship between the hedging instrument and the hedged item as well as its risk management objective and strategy for undertaking the hedging transactions and the nature of the risk being hedged. This documentation includes a description of how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Hedge effectiveness is assessed at inception and throughout the term of each hedging relationship. Hedge effectiveness is always assessed, even when the terms of the derivative and hedged item are matched.

Hedging derivatives are reported as other assets and other liabilities. In the event that a derivative is subsequently de-designated from a hedging relationship, it is transferred to financial assets/liabilities at fair value through profit or loss.

For hedges of changes in fair value, the changes in the fair value of the hedged asset, liability or unrecognized firm commitment, or a portion thereof, attributable to the risk being hedged, are recognized in the Consolidated Statement of Income along with changes in the entire fair value of the derivative. When hedging interest rate risk, any interest accrued or paid on both the derivative and the hedged item is reported in interest income or expense and the unrealized gains and losses from the hedge accounting fair value adjustments are reported in other income. When hedging the foreign exchange risk of an AFS security, the fair value adjustments related to the security's foreign exchange exposures are also recorded in other income. Hedge ineffectiveness is reported in other income and is measured as the net effect of changes in the fair value of the hedging instrument and changes in the fair value of the hedged item arising from changes in the market rate or price related to the risk(s) being hedged.

If a fair value hedge of a debt instrument is discontinued prior to the instrument's maturity because the derivative is terminated or the relationship is de-designated, any remaining interest rate-related fair value adjustments made to the carrying amount of the debt instrument (basis adjustments) are amortized to interest income or expense over the remaining term of the original hedging relationship. For other types of fair value adjustments and whenever a fair value hedged asset or liability is sold or otherwise derecognized, any basis adjustments are included in the calculation of the gain or loss on derecognition.

For hedges of variability in future cash flows, there is no change to the accounting for the hedged item and the derivative is carried at fair value, with changes in value reported initially in other comprehensive income to the extent the hedge is effective. These amounts initially recorded in other comprehensive income are subsequently reclassified into the Consolidated Statement of Income in the same periods during which the forecast transaction affects the Consolidated Statement of Income. Thus, for hedges of interest rate risk, the amounts are amortized into interest income or expense at the same time as the interest is accrued on the hedged transaction.

Hedge ineffectiveness is recorded in other income and is measured as changes in the excess (if any) in the absolute cumulative change in fair value of the actual hedging derivative over the absolute cumulative change in the fair value of the hypothetically perfect hedge.

When hedges of variability in cash flows attributable to interest rate risk are discontinued, amounts remaining in accumulated other comprehensive income are amortized to interest income or expense over the remaining life of the original hedge relationship, unless the hedged transaction is no longer expected to occur in which case the amount will be reclassified into other income immediately. When hedges of variability in cash flows attributable to other risks are discontinued, the related amounts in accumulated other comprehensive income are reclassified into either the same Consolidated Statement of Income caption and period as profit or loss from the forecast transaction, or into other income when the forecast transaction is no longer expected to occur.

For hedges of the translation adjustments resulting from translating the functional currency financial statements of foreign operations (hedges of net investments in foreign operations) into the functional currency of the parent, the portion of the change in fair value of the derivative due to changes in the spot foreign exchange rates is recorded as a foreign currency translation adjustment in other comprehensive income to the extent the hedge is effective; the remainder is recorded as other income in the Consolidated Statement of Income.

Changes in fair value of the hedging instrument relating to the effective portion of the hedge are subsequently recognized in profit or loss on disposal of the foreign operations.

Impairment of Loans and Provision for Off-Balance Sheet Positions

The Group first assesses whether objective evidence of impairment exists individually for loans that are individually significant. It then assesses collectively for loans that are not individually significant and loans which are significant but for which there is no objective evidence of impairment under the individual assessment.

To allow management to determine whether a loss event has occurred on an individual basis, all significant counterparty relationships are reviewed periodically. This evaluation considers current information and events related to the counterparty, such as the counterparty experiencing significant financial difficulty or a breach of contract, for example, default or delinquency in interest or principal payments.

If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan(s), including accrued interest, and the present value of expected future cash flows discounted at the loan's original effective interest rate or the effective interest rate established upon reclassification to loans, including cash flows that may result from foreclosure less costs for obtaining and selling the collateral. The carrying amount of the loans is reduced by the use of an allowance account and the amount of the loss is recognized in the Consolidated Statement of Income as a component of the provision for credit losses.

The collective assessment of impairment is to establish an allowance amount relating to loans that are either individually significant but for which there is no objective evidence of impairment, or are not individually significant but for which there is, on a portfolio basis, a loss amount that is probable of having occurred and is reasonably estimable. The loss amount has three components. The first component is an amount for transfer and currency convertibility risks for loan exposures in countries where there are serious doubts about the ability of counterparties to comply with the repayment terms due to the economic or political situation prevailing in the respective country of domicile. This amount is calculated using ratings for country risk and transfer risk which are established and regularly reviewed for each country in which the Group does business. The second component is an allowance amount representing the incurred losses on the portfolio of smaller-balance homogeneous loans, which are loans to individuals and small business customers of the private and retail business. The loans are grouped according to similar credit risk characteristics and the allowance for each group is determined using statistical models based on historical experience. The third component represents an estimate of incurred losses inherent in the group of loans that have not yet been individually identified or measured as part of the smaller-balance homogeneous loans. Loans that were found not to be impaired when evaluated on an individual basis are included in the scope of this component of the allowance.

Once a loan is identified as impaired, although the accrual of interest in accordance with the contractual terms of the loan is discontinued, the accretion of the net present value of the written down amount of the loan due to the passage of time is recognized as interest income based on the original effective interest rate of the loan.

At each balance sheet date, all impaired loans are reviewed for changes to the present value of expected future cash flows discounted at the loan's original effective interest rate. Any change to the previously recognized impairment loss is recognized as a change to the allowance account and recorded in the Consolidated Statement of Income as a component of the provision for credit losses.

When it is considered that there is no realistic prospect of recovery and all collateral has been realized or transferred to the Group, the loan and any associated allowance is charged off (the loan and the related allowance are removed from the balance sheet). Individually significant loans where specific loan loss provisions are in place are evaluated at least quarterly on a case-by-case basis. For this category of loans, the number of days past due is an indicator for a charge-off but is not a determining factor. A charge-off will only take place after considering all relevant information, such as the occurrence of a significant change in the borrower's financial position such that the borrower can no longer pay the obligation, or the proceeds from the collateral are insufficient to completely satisfy the current carrying amount of the loan.

For collectively assessed loans, which are primarily mortgages and consumer finance loans, the timing of a charge-off depends on whether there is any underlying collateral and the Group's estimate of the amount collectible and the legal requirements in the jurisdiction in which the loan is originated.

Subsequent recoveries, if any, are credited to the allowance account and are recorded in the Consolidated Statement of Income as a component of the provision for credit losses.

The process to determine the provision for off-balance sheet positions is similar to the methodology used for loans. Any loss amounts are recognized as an allowance in the Consolidated Balance Sheet within provisions and charged to the Consolidated Statement of Income as a component of the provision for credit losses.

If in a subsequent period the amount of a previously recognized impairment loss decreases and the decrease is due to an event occurring after the impairment was recognized, the impairment loss is reversed by reducing the allowance account accordingly. Such reversal is recognized in profit or loss.

Critical Accounting Estimates – The accounting estimates and judgments related to the impairment of loans and provision for off-balance sheet positions is a critical accounting estimate because the underlying assumptions used for both the individually and collectively assessed impairment can change from period to period and may significantly affect the Group's results of operations.

In assessing assets for impairments, management judgment is required, particularly in circumstances of economic and financial uncertainty, such as those of the recent financial crisis, when developments and changes to expected cash flows can occur both with greater rapidity and less predictability. The actual amount of the future cash flows and their timing may differ from the estimates used by management and consequently may cause actual losses to differ from reported allowances.

For those loans which are deemed to be individually significant, the determination of the impairment allowance often requires the use of considerable judgment concerning such matters as local economic conditions, the financial performance of the counterparty and the value of any collateral held, for which there may not be a readily accessible market.

The determination of the allowance for portfolios of loans of smaller balance homogenous loans and for those loans which are individually significant but for which no objective evidence of impairment exists is calculated using statistical models. Such statistical models incorporate numerous estimates and judgments. The Group performs a regular review of the models and underlying data and assumptions. The probability of defaults, loss recovery rates and judgments concerning ability of borrowers in foreign countries to transfer the foreign currency necessary to comply with debt repayments, amongst other things, are incorporated into this review.

The quantitative disclosures are provided in Note 20 "Loans" and Note 21 "Allowance for Credit Losses".

Derecognition of Financial Assets and Liabilities

Financial Asset Derecognition

A financial asset is considered for derecognition when the contractual rights to the cash flows from the financial asset expire, or the Group has either transferred the contractual right to receive the cash flows from that asset, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

The Group derecognizes a transferred financial asset if it transfers substantially all the risks and rewards of ownership.

The Group enters into transactions in which it transfers previously recognized financial assets but retains substantially all the associated risks and rewards of those assets; for example, a sale to a third party in which the Group enters into a concurrent total return swap with the same counterparty. These types of transactions are accounted for as secured financing transactions.

In transactions in which substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the Group derecognizes the transferred asset if control over that asset is not retained, i.e., if the transferee has the practical ability to sell the transferred asset. The rights and obligations retained in the transfer are recognized separately as assets and liabilities, as appropriate. If control over the asset is retained, the Group continues to recognize the asset to the extent of its continuing involvement, which is determined by the extent to which it remains exposed to changes in the value of the transferred asset.

The derecognition criteria are also applied to the transfer of part of an asset, rather than the asset as a whole, or to a group of similar financial assets in their entirety, when applicable. If transferring a part of an asset, such part must be a specifically identified cash flow, a fully proportionate share of the asset, or a fully proportionate share of a specifically-identified cash flow.

If an existing financial asset is replaced by another asset from the same counterparty on substantially different terms, or if the terms of the financial asset are substantially modified (due to forbearance measures or otherwise), the existing financial asset is derecognized and a new asset is recognized. Any difference between the respective carrying amounts is recognized in the Consolidated Statement of Income.

Securitization

The Group securitizes various consumer and commercial financial assets, which is achieved via the transfer of these assets to a structured entity, which issues securities to investors to finance the acquisition of the assets. Financial assets awaiting securitization are classified and measured as appropriate under the policies in the "Financial Assets and Liabilities" section. If the structured entity is not consolidated then the transferred assets may qualify for derecognition in full or in part, under the policy on derecognition of financial assets. Synthetic securitization structures typically involve derivative financial instruments for which the policies in the "Derivatives and Hedge Accounting" section would apply. Those transfers that do not qualify for derecognition may be reported as secured financing or result in the recognition of continuing involvement liabilities. The investors and the securitization vehicles generally have no recourse to the Group's other assets in cases where the issuers of the financial assets fail to perform under the original terms of those assets.

Interests in the securitized financial assets may be retained in the form of senior or subordinated tranches, interest only strips or other residual interests (collectively referred to as "retained interests"). Provided the Group's retained interests do not result in consolidation of a structured entity, nor in continued recognition of the transferred assets, these interests are typically recorded in financial assets at fair value through profit or loss and carried at fair value. Consistent with the valuation of similar financial instruments, the fair value of retained tranches or the financial assets is initially and subsequently determined using market price quotations where available or internal pricing models that utilize variables such as yield curves, prepayment speeds, default rates, loss severity, interest rate volatilities and spreads. The assumptions used for pricing are based on observable transactions in similar securities and are verified by external pricing sources, where available. Where observable transactions in similar securities and other external pricing sources are not available, management judgment must be used to determine fair value. The Group may also periodically hold interests in securitized financial assets and record them at amortized cost.

In situations where the Group has a present obligation (either legal or constructive) to provide financial support to an unconsolidated securitization entity a provision will be created if the obligation can be reliably measured and it is probable that there will be an outflow of economic resources required to settle it.

When an asset is derecognized a gain or loss equal to the difference between the consideration received and the carrying amount of the transferred asset is recorded. When a part of an asset is derecognized, gains or losses on securitization depend in part on the carrying amount of the transferred financial assets, allocated between the financial assets derecognized and the retained interests based on their relative fair values at the date of the transfer.

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Consolidated Statement of Income.

Repurchase and Reverse Repurchase Agreements

Securities purchased under resale agreements ("reverse repurchase agreements") and securities sold under agreements to repurchase ("repurchase agreements") are treated as collateralized financings and are recognized initially at fair value, being the amount of cash disbursed and received, respectively. The party disbursing the cash takes possession of the securities serving as collateral for the financing and having a market value equal to, or in excess of, the principal amount loaned. The securities received under reverse repurchase agreements and securities delivered under repurchase agreements are not recognized on, or derecognized from, the balance sheet, because the risks and rewards of ownership are not obtained nor relinquished. Securities delivered under repurchase agreements which are not derecognized from the balance sheet and where the counterparty has the right by contract or custom to sell or repledge the collateral are disclosed in Note 23 "Assets Pledged and Received as Collateral".

The Group has chosen to apply the fair value option to certain repurchase and reverse repurchase portfolios that are managed on a fair value basis.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is reported as interest income and interest expense, respectively.

Securities Borrowed and Securities Loaned

Securities borrowed transactions generally require the Group to deposit cash with the securities lender. In a securities loaned transaction, the Group generally receives either cash collateral, in an amount equal to or in excess of the market value of securities loaned, or securities. The Group monitors the fair value of securities borrowed and securities loaned and additional collateral is disbursed or obtained, if necessary.

The amount of cash advanced or received is recorded as securities borrowed and securities loaned, respectively, in the Consolidated Balance Sheet.

The securities borrowed are not themselves recognized in the financial statements. If they are sold to third parties, the obligation to return the securities is recorded as a financial liability at fair value through profit or loss and any subsequent gain or loss is included in the Consolidated Statement of Income in net gains (losses) on financial assets/ liabilities at fair value through profit or loss. Securities lent to counterparties are also retained on the Consolidated Balance Sheet.

Fees received or paid are reported in interest income and interest expense, respectively. Securities lent to counterparties which are not derecognized from the Consolidated Balance Sheet and where the counterparty has the right by contract or custom to sell or repledge the collateral are disclosed are disclosed in Note 23 "Assets Pledged and Received as Collateral".

Goodwill and Other Intangible Assets

Goodwill arises on the acquisition of subsidiaries and associates and represents the excess of the aggregate of the cost of an acquisition and any noncontrolling interests in the acquiree over the fair value of the identifiable net assets acquired at the date of the acquisition.

For the purpose of calculating goodwill, fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. This discounting is either performed using market rates or by using risk-free rates and risk-adjusted expected future cash flows. Any noncontrolling interests in the acquiree is measured either at fair value or at the noncontrolling interests' proportionate share of the acquiree's identifiable net assets (this is determined for each business combination).

Goodwill on the acquisition of subsidiaries is capitalized and reviewed for impairment annually or more frequently if there are indications that impairment may have occurred. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units ("CGUs"), which are the smallest identifiable groups of assets that generate cash inflows largely independent of the cash inflows from other assets or groups of assets and that are expected to benefit from the synergies of the combination and considering the business level at which goodwill is monitored for internal management purposes. In identifying whether cash inflows from an asset (or a group of assets) are largely independent of the cash inflows from other assets (or groups of assets) various factors are considered, including how management monitors the entity's operations or makes decisions about continuing or disposing of the entity's assets and operations.

If goodwill has been allocated to a CGU and an operation within that unit is disposed of, the attributable goodwill is included in the carrying amount of the operation when determining the gain or loss on its disposal.

Certain non-integrated investments are not allocated to a CGU. Impairment testing is performed individually for each of these assets.

Corporate assets are allocated to a CGU when the allocation can be done on a reasonable and consistent basis. If this is not possible, the individual CGU is tested without the corporate assets. They are then tested on the level of the minimum collection of CGUs to which they can be allocated on a reasonable and consistent basis.

Intangible assets are recognized separately from goodwill when they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. Intangible assets that have a finite useful life are stated at cost less any accumulated amortization and accumulated impairment losses. Customer-related intangible assets that have a finite useful life are amortized over periods of between 1 and 20 years on a straight-line basis based on their expected useful life. These assets are tested for impairment and their useful lives reaffirmed at least annually.

Certain intangible assets have an indefinite useful life and hence are not amortized, but are tested for impairment at least annually or more frequently if events or changes in circumstances indicate that impairment may have occurred.

Costs related to software developed or obtained for internal use are capitalized if it is probable that future economic benefits will flow to the Group and the cost can be measured reliably. Capitalized costs are amortized using the straight-line method over the asset's useful life which is deemed to be either three, five or ten years. Eligible costs include external direct costs for materials and services, as well as payroll and payroll-related costs for employees directly associated with an internal-use software project. Overhead

costs, as well as costs incurred during the research phase or after software is ready for use, are expensed as incurred. Capitalized software costs are tested for impairment either annually if still under development or when there is an indication of impairment once the software is in use.

Critical Accounting Estimates – The determination of the recoverable amount in the impairment assessment of non-financial assets requires estimates based on quoted market prices, prices of comparable businesses, present value or other valuation techniques, or a combination thereof, necessitating management to make subjective judgments and assumptions. Because these estimates and assumptions could result in significant differences to the amounts reported if underlying circumstances were to change, the Group considers these estimates to be critical.

The quantitative disclosures are provided in Note 26 "Goodwill and Other Intangible Assets".

Provisions

Provisions are recognized if the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted and measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party (for example, because the obligation is covered by an insurance policy), an asset is recognized if it is virtually certain that reimbursement will be received.

Critical Accounting Estimates – The use of estimates is important in determining provisions for potential losses that may arise from litigation, regulatory proceedings and uncertain income tax positions. The Group estimates and provides for potential losses that may arise out of litigation, regulatory proceedings and uncertain income tax positions to the extent that such losses are probable and can be estimated, in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" or IAS 12, "Income Taxes", respectively. Significant judgment is required in making these estimates and the Group's final liabilities may ultimately be materially different.

Contingencies in respect of legal matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance. Significant judgment is required in assessing probability and making estimates in respect of contingencies, and the Group's final liability may ultimately be materially different. The Group's total liability in respect of litigation, arbitration and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, the Group's experience and the experience of others in similar cases, and the opinions and views of legal counsel. Predicting the outcome of the Group's litigation matters is inherently difficult, particularly in cases in which claimants seek substantial or indeterminate damages. See Note 30 "Provisions" for information on the Group's judicial, regulatory and arbitration proceedings.

Income Taxes

The Group recognizes the current and deferred tax consequences of transactions that have been included in the consolidated financial statements using the provisions of the respective jurisdictions' tax laws. Current and deferred taxes are recognized in profit or loss except to the extent that the tax relates to items that are recognized directly in equity or other comprehensive income in which case the related tax is recognized either directly in equity or other comprehensive income accordingly.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and unused tax credits. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available against which those unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period that the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset when (1) they arise from the same tax reporting entity or tax group of reporting entities, (2) the legally enforceable right to offset exists and (3) they are intended to be settled net or realized simultaneously.

Deferred tax assets and liabilities are offset when the legally enforceable right to offset current tax assets and liabilities exists and the deferred tax assets and liabilities relate to income taxes levied by the same taxing authority on either the same tax reporting entity or tax group of reporting entities.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, branches and associates and interests in joint ventures except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future. Deferred income tax assets are provided on deductible temporary differences arising from such investments only to the extent that it is probable that the differences will reverse in the foreseeable future and sufficient taxable income will be available against which those temporary differences can be utilized.

Deferred tax related to fair value re-measurement of AFS investments, cash flow hedges and other items, which are charged or credited directly to other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognized in the consolidated statement of income once the underlying transaction or event to which the deferred tax relates is recognized in the consolidated statement of income.

For share-based payment transactions, the Group may receive a tax deduction related to the compensation paid in shares. The amount deductible for tax purposes may differ from the cumulative compensation expense recorded. At any reporting date, the Group must estimate the expected future tax deduction based on the current share price. The associated current and deferred tax consequences are recognized as income or expense in the consolidated statement of income for the period. If the amount deductible, or expected to be deductible, for tax purposes exceeds the cumulative compensation expense, the excess tax benefit is recognized directly in equity.

The Group's insurance business in the United Kingdom (Abbey Life Assurance Company Limited) was (until its disposal) subject to income tax on its policyholder's investment returns (policyholder tax). This tax was included in the Group's income tax expense/benefit even though it was economically the income tax expense/benefit of the policyholder, which reduced/increased the Group's liability to the policyholder.

Critical Accounting Estimates – In determining the amount of deferred tax assets, the Group uses historical tax capacity and profitability information and, if relevant, forecasted operating results based upon approved business plans, including a review of the eligible carry-forward periods, available tax planning opportunities and other relevant considerations. Each quarter, the Group re-evaluates its estimate related to deferred tax assets, including its assumptions about future profitability.

The Group believes that the accounting estimate related to the deferred tax assets is a critical accounting estimate because the underlying assumptions can change from period to period and requires significant management judgment. For example, tax law changes or variances in future projected operating performance could result in a change of the deferred tax asset. If the Group was not able to realize all or part of its net deferred tax assets in the future, an adjustment to its deferred tax assets would be charged to income tax expense or directly to equity in the period such determination was made. If the Group was to recognize previously unrecognized deferred tax assets in the future, an adjustment to its deferred tax asset would be credited to income tax expense or directly to equity in the period such determination was made.

For further information on the Group's deferred taxes (including quantitative disclosures on recognized deferred tax assets) see Note 37 "Income Taxes".

Business Combinations and Noncontrolling Interests

The Group uses the acquisition method to account for business combinations. At the date the Group obtains control of the subsidiary, the cost of an acquisition is measured at the fair value of the consideration given, including any cash or non cash consideration (equity instruments) transferred, any contingent consideration, any previously held equity interest in the acquiree and liabilities incurred or assumed. The excess of the aggregate of the cost of an acquisition and any noncontrolling interests in the acquiree over the Group's share of the fair value of the identifiable net assets acquired is recorded as goodwill. If the aggregate of the acquisition cost and any noncontrolling interests is below the fair value of the identifiable net assets (negative goodwill), a gain is reported in other income. Acquisition-related costs are recognized as expenses in the period in which they are incurred.

In business combinations achieved in stages ("step acquisitions"), a previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in

profit or loss. Amounts recognized in prior periods in other comprehensive income associated with the previously held investment would be recognized on the same basis as would be required if the Group had directly disposed of the previously held equity interest.

Noncontrolling interests are shown in the consolidated balance sheet as a separate component of equity, which is distinct from the Group's shareholders' equity. The net income attributable to noncontrolling interests is separately disclosed on the face of the consolidated statement of income. Changes in the ownership interest in subsidiaries which do not result in a change of control are treated as transactions between equity holders and are reported in additional paid-in capital ("APIC").

Non-Current Assets Held for Sale

Individual non-current non-financial assets (and disposal groups) are classified as held for sale if they are available for immediate sale in their present condition subject only to the customary sales terms of such assets (and disposal groups) and their sale is considered highly probable. For a sale to be highly probable, management must be committed to a sales plan and actively looking for a buyer. Furthermore, the assets (and disposal groups) must be actively marketed at a reasonable sales price in relation to their current fair value and the sale should be expected to be completed within one year. Non-current non-financial assets (and disposal groups) which meet the criteria for held for sale classification are measured at the lower of their carrying amount and fair value less costs to sell and are presented within "Other assets" and "Other liabilities" in the balance sheet. The comparatives are not represented when non-current assets (and disposal groups) are classified as held for sale. If the disposal group contains financial instruments, no adjustment to their carrying amounts is permitted.

Property and Equipment

Property and equipment includes own-use properties, leasehold improvements, furniture and equipment and software (operating systems only). Own-use properties are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is generally recognized using the straight-line method over the estimated useful lives of the assets. The range of estimated useful lives is 25 to 50 years for property and 3 to 10 years for furniture and equipment (including initial improvements to purchased buildings). Leasehold improvements are capitalized and subsequently depreciated on a straight-line basis over the shorter of the term of the lease and the estimated useful life of the improvement, which generally ranges from 3 to 18 years. Depreciation of property and equipment is included in general and administrative expenses. Maintenance and repairs are also charged to general and administrative expenses. Gains and losses on disposals are included in other income.

Property and equipment are assessed for any indication of impairment at each quarterly reporting date. If such indication exists, the recoverable amount, which is the higher of fair value less costs to sell and value in use, must be estimated and an impairment charge is recorded to the extent the recoverable amount is less than its carrying amount. Value in use is the present value of the future cash flows expected to be derived from the asset. After the recognition of impairment of an asset, the depreciation charge is adjusted in future periods to reflect the asset's revised carrying amount. If an impairment is later reversed, the depreciation charge is adjusted prospectively.

Properties leased under a finance lease are capitalized as assets in property and equipment and depreciated over the terms of the leases.

Financial Guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

The Group has chosen to apply the fair value option to certain written financial guarantees that are managed on a fair value basis. Financial guarantees that the Group has not designated at fair value are recognized initially in the financial statements at fair value on the date the guarantee is given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amount initially recognized, less cumulative amortization, and the best estimate of the expenditure required to settle any financial obligation as of the balance sheet date. These estimates are determined based on experience with similar transactions and history of past losses, and management's determination of the best estimate.

Any increase in the liability relating to guarantees is recorded in the consolidated statement of income in provision for credit losses.

Leasing Transactions

The Group enters into lease contracts, predominantly for premises, as a lessee. The terms and conditions of these contracts are assessed and the leases are classified as operating leases or finance leases according to their economic substance at inception of the lease.

Assets held under finance leases are initially recognized on the consolidated balance sheet at an amount equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is either the interest rate implicit in the lease, if it is practicable to determine, or the incremental borrowing rate. Contingent rentals are recognized as an expense in the periods in which they are incurred.

Operating lease rentals payable are recognized as an expense on a straight-line basis over the lease term, which commences when the lessee controls the physical use of the property. Lease incentives are treated as a reduction of rental expense and are also recognized over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Employee Benefits

Pension Benefits

The Group provides a number of pension plans. In addition to defined contribution plans, there are retirement benefit plans accounted for as defined benefit plans. The assets of all the Group's defined contribution plans are held in independently administered funds. Contributions are generally determined as a percentage of salary and are expensed based on employee services rendered, generally in the year of contribution.

All retirement benefit plans accounted for as defined benefit plans are valued using the projected unit-credit method to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations which include assumptions about demographics, salary increases and interest and inflation rates. Actuarial gains and losses are recognized in other comprehensive income and presented in equity in the period in which they occur. The majority of the Group's benefit plans is funded.

Other Post-Employment Benefits

In addition, the Group maintains unfunded contributory post-employment medical plans for a number of current and retired employees who are mainly located in the United States. These plans pay stated percentages of eligible medical and dental expenses of retirees after a stated deductible has been met. The Group funds these plans on a cash basis as benefits are due. Analogous to retirement benefit plans these plans are valued using the projected unit-credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income and presented in equity.

Refer to Note 36 "Employee Benefits" for further information on the accounting for pension benefits and other post-employment benefits.

Termination benefits

Termination benefits arise when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits as a liability and an expense if the Group is demonstrably committed to a detailed formal plan without realistic possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value. The discount rate is determined by reference to market yields on high-quality corporate bonds.

Share-Based Compensation

Compensation expense for awards classified as equity instruments is measured at the grant date based on the fair value of the share-based award. For share awards, the fair value is the quoted market price of the share reduced by the present value of the expected dividends that will not be received by the employee and adjusted for the effect, if any, of restrictions beyond the vesting date. In case an award is modified such that its fair value immediately after modification exceeds its fair value immediately prior to modification, a remeasurement takes place and the resulting increase in fair value is recognized as additional compensation expense.

The Group records the offsetting amount to the recognized compensation expense in additional paid-in capital ("APIC"). Compensation expense is recorded on a straight-line basis over the period in which employees perform services to which the awards relate or over the period of the tranches for those awards delivered in tranches. Estimates of expected forfeitures are periodically adjusted in the event of actual forfeitures or for changes in expectations. The timing of expense recognition relating to grants which, due to early retirement provisions, include a nominal but non-substantive service period are accelerated by shortening the amortization period of the expense from the grant date to the date when the employee meets the eligibility criteria for the award, and not the vesting date. For awards that are delivered in tranches, each tranche is considered a separate award and amortized separately.

Compensation expense for share-based awards payable in cash is remeasured to fair value at each balance sheet date and recognized over the vesting period in which the related employee services are rendered. The related obligations are included in other liabilities until paid.

Obligations to Purchase Common Shares

Forward purchases of Deutsche Bank shares, and written put options where Deutsche Bank shares are the underlying, are reported as obligations to purchase common shares if the number of shares is fixed and physical settlement for a fixed amount of cash is required. At inception, the obligation is recorded at the present value of the settlement amount of the forward or option. For forward purchases and written put options of Deutsche Bank shares, a corresponding charge is made to shareholders' equity and reported as equity classified as an obligation to purchase common shares.

The liabilities are accounted for on an accrual basis, and interest costs, which consist of time value of money and dividends, on the liability are reported as interest expense. Upon settlement of such forward purchases and written put options, the liability is extinguished and the charge to equity is reclassified to common shares in treasury.

Deutsche Bank common shares subject to such forward contracts are not considered to be outstanding for purposes of basic earnings per share calculations, but are for dilutive earnings per share calculations to the extent that they are, in fact, dilutive.

Option and forward contracts on Deutsche Bank shares are classified as equity if the number of shares is fixed and physical settlement is required. All other contracts in which Deutsche Bank shares are the underlying are recorded as financial assets or liabilities at fair value through profit or loss.

Consolidated Statement of Cash Flows

For purposes of the consolidated statement of cash flows, the Group's cash and cash equivalents include highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value. Such investments include cash and balances at central banks and demand deposits with banks.

The Group's assignment of cash flows to the operating, investing or financing category depends on the business model ("management approach"). For the Group the primary operating activity is to manage financial assets and financial liabilities. Therefore, the issuance and management of long-term borrowings is a core operating activity which is different than for a non-financial company, where borrowing is not a principal revenue producing activity and thus is part of the financing category.

The Group views the issuance of senior long-term debt as an operating activity. Senior long-term debt comprises structured notes and asset-backed securities, which are designed and executed by Global Markets business lines and which are revenue generating activities. The other component is debt issued by Treasury, which is considered interchangeable with other funding sources; all of the funding costs are allocated to business activities to establish their profitability.

Cash flows related to subordinated long-term debt and trust preferred securities are viewed differently than those related to senior-long term debt because they are managed as an integral part of the Group's capital, primarily to meet regulatory capital requirements. As a result they are not interchangeable with other operating liabilities, but can only be interchanged with equity and thus are considered part of the financing category.

The amounts shown in the consolidated statement of cash flows do not precisely match the movements in the consolidated balance sheet from one period to the next as they exclude non-cash items such as movements due to foreign exchange translation and movements due to changes in the group of consolidated companies.

Movements in balances carried at fair value through profit or loss represent all changes affecting the carrying value. This includes the effects of market movements and cash inflows and outflows. The movements in balances carried at fair value are usually presented in operating cash flows.

Insurance

The Group's insurance business previously issued two types of contracts:

Insurance Contracts – These are annuity and universal life contracts under which the Group has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specific uncertain future event adversely affects the policyholder. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire. As allowed by IFRS, the Group retained the accounting policies for insurance contracts which it applied prior to the adoption of IFRS (U.S. GAAP) as described further below.

Non-Participating Investment Contracts ("Investment Contracts") – These contracts do not contain significant insurance risk or discretionary participation features. These are measured and reported consistently with other financial liabilities, which are classified as financial liabilities at fair value through profit or loss.

Financial assets held to back annuity contracts had been classified as AFS. Financial assets held for other insurance and investment contracts had been designated at fair value through profit or loss under the fair value option.

Insurance Contracts

Premiums for single premium business were recognized as income when received. This was the date from which the policy was effective. For regular premium contracts, receivables were recognized at the date when payments were due. Premiums were shown before deduction of commissions. When policies lapsed due to non-receipt of premiums, all related premium income accrued but not received from the date they were deemed to have lapsed, net of related expense, was offset against premiums.

Claims were recorded as an expense when incurred, and reflected the cost of all claims arising during the year, including policyholder profit participations allocated in anticipation of a participation declaration.

The aggregate policy reserves for universal life insurance contracts were equal to the account balance, which represents premiums received and investment returns credited to the policy, less deductions for mortality costs and expense charges. For other unit-linked insurance contracts the policy reserve represented the fair value of the underlying assets.

For annuity contracts, the liability was calculated by estimating the future cash flows over the duration of the in force contracts discounted back to the valuation date allowing for the probability of occurrence. The assumptions were fixed at the date of acquisition with suitable provisions for adverse deviations ("PADs"). This calculated liability value was tested against a value calculated using best estimate assumptions and interest rates based on the yield on the amortized cost of the underlying assets. Should this test produce a higher value, the liability amount would have been reset.

Aggregate policy reserves included liabilities for certain options attached to the Group's unit-linked pension products. These liabilities were calculated based on contractual obligations using actuarial assumptions.

Liability adequacy tests were performed for the insurance portfolios on the basis of estimated future claims, costs, premiums earned and proportionate investment income. For long duration contracts, if actual experience regarding investment yields, mortality, morbidity, terminations or expenses indicated that existing contract liabilities, along with the present value of future gross premiums, would not be sufficient to cover the present value of future benefits and to recover deferred policy acquisition costs, then a premium deficiency would be recognized.

The costs directly attributable to the acquisition of incremental insurance and investment business were deferred to the extent that they were expected to be recoverable out of future margins in revenues on these contracts. These costs would be amortized systematically over a period no longer than that in which they were expected to be recovered out of these future margins.

Investment Contracts

All of the Group's investment contracts are unit-linked. These contract liabilities are determined using current unit prices multiplied by the number of units attributed to the contract holders as of the balance sheet date.

As this amount represents fair value, the liabilities have been classified as financial liabilities at fair value through profit or loss. Deposits collected under investment contracts are accounted for as an adjustment to the investment contract liabilities. Investment income attributable to investment contracts is included in the consolidated statement of income. Investment contract claims reflect the excess of amounts paid over the account balance released. Investment contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services.

The financial assets for investment contracts are recorded at fair value with changes in fair value, and offsetting changes in the fair value of the corresponding financial liabilities, recorded in profit or loss.

Reinsurance
Premiums ceded for reinsurance and reinsurance recoveries on policyholder benefits and claims incurred are reported in income and expense as appropriate. Assets and liabilities related to reinsurance are reported on a gross basis when material. Amounts ceded to reinsurers from reserves for insurance contracts are estimated in a manner consistent with the reinsured risk. Accordingly, revenues and expenses related to reinsurance agreements are recognized in a manner consistent with the underlying risk of the business reinsured.

All new material reinsurance arrangements are subject to local Board approval. Once transacted they are subject to regular credit risk review including an assessment of the full exposure and any lending and collateral provision. Impairment is determined in accordance with the Group's accounting policy "Impairment of Financial Assets".

02 – Recently Adopted and New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

The following are those accounting pronouncements which are relevant to the Group and which have been adopted during 2016 in the preparation of these consolidated financial statements.

IAS 1
On January 1, 2016, the Group adopted the amendments to IAS 1 "Presentation of Financial Statements", which resulted as part of an initiative to improve presentation and disclosure in financial reports. These amendments clarify that the principle of materiality is applicable to the whole of the financial statements, professional judgment should be applied in determining disclosures and that inclusion of immaterial data can reduce the effectiveness of disclosures. The amendments did not have a material impact on the Group's consolidated financial statements.

Improvements to IFRS 2012-2014 Cycle
On January 1, 2016, the Group adopted amendments to multiple IFRS standards, which resulted from the IASB's annual improvement projects for the 2012-2014 cycle. They comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments did not have a material impact on the Group's consolidated financial statements.

New Accounting Pronouncements

The following accounting pronouncements were not effective as of December 31, 2016 and therefore have not been applied in preparing these financial statements.

IFRS 2 Share-based Payments
In June 2016, the IASB issued narrow-scope amendments to IFRS 2, "Share-based Payment" which clarify the accounting for certain types of share-based payment transactions. The amendments which were developed through the IFRS Interpretations Committee clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. They are effective for annual periods beginning on or after January 1, 2018. The Group is currently assessing the impact of the clarifications to IFRS 2. The amendments have yet to be endorsed by the EU.

IFRS 9 Financial Instruments
In July 2014, the IASB issued IFRS 9 "Financial Instruments", which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for how an entity should classify and measure financial assets, requires changes to the reporting of 'own credit' with respect to issued debt liabilities that are designated at fair value, replaces the current rules for impairment of financial assets and amends the requirements for hedge accounting. The standard also requires entities to provide users of financial statements with more informative and relevant disclosures. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The standard has been endorsed by the EU. Based on December 31, 2016 data and the current implementation status of IFRS 9 as described in further detail below, the Group estimates the adoption of IFRS 9 to lead to an overall reduction in the Group's total shareholders' equity of approximately € 1 billion before tax. This reduction is predominately driven by the impairment requirements of IFRS 9.

Implementation program

The Group has a centrally managed IFRS 9 program sponsored by the Group's chief financial officer and includes subject matter experts on methodology, data sourcing and modeling, IT processing and reporting. The Group's work to date has covered performing an assessment of the population of financial instruments impacted by the classification and measurement requirements of IFRS 9 and developing an impairment methodology to support the calculation of the Expected Credit Loss allowance. Specifically, during 2016 the Group developed its approach for assessing significant increase in credit risk, incorporating forward looking information, including macro-economic factors (to be implemented in 2017) and preparing the required IT systems and process architecture. The Group envisages performing parallel runs in 2017 to ensure procedural readiness and further improve the data quality of new data required.

Overall governance of the program's implementation is through the IFRS 9 Steering Committee and includes representation from Finance, Risk and IT. Guidance and training on IFRS 9 across the Group is delivered across businesses and functions as part of the Group's internal control systems. The Group is in the process of enhancing its existing governance framework to ensure that appropriate validations and controls are in place over new key processes and significant areas of judgment. Governance over the Expected Credit Loss calculation process is split across Risk and Finance functions.

Classification and Measurement of Financial Assets and Liabilities

IFRS 9 requires that an entity's business model and a financial instrument's contractual cash flows will determine its classification and measurement in the financial statements. Upon initial recognition each financial asset will be classified as either fair value through profit or loss ('FVTPL'), amortized cost, or fair value through Other Comprehensive Income ('FVOCI'). As the requirements under IFRS 9 are different than the assessments under the existing IAS 39 rules, some differences to the classification and measurement of financial assets under IAS 39 are expected. The classification and measurement of financial liabilities remain largely unchanged under IFRS 9 from current requirements.

In 2016, the Group made an initial determination of business models and assessed the contractual cash flow characteristics of the financial assets to determine the potential classification and measurement changes as a result of IFRS 9. As a result of the analysis performed thus far, the Group has identified a population of financial assets which are expected to be measured at either amortized cost or fair value through other comprehensive income, which will be subject to the IFRS 9 impairment rules. However, the actual impact that IFRS 9 classification and measurement will have on the Group is mainly dependent on the business models and the inventory of financial assets which exist at the effective date, and as such the Group will roll forward our analysis during 2017 to take into consideration any changes in business strategies and composition of financial assets.

Where issued debt liabilities are designated at fair value, the fair value movements attributable to an entity's own credit risk will be recognized in Other Comprehensive Income rather than in the Statement of Income. The standard also allows the Group the option to elect to apply early the presentation of fair value movements of an entity's credit risk in Other Comprehensive Income prior to adopting IFRS 9 in full. The Group has not early adopted this requirement.

Impairment of Financial Assets

The impairment requirements of IFRS 9 apply to financial assets that are measured at amortized cost or FVOCI, and off balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to in this note as financial assets).

The determination of impairment losses and allowance will move from an incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under IAS 39, to an expected loss model under IFRS 9, where provisions are taken upon initial recognition of the financial asset (or the date that the Group becomes a party to the loan commitment or financial guarantee), based on expectations of potential credit losses at that time under IFRS 9. Currently, the Group first evaluates individually whether objective evidence of impairment exists for loans that are individually significant. It then collectively assesses loans that are not individually significant and loans which are significant but for which there is no objective evidence of impairment available under the individual assessment.

Under IFRS 9 for financial assets originated or purchased, the Group will recognize a loss allowance at an amount equal to 12-month expected credit losses, if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1). This amount represents the expected credit losses resulting from default events that are possible within the next 12 months. The interest revenue is calculated on the gross carrying amount for financial assets in Stage 1.

IFRS 9 requires the recognition of credit losses over the remaining life of the financial assets ('lifetime expected losses') which are considered to have experienced a significant increase in credit risk (Stage 2)

and for financial assets that are credit impaired at the reporting date (Stage 3). The lifetime expected credit losses represent all possible default events over the expected life of a financial instrument. The Group leverages existing risk management indicators (e.g. watch list and forbearance trigger), credit rating changes and taking into consideration reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased. This process includes considering forward-looking information, including macro-economic factors. Furthermore, financial assets will be transferred to Stage 2 if 30 days past due. The interest revenue is calculated on the gross carrying amount for financial assets in Stage 2.

As the primary definition for credit impaired financial assets moving to Stage 3, the Group will apply the default definition as laid out in CRR Article 178. Interest revenues are calculated on the net carrying amount for these financial assets only. Forward-looking information, including macro-economic factors must be taken into account to measure IFRS 9 compliant expected credit losses.

IFRS 9 does not distinguish between individually significant or not individually significant financial instruments. Therefore, the Group decided to measure the allowance for credit losses on an individual transaction basis. Similarly, the assessment for transferring financial assets between Stages 1, 2 and 3 will also be made on an individual transaction basis. For detailed information on the current impairment approach under IAS 39 please refer to Note 1 "Significant Accounting Policies and Critical Accounting Estimates".

The Group uses three main components to measure expected credit losses which are a probability of default ('PD'), a loss given default ('LGD') and the exposure at default ('EAD'). Therefore, the Group will leverage the existing parameters of the regulatory framework and risk management practices as much as possible on transaction level. For the purpose of IFRS 9 the allowance for credit losses is affected by a variety of key characteristics, such as, but not limited to the expected balance at default and the related amortization profile as well as the expected life of the financial asset. As a consequence, the allowance for credit losses for Stage 2 financial assets will increase with the expected lifetime or the expected EAD. Incorporating forecasts of future economic conditions into the measurement of expected credit losses will additionally cause an impact on the allowance for credit losses for each stage. In order to calculate lifetime expected credit losses, the Group's calculation includes deriving the corresponding lifetime PDs from migration matrices that reflect the economic forecasts. To determine whether a financial asset is credit impaired and thus must be classified as Stage 3, one or more events must be identified that have a detrimental impact on the estimated future cash flows.

As a result of IFRS 9, there will be an increase in subjectivity as the allowance for credit losses will be based on reasonable and supportable forward-looking information which take into consideration future macro-economic scenarios as provided by Deutsche Bank Research. These macro-economic scenarios are continuously monitored and in addition to being used for the Group's expected credit loss calculation, this information also forms the basis for performing the Group's capital planning and stress-testing. This information provided by Deutsche Bank Research is used to generate possible future scenarios by utilizing the Group's stress testing infrastructure with appropriate modifications to align with IFRS 9 requirements. The Group is in the process of analyzing synergies with the capital forecasting and stress-testing processes. The transition impact and effects resulting from the continuous application of IFRS 9 are reflected in the Group's capital planning for 2018 and onwards. The general use of forward-looking information, including macro-economic factors as well as adjustments taking into account extraordinary factors will be monitored by a governance framework.

IFRS 9 is estimated to result in an increase in the overall level of allowances for credit losses as noted above. This estimated increase is driven by the requirement to record an allowance equal to 12 months expected credit losses on those instruments whose credit risk has not significantly increased since initial recognition and driven by the larger population of financial assets to which lifetime expected losses must be applied.

Hedge accounting

IFRS 9 also incorporates new hedge accounting rules that intend to align hedge accounting with risk management practices. Generally, some restrictions under current rules have been removed and a greater variety of hedging instruments and hedged items become available for hedge accounting.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers", which specifies how and when revenue is recognized, but does not impact income recognition related to financial instruments in scope of IAS 39/ IFRS 9. IFRS 15 replaces several other IFRS standards and interpretations that currently govern revenue recognition under IFRS and provides a single, principles-based five-step model to be applied

to all contracts with customers. The standard also requires entities to provide users of financial statements with more informative and relevant disclosures. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 will not have a material impact on the Group's consolidated financial statements. The standard has been endorsed by the EU.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, "Leases", which introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There will be only minor changes to the current accounting for lessors. The standard also requires entities to provide users of financial statements with more informative and relevant disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Group is currently assessing the impact of IFRS 16. The standard has yet to be endorsed by the EU.

03 – Acquisitions and Dispositions

Business Combinations completed in 2016, 2015 and 2014

During the years 2016, 2015 and 2014, the Group did not undertake any acquisitions accounted for as business combinations.

Acquisitions and Dispositions of Noncontrolling Interests while Retaining Control

During 2016 and 2015, the Group did not engage in acquisitions or dispositions of noncontrolling interests while retaining control over the related subsidiaries.

Postbank

In concluding the domination agreement with Deutsche Postbank AG ("Postbank") in 2012, Deutsche Bank had derecognized from the Group's total equity the remaining noncontrolling interest of € 248 million in Postbank as the minority shareholders ceased to have access to the risks and rewards of ownership of the Postbank shares. Through December 31, 2014, a total of approximately 0.5 million Postbank shares (equal to about 0.22 % of total Postbank shares outstanding) were tendered by minority shareholders to Deutsche Bank under the domination agreement, thereby increasing the Group's direct shareholding to 94.1 % at that time.

On April 22, 2015, Deutsche Bank signed an agreement to purchase an additional 5.9 million (2.7 %) of the Postbank shares, thereby increasing the Group's ownership stake from 94.1 % to 96.8 %. Overall, the transaction resulted in a loss before income tax of approximately € 92 million recorded in C&A in the second quarter 2015. On April 27, 2015, Deutsche Bank requested Postbank to prepare a squeeze-out of the minority shareholders pursuant to Section 327a et seq. of the German Stock Corporation Act. In the specified squeeze-out request to Postbank on July 7, 2015, the amount of cash compensation was set at € 35.05 per Postbank share. After approval of the squeeze-out at the Postbank annual general meeting held on August 28, 2015, a loss before income tax of € 69 million was recorded in the third quarter 2015 in C&A. After a clearance proceeding in front of the Higher Regional Court Cologne, the squeeze-out was entered into the commercial register on December 21, 2015. At settlement on December 30, 2015, Deutsche Bank acquired the remaining 3.2 % shares in Postbank for a total consideration of € 245 million and so owns directly and indirectly 100 % of the Postbank shares.

The Postbank shares have been de-listed from all stock exchanges between December 21, 2015 and January 13, 2016.

Dispositions

During 2016, 2015 and 2014, the Group finalized several dispositions of subsidiaries/businesses. These disposals mainly included businesses the Group had previously classified as held for sale, including those of Abbey Life and Maher Terminals Port Elizabeth which were disposed of in 2016 (for more detail on these two transactions, please refer to Note 27 "Non-Current Assets and Disposal Groups Held for Sale"). The total cash consideration received for these dispositions in 2016, 2015 and 2014 was € 2.0 billion, € 555 million and € 1.9 billion, respectively. The table below shows the assets and liabilities that were included in these disposals.

in € m.	**2016**	**2015**	**2014**
Cash and cash equivalents	0	0	0
All remaining assets	14,858	443	8,346
Total assets disposed	**14,858**	**443**	**8,346**
Total liabilities disposed	**12,250**	**52**	**6,602**

04 – Business Segments and Related Information

The Group's segmental information has been prepared in accordance with the "management approach", which requires presentation of the segments on the basis of the internal management reports of the entity which are regularly reviewed by the chief operating decision maker, which is the Deutsche Bank Management Board, in order to allocate resources to a segment and to assess its financial performance.

Starting first quarter 2014, net interest income as a component of net revenue, income (loss) before income taxes and related ratios is presented on a fully taxable-equivalent basis for U.S. tax-exempt securities for Global Markets. This enables management to measure performance of taxable and tax-exempt securities on a comparable basis. This change in presentation resulted in an increase in Global Markets net interest income of € 126.4 million for full year 2016 (€ 122.8 million for full year 2015, € 65.4 million for full year 2014). This increase is offset in Group Consolidated figures through a reversal in C&A. The tax rate used in determining the fully taxable-equivalent net interest income in respect of the majority of the US tax-exempt securities is 35 %. US tax-exempt securities held by NCOU are not being presented on a fully taxable-equivalent basis due to differing approaches in the management of core and noncore activities.

Business Segments

The Group's segment reporting follows the organizational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to the business segments. Generally, restatements due to changes in the organizational structure were implemented in the presentation of prior period comparables if they were considered in the Group's management reporting systems.

From 2016 onwards and in accordance with our targets originally announced in October 2015 our business operations have been organized under the following segments:

– Global Markets ("GM"),

– Corporate & Investment Banking ("CIB"),

– Private, Wealth and Commercial Clients ("PW&CC"),

– Deutsche Asset Management ("Deutsche AM"),

– Postbank ("PB") and

– Non-Core Operations Unit ("NCOU")

The key changes in 2016 are outlined below.

Global Markets ("GM") – Effective from first quarter of 2016, GM included the sales and trading related activities of our former Corporate Banking & Securities ("CB&S") segment. Revenues related to certain financing activities previously included within "Loan Products" in CB&S were included within "Sales & Trading – debt and other products". Mark-to-market gains/losses relating to RWA mitigation on Credit Valuation Adjustment (CVA) RWA, Funding Valuation Adjustment (FVA) and certain CVA calculation methodology refinements previously reported under "Sales & Trading" revenues were included in "Other". Debt Valuation Adjustment (DVA) continued to be reported within "Other". This category also included transfers from and to our segment Corporate & Investment Banking ("CIB") resulting from client coverage and product distribution. Additionally in the second quarter of 2016 the transfer of businesses from Deutsche AM to GM resulted in the re-assignment of goodwill based on relative values in accordance with IFRS. The subsequent impairment review led to an impairment loss of € 285 million in Global Markets.

Corporate & Investment Banking ("CIB") – Effective from first quarter of 2016, CIB combined the Corporate Finance business components of our former Corporate Banking and Securities ("CB&S") and Global Transaction Banking ("GTB") businesses. Transfers from and to our segment Global Markets related to client coverage and product distribution were included in "Loan Products & Other".

Private, Wealth and Commercial Clients ("PW&CC") – Within the segment PW&CC, in the first quarter of 2016, we had combined our German and International Private and Commercial Clients ("PCC") businesses formerly included in the Private & Business Clients ("PBC") segment with the Wealth Management ("WM") activities formerly included in Deutsche Asset & Wealth management ("DeAWM"). Revenues from Hua Xia Bank are presented separately within PW&CC to reflect the disposal of this investment as part of our targets originally announced in October 2015.

Deutsche Asset Management ("Deutsche AM") – Since the first quarter of 2016, Deutsche AM contained the Asset Management activities included in our former DeAWM segment and focused on providing investment solutions to institutions and intermediaries that serve individual clients. In the second

quarter of 2016 the transfer of businesses to GM resulted in a re-assignment of, goodwill from Deutsche AM to GM based on relative values in accordance with IFRS.

Postbank ("PB") – To reflect the planned deconsolidation as formulated in our targets originally announced in October 2015, effective from first quarter of 2016, PB was presented as a separate segment, which combined both core components and non-core components of Postbank previously recorded in our NCOU segment. The reported numbers in the Postbank segment will deviate from Postbank's stand-alone reporting as a consequence of consolidation effects and the impact of purchase price allocation items.

Non-core Operations Unit ("NCOU") – As a key change compared to our former structure, effective from first quarter 2016, our NCOU segment no longer contains the aforementioned non-core components related to Postbank.

The goodwill impairment losses in our 2015 results related to CB&S and PBC were allocated to the new segments Global Markets/Corporate & Investment Banking and PW&CC/Postbank respectively based on the goodwill balances related to these business units prior to the third quarter of 2015 impairment.

Certain Liquidity Management activities previously included within our business segments are centrally managed by Treasury and therefore have been transferred to Consolidation & Adjustments, since first quarter of 2016, and are reflected in our business segments on an allocated basis. In the second quarter of 2016, the Liquidity Portfolio business of Asia excluding Japan has been transferred from Global Markets to Treasury.

Measurement of Segment Profit or Loss

Segment reporting requires a presentation of the segment results based on management reporting methods, including a reconciliation between the results of the business segments and the consolidated financial statements, which is presented in the "Management Report: Operating and Financial Review: Deutsche Bank Group: Corporate Divisions: Consolidation & Adjustments". The information provided about each segment is based on internal management reporting about segment profit or loss, assets and other information which is regularly reviewed by the chief operating decision maker. Segment assets are presented in the Group's internal management reporting based on a consolidated view, i.e., the amounts do not include intersegment balances.

Non-IFRS compliant accounting methods are rarely used in the Group's management reporting and represent either valuation or classification differences. The largest valuation differences relate to measurement at fair value in management reporting versus measurement at amortized cost under IFRS (for example, for certain financial instruments in the Group's treasury books in GM and PW&CC) and to the recognition of trading results from own shares in revenues in management reporting (mainly in GM) and in equity under IFRS. The major classification difference relates to noncontrolling interest, which represents the net share of minority shareholders in revenues, provision for credit losses, noninterest expenses and income tax expenses. Noncontrolling interest is reported as a component of pre-tax income for the businesses in management reporting (with a reversal in C&A) and a component of net income appropriation under IFRS.

Since the Group's business activities are diverse in nature and its operations are integrated, certain estimates and judgments have been made to apportion revenue and expense items among the business segments.

The management reporting systems allocate the Group's external net interest income according to the value of funding consumed or provided by each segment's activities, with transfer pricing referencing the Group's access to financing in the wholesale markets. Furthermore, to retain comparability with those competitors that have their own equity funding, the Group allocates a net notional interest credit on its consolidated capital, in line with each segment's proportion of average shareholders' equity.

Management uses certain measures for equity and related ratios as part of its internal reporting system because it believes that these measures provide it with a useful indication of the financial performance of the business segments. The Group discloses such measures to provide investors and analysts with further insight into how management operates the Group's businesses and to enable them to better understand the Group's results. These measures include:

Average Shareholders' Equity – The average shareholders' equity is calculated as average of total shareholders' equity according to IFRS, at the beginning of the period and at the end of the period. The total amount of average shareholders' equity allocated is determined based on the higher of the Group's overall economic risk exposure and the regulatory capital demand. Starting 2016, the Group refined its capital allocation and moved to allocating average shareholders' equity instead of average active equity to the business segments. Under the new methodology, capital held against goodwill and other intangibles is now

more comprehensively allocated, allowing the determination of allocated tangible shareholders' equity to reflect the communicated profitability target. The Group's overall economic risk exposure requirement is driven by our internal capital adequacy thresholds for status "normal" as defined in DB Group's risk appetite framework. Since January 2016, the regulatory capital demand is based on our externally communicated target ratios, i.e. a Common Equity Tier 1 target ratio of 12.5 % (10 % in early 2015 and 11 % from June 2015 onwards) and on a Leverage target ratio of 4.5 % (3.5 % in early 2015 and 5 % from June 2015 onwards) both at a Group level and assuming full implementation of CRR/CRD 4 rules. If the Group exceeds the Common Equity Tier 1 target ratio and the Leverage target ratio, excess average shareholders' equity is assigned to C&A. The allocation of average shareholders' equity to business segments reflects the contribution to both aforementioned targets. Segment average shareholders' equity in December 2014 represents the spot values for the period. The difference between the spot values of the segments and the average group amount is captured in C&A.

Segmental Results of Operations

For the results of the business segments, including the reconciliation to the consolidated results of operations under IFRS please see "Management Report: Operating and Financial Review: Results of Operations: Segment Results of Operations".

Entity-Wide Disclosures

The Group's Entity-Wide Disclosures include net revenues from internal and external counterparties. Excluding revenues from internal counterparties would require disproportionate IT investment and is not in line with the Bank's management approach. For detail on our Net Revenue Components please see "Management Report: Operating and Financial Review: Results of Operations: Corporate Divisions".

The following table presents total net revenues (before provisions for credit losses) by geographic area for the years ended December 31, 2016, 2015 and 2014, respectively. The information presented for GM, CIB, PW&CC, AM, PB and NCOU has been classified based primarily on the location of the Group's office in which the revenues are recorded. The information for C&A is presented on a global level only, as management responsibility for C&A is held centrally.

in € m.	**2016**	**2015**	**2014**
Germany:			
Global Markets	533	444	538
Corporate & Investment Banking	1,391	1,498	1,595
Private, Wealth & Commercial Clients	4,198	4,162	4,513
Deutsche Asset Management	888	963	906
Postbank	3,366	3,113	3,259
Non-Core Operations Unit	221	105	132
Total Germany	**10,597**	**10,284**	**10,942**
UK:			
Global Markets	3,411	4,114	2,739
Corporate & Investment Banking	888	1,192	998
Private, Wealth & Commercial Clients	83	77	76
Deutsche Asset Management	836	748	679
Postbank	0	(0)	(0)
Non-Core Operations Unit	(322)	(73)	8
Total UK	**4,896**	**6,059**	**4,498**
Rest of Europe, Middle East and Africa:			
Global Markets	261	305	550
Corporate & Investment Banking	1,278	1,337	1,275
Private, Wealth & Commercial Clients	2,360	2,110	2,317
Deutsche Asset Management	502	407	351
Postbank	0	0	0
Non-Core Operations Unit	23	9	2
Total Rest of Europe, Middle East and Africa	**4,425**	**4,167**	**4,494**
Americas (primarily United States):			
Global Markets	3,140	3,526	4,176
Corporate & Investment Banking	2,803	2,696	2,565
Private, Wealth & Commercial Clients	624	691	588
Deutsche Asset Management	578	727	538
Postbank	0	0	(21)
Non-Core Operations Unit	(305)	754	345
Total Americas	**6,840**	**8,394**	**8,192**
Asia/Pacific:			
Global Markets	1,945	2,469	2,067
Corporate & Investment Banking	1,122	1,323	1,234
Private, Wealth & Commercial Clients	451	469	375
Deutsche Asset Management	216	176	169
Postbank	0	(0)	0
Non-Core Operations Unit	1	(0)	2
Total Asia/Pacific	**3,736**	**4,436**	**3,847**
Consolidation & Adjustments	**(479)**	**184**	**(26)**
Consolidated net revenues[1]	**30,014**	**33,525**	**31,949**

1 Consolidated net revenues comprise interest and similar income, interest expenses and total noninterest income (including net commission and fee income). Revenues are attributed to countries based on the location in which the Group's booking office is located. The location of a transaction on the Group's books is sometimes different from the location of the headquarters or other offices of a customer and different from the location of the Group's personnel who entered into or facilitated the transaction. Where the Group records a transaction involving its staff and customers and other third parties in different locations frequently depends on other considerations, such as the nature of the transaction, regulatory considerations and transaction processing considerations.

Notes to the Consolidated Income Statement

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

Net Interest Income

in € m.	2016	2015	2014
Interest and similar income:			
Interest-earning deposits with banks	684	499	683
Central bank funds sold and securities purchased under resale agreements	359	377	408
Interest income on financial assets available for sale	1,313	1,292	1,341
Dividend income on financial assets available for sale	205	300	97
Loans	12,311	12,219	11,820
Interest income on securities held to maturity	67	0	0
Other	1,417	783	848
Total Interest and similar income not at fair value through profit or loss	**16,357**	**15,470**	**15,196**
Financial assets at fair value through profit or loss	9,279	10,496	9,805
Total interest and similar income	**25,636**	**25,967**	**25,001**
Interest expense:			
Interest-bearing deposits	2,583	2,764	3,210
Central bank funds purchased and securities sold under repurchase agreements	255	153	160
Other short-term borrowings	179	229	214
Long-term debt	1,759	1,480	1,882
Trust preferred securities	437	568	785
Other	1,083	357	214
Total Interest expense not at fair value through profit or loss	**6,295**	**5,552**	**6,465**
Financial liabilities at fair value through profit or loss	4,634	4,534	4,264
Total interest expense	**10,929**	**10,086**	**10,729**
Net interest income	**14,707**	**15,881**	**14,272**

Interest income recorded on impaired financial assets was € 63 million, € 67 million and € 94 million for the years ended December 31, 2016, 2015 and 2014, respectively.

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

in € m.	2016	2015	2014
Trading income:			
Sales & Trading (equity)	608	542	2,125
Sales & Trading (debt and other products)	3,462	4,108	3,203
Total Sales & Trading	4,071	4,649	5,329
Other trading income	(3,524)	(775)	(922)
Total trading income	**547**	**3,874**	**4,407**
Net gains (losses) on financial assets/liabilities designated at fair value through profit or loss:			
Breakdown by financial asset/liability category:			
Securities purchased/sold under resale/repurchase agreements	(3)	3	(15)
Securities borrowed/loaned	1	0	0
Loans and loan commitments	(109)	(453)	(20)
Deposits	(28)	0	(1)
Long-term debt[1]	303	761	(538)
Other financial assets/liabilities designated at fair value through profit or loss	691	(344)	467
Total net gains (losses) on financial assets/liabilities designated at fair value through profit or loss	**854**	**(32)**	**(108)**
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	**1,401**	**3,842**	**4,299**

1 Includes € 0 million, € (0.5) million and € 48 million from securitization structures for the years ended December 31, 2016, 2015 and 2014, respectively. Fair value movements on related instruments of € 0 million, € 0.8 million and € (315) million for December 31, 2016, 2015 and 2014, respectively, are reported within trading income. The total of these gains and losses represents the Group's share of the losses in these consolidated securitization structures.

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

in € m.	2016	2015	2014
Net interest income	14,707	15,881	14,272
Trading income[1]	547	3,874	4,407
Net gains (losses) on financial assets/liabilities designated at fair value through profit or loss	854	(32)	(108)
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	1,401	3,842	4,299
Total net interest income and net gains (losses) on financial assets/ liabilities at fair value through profit or loss	**16,108**	**19,723**	**18,570**
Sales & Trading (equity)	1,979	2,887	2,639
Sales & Trading (debt and other products)	7,452	8,215	7,328
Total Sales & Trading	9,431	11,102	9,967
Other	(204)	(360)	(785)
Global Markets	9,227	10,742	9,182
Corporate & Investment Banking	2,090	2,215	1,969
Private, Wealth & Commercial Clients	3,877	3,862	3,973
Deutsche Asset Management	364	255	398
Postbank	2,175	2,316	2,165
Non-Core Operations Unit	(1,261)	(353)	(310)
Consolidation & Adjustments	(363)	685	1,193
Total net interest income and net gains (losses) on financial assets/ liabilities at fair value through profit or loss	**16,108**	**19,723**	**18,570**

1 Trading income includes gains and losses from derivatives not qualifying for hedge accounting.

The Group's 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. The Group's trading activities can periodically drive income to either net interest income or to net gains (losses) of financial assets/liabilities at fair value through profit or loss depending on a variety of factors, including risk management strategies. The above table combines net interest income and net gains (losses) of financial assets/liabilities at fair value through profit or loss by business division and by product within Global Markets.

06 – Commissions and Fee Income

in € m.	2016	2015	2014
Commission and fee income and expense:			
Commission and fee income	14,999	16,412	15,746
Commission and fee expense	3,255	3,647	3,337
Net commissions and fee income	**11,744**	**12,765**	**12,409**

in € m.	2016	2015	2014
Net commissions and fee income:			
Net commissions and fees from fiduciary activities	4,287	4,480	3,745
Net commissions, brokers' fees, mark-ups on securities underwriting and other securities activities	3,305	4,134	4,033
Net fees for other customer services	4,152	4,151	4,632
Net commissions and fee income	**11,744**	**12,765**	**12,409**

07 – Net Gains (Losses) on Financial Assets Available for Sale

in € m.	2016	2015	2014
Net gains (losses) on financial assets available for sale:			
Net gains (losses) on debt securities:	229	48	153
Net gains (losses) from disposal	230	58	144
Impairments	(1)	(10)	9
Net gains (losses) on equity securities:	79	104	109
Net gains (losses) from disposal/remeasurement	96	156	121
Impairments	(17)	(52)	(12)
Net gains (losses) on loans:	6	52	(9)
Net gains (losses) from disposal	21	83	16
Impairments	(15)	(31)	(25)
Reversal of impairments	0	0	0
Net gains (losses) on other equity interests:	339	1	(12)
Net gains (losses) from disposal	348	14	9
Impairments	(9)	(13)	(21)
Total net gains (losses) on financial assets available for sale	**653**	**203**	**242**

Please also refer to Note 16 "Financial Assets Available for Sale" of this report.

08 – Other Income

in € m.	2016	2015	2014
Other income:			
Net income from investment properties	31	40	57
Net gains (losses) on disposal of investment properties	(45)	(18)	5
Net gains (losses) on disposal of consolidated subsidiaries	(3)	(24)	18
Net gains (losses) on disposal of loans	(128)	237	(2)
Insurance premiums[1]	89	108	141
Net income (loss) from hedge relationships qualifying for hedge accounting	(370)	(910)	(1,349)
Consolidated investments	362	470	949
Remaining other income[2]	1,118	763	290
Total other income (loss)	**1,053**	**669**	**108**

1 Net of reinsurance premiums paid. The development is primarily driven by Abbey Life Assurance Company Limited.
2 Includes net gains of € 744 million, € 237 million and € 111 million for the years ended December 31, 2016, 2015 and 2014, respectively, that are related to non-current assets and disposal groups held for sale.

09 – General and Administrative Expenses

in € m.	2016	2015	2014
General and administrative expenses:			
IT costs	3,872	3,664	3,333
Occupancy, furniture and equipment expenses	1,972	1,944	1,978
Professional service fees	2,305	2,283	2,029
Communication and data services	761	807	725
Travel and representation expenses	450	505	521
Banking and transaction charges	664	598	660
Marketing expenses	285	294	293
Consolidated investments	334	406	811
Other expenses[1]	4,812	8,129	4,305
Total general and administrative expenses	**15,454**	**18,632**	**14,654**

1 Includes litigation related expenses of € 2.4 billion in 2016, € 5.2 billion in 2015 and € 1.6 billion in 2014. See Note 30 "Provisions", for more detail on litigation.

10 – Restructuring

Restructuring forms part of the Group's targets originally announced in October 2015. It contains initiatives to reposition Investment Banking, reshape the retail business, rationalize the geographic footprint and transform the operating model – with the aim of achieving net savings of € 1.0 to 1.5 billion by 2018.

Restructuring expense is comprised of termination benefits, additional expenses covering the acceleration of deferred compensation awards not yet amortized due to the discontinuation of employment and contract termination costs related to real estate.

in € m.	2016	2015	2014
Global Markets	(127)	(89)	(92)
Corporate & Investment Banking	(165)	(39)	(29)
Private, Wealth & Commercial Clients	(141)	(585)	(9)
Deutsche Asset Management	(47)	2	3
Non-Core Operations Unit	(4)	1	(4)
Consolidation & Adjustments	0	0	(1)
Total Net Restructuring Charges	**(484)**	**(710)**	**(133)**

The majority of the net restructuring expense 2016 relates to Infrastructure functions which are allocated to the business divisions whereas Infrastructure staff affected by the restructuring programs are shown separately in the table below.

in € m.	2016	2015	2014
Restructuring – Staff related	(491)	(663)	(124)
thereof:			
Termination Benefits	(432)	(602)	(94)
Retention Acceleration	(54)	(61)	(29)
Social Security	(5)	(0)	(1)
Restructuring – Non Staff related	7	(46)	(9)
Total Net Restructuring Charges	**(484)**	**(710)**	**(133)**

Provisions for restructuring amounted to € 741 million and € 651 million as of December 31, 2016 and December 31, 2015, respectively. The majority of the current provisions for restructuring are expected to be utilized in the next two years.

During 2016, 1,451 full-time equivalent staff was reduced through restructuring (2015: 662).

Full-time equivalent staff	2016	2015
Global Markets	162	134
Corporate & Investment Banking	194	103
Private, Wealth & Commercial Clients	453	141
Deutsche Asset Management	101	22
Non-Core Operations Unit	0	1
Infrastructure/Regional Management	541	261
Total full-time equivalent staff	**1,451**	**662**

11 – Earnings per Share

Basic earnings per share amounts are computed by dividing net income (loss) attributable to Deutsche Bank shareholders by the average number of common shares outstanding during the year. The average number of common shares outstanding is defined as the average number of common shares issued, reduced by the average number of shares in treasury and by the average number of shares that will be acquired under physically-settled forward purchase contracts, and increased by undistributed vested shares awarded under deferred share plans.

Diluted earnings per share assumes the conversion into common shares of outstanding securities or other contracts to issue common stock, such as share options, convertible debt, unvested deferred share awards and forward contracts. The aforementioned instruments are only included in the calculation of diluted earnings per share if they are dilutive in the respective reporting period.

Computation of basic and diluted earnings per share

in € m.	2016	2015	2014
Net income (loss) attributable to Deutsche Bank shareholders – numerator for basic earnings per share[1]	**(1,678)**	**(7,022)**	**1,663**
Effect of dilutive securities:			
Forwards and options	0	0	0
Convertible debt	0	0	0
Net income (loss) attributable to Deutsche Bank shareholders after assumed conversions – numerator for diluted earnings per share[1]	**(1,678)**	**(7,022)**	**1,663**
Number of shares in million			
Weighted-average shares outstanding – denominator for basic earnings per share	**1,388.1**	**1,387.9**	**1,241.9**
Effect of dilutive securities:			
Forwards	0.0	0.0	0.0
Employee stock compensation options	0.0	0.0	0.0
Deferred shares	0.0	0.0	27.6
Other (including trading options)	0.0	0.0	0.0
Dilutive potential common shares	0.0	0.0	27.6
Adjusted weighted-average shares after assumed conversions – denominator for diluted earnings per share	**1,388.1**	**1,387.9**	**1,269.5**

1 Earnings were adjusted by € 276 and € 228 million net of tax for the coupons paid on Additional Tier 1 Notes in April 2016 and April 2015.

Earnings per share

in €	2016	2015	2014
Basic earnings per share	(1.21)	(5.06)	1.34
Diluted earnings per share	(1.21)	(5.06)	1.31

On June 25, 2014, Deutsche Bank AG completed a capital increase with subscription rights. As the subscription price of the new shares was lower than the market price of the existing shares, the capital increase included a bonus element. According to IAS 33, the bonus element is the result of an implicit change in the number of shares outstanding for all periods prior to the capital increase without a fully proportionate change in resources. As a consequence, the weighted average number of shares outstanding has been adjusted retrospectively.

Due to the net loss situation for 2016 and 2015 potentially dilutive shares are generally not considered for the earnings per share calculation, because to do so would have been anti-dilutive and hence decreased the net loss per share.

Instruments outstanding and not included in the calculation of diluted earnings per share[1]

Number of shares in m.	2016	2015	2014
Call options sold	0.0	0.0	0.0
Employee stock compensation options	0.0	0.0	0.1
Deferred shares	69.6	52.5	0.0

1 Not included in the calculation of diluted earnings per share, because to do so would have been anti-dilutive.

Notes to the Consolidated Balance Sheet

12 – Financial Assets/Liabilities at Fair Value through Profit or Loss

in € m.	Dec 31, 2016	Dec 31, 2015
Financial assets classified as held for trading:		
Trading assets:		
Trading securities	156,926	179,256
Other trading assets[1]	14,117	16,779
Total trading assets	171,044	196,035
Positive market values from derivative financial instruments	485,150	515,594
Total financial assets classified as held for trading	**656,194**	**711,630**
Financial assets designated at fair value through profit or loss:		
Securities purchased under resale agreements	47,404	51,073
Securities borrowed	21,136	21,489
Loans	7,505	12,451
Other financial assets designated at fair value through profit or loss	11,541	24,240
Total financial assets designated at fair value through profit or loss	**87,587**	**109,253**
Total financial assets at fair value through profit or loss	**743,781**	**820,883**

1 Includes traded loans of € 13.2 billion and € 15.5 billion at December 31, 2016 and 2015 respectively.

in € m.	Dec 31, 2016	Dec 31, 2015
Financial liabilities classified as held for trading:		
Trading liabilities:		
Trading securities	56,592	51,326
Other trading liabilities	437	977
Total trading liabilities	57,029	52,303
Negative market values from derivative financial instruments	463,858	494,076
Total financial liabilities classified as held for trading:	**520,887**	**546,380**
Financial liabilities designated at fair value through profit or loss:		
Securities sold under repurchase agreements	50,397	31,637
Loan commitments	40	79
Long-term debt	6,473	8,710
Other financial liabilities designated at fair value through profit or loss	3,582	4,425
Total financial liabilities designated at fair value through profit or loss	**60,492**	**44,852**
Investment contract liabilities[1]	592	8,522
Total financial liabilities at fair value through profit or loss	**581,971**	**599,754**

1 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 42 "Insurance and Investment Contracts", for more detail on these contracts.

Financial Assets & Liabilities designated at Fair Value through Profit or Loss

The Group has designated various lending relationships at fair value through profit or loss. Lending facilities consist of drawn loan assets and undrawn irrevocable loan commitments. The maximum exposure to credit risk on a drawn loan is its fair value. The Group's maximum exposure to credit risk on drawn loans, including securities purchased under resale agreements and securities borrowed, was € 76 billion and € 85 billion as of December 31, 2016, and 2015, respectively. Exposure to credit risk also exists for undrawn irrevocable loan commitments and is predominantly counterparty credit risk.

The credit risk on the securities purchased under resale agreements and securities borrowed designated under the fair value option is mitigated by the holding of collateral. The valuation of these instruments takes into account the credit enhancement in the form of the collateral received. As such there is no material movement during the year or cumulatively due to movements in counterparty credit risk on these instruments.

Changes in fair value of loans[1] and loan commitments attributable to movements in counterparty credit risk[2]

	Dec 31, 2016		Dec 31, 2015	
in € m.	Loans	Loan commitments	Loans	Loan commitments
Notional value of loans and loan commitments exposed to credit risk	3,604	3,357	4,455	8,604
Annual change in the fair value reflected in the Statement of Income	9	45	(0)	(46)
Cumulative change in the fair value[3]	9	37	9	29
Notional of credit derivatives used to mitigate credit risk	358	4,997	257	4,203
Annual change in the fair value reflected in the Statement of Income	(1)	(3)	(2)	1
Cumulative change in the fair value[3]	(2)	(6)	(4)	(154)

1 Where the loans are over-collateralized there is no material movement in valuation during the year or cumulatively due to movements in counterparty credit risk.
2 Determined using valuation models that exclude the fair value impact associated with market risk.
3 Changes are attributable to loans and loan commitments held at reporting date, which may differ from those held in prior periods. No adjustments are made to prior year to reflect differences in the underlying population.

Changes in fair value of financial liabilities attributable to movements in the Group's credit risk[1]

in € m.	Dec 31, 2016	Dec 31, 2015[2]
Annual change in the fair value reflected in the Statement of Income	(73)	(78)
Cumulative change in the fair value	11	71

1 The fair value of a financial liability incorporates the credit risk of that financial liability. Changes in the fair value of financial liabilities issued by consolidated structured entities have been excluded as this is not related to the Group's credit risk but to that of the legally isolated structured entity, which is dependent on the collateral it holds.

The excess of the contractual amount repayable at maturity over the carrying value of financial liabilities[1]

in € m.	Dec 31, 2016	Dec 31, 2015
Including undrawn loan commitments[2]	8,396	10,513
Excluding undrawn loan commitments	2,779	2,203

1 Assuming the liability is extinguished at the earliest contractual maturity that the Group can be required to repay. When the amount payable is not fixed, it is determined by reference to conditions existing at the reporting date.
2 The contractual cash flows at maturity for undrawn loan commitments assume full drawdown of the facility.

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

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

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

Reclassified Financial Assets

in € bn. (unless stated otherwise)	Trading assets reclassified to loans	Financial assets available for sale reclassified to loans
Carrying value at reclassification date	26.6	11.4
Unrealized fair value losses in accumulated other comprehensive income	0.0	(1.1)
Effective interest rates at reclassification date:		
upper range	13.1%	9.9%
lower range	2.8%	3.9%
Expected recoverable cash flows at reclassification date	**39.6**	**17.6**

Carrying values and fair values by asset type of assets reclassified in 2008 and 2009

in € m.	Dec 31, 2016 Carrying value	Dec 31, 2016 Fair value	Dec 31, 2015 Carrying value	Dec 31, 2015 Fair Value
Trading assets reclassified to loans:				
Securitization assets	340	260	1,382	1,346
Debt securities	0	0	396	405
Loans	174	154	916	857
Total trading assets reclassified to loans	514	414	2,695	2,608
Financial assets available for sale reclassified to loans:				
Securitization assets	105	105	1,540	1,470
Debt securities	0	0	168	179
Total financial assets available for sale reclassified to loans	105	105	1,708	1,648
Total financial assets reclassified to loans	**619[1]**	**519**	**4,403**	**4,256**

1 There is an associated effect on the carrying value from effective fair value hedge accounting for interest rate risk to the carrying value of the reclassified assets shown in the table above. This effect increases carrying value by € 0 million and decreases by € 3 million as at December 31, 2016 and December 31, 2015 respectively.

Through December 31, 2016, all reclassified assets were managed by the NCOU and disposal decisions across this portfolio are made by the NCOU in accordance with its remit to take the de-risking decisions. For the year ended December 31, 2016, the Group sold reclassified assets with a carrying value of € 3.4 billion, resulting in a net loss of € 154 million on positions sold.

In addition to sales, the decrease in the carrying value of assets previously classified as trading reduced due to redemptions of € 29 million. The reduction in the carrying value of assets previously classified as available for sale includes redemptions of € 428 million.

Unrealized fair value gains (losses) that would have been recognized in profit or loss and net gains (losses) that would have been recognized in other comprehensive income if the reclassifications had not been made

in € m.	2016	2015	2014
Unrealized fair value gains (losses) on the reclassified trading assets, gross of provisions for credit losses	0	141	342
Impairment (losses)/Reversal on the reclassified financial assets available for sale which were impaired	0	12	(6)
Net gains (losses) recognized in other comprehensive income representing additional unrealized fair value gains (losses) on the reclassified financial assets available for sale which were not impaired	1	(32)	137

Pre-tax contribution of all reclassified assets to the income statement

in € m.	2016	2015	2014
Interest income	45	127	161
Provision for credit losses	(74)	28	(40)
Other income[1]	(4)	199	5
Income before income taxes on reclassified trading assets	**(33)**	**353**	**126**
Interest income	7	54	97
Provision for credit losses	34	16	(13)
Other income[1]	(150)	72	0
Income before income taxes on reclassified financial assets available for sale	**(110)**	**142**	**84**

1 Relates to gains and losses from the sale of reclassified assets.

Reclassified Financial Assets: Carrying values and fair values by asset class

All IAS 39 reclassified assets were transferred into the NCOU upon creation of the new division in the fourth quarter of 2012. The NCOU has been tasked to accelerate de-risking to reduce total capital demand and IFRS assets. A number of factors are considered in determining whether and when to sell assets including the income statement, regulatory capital and leverage impacts. The movements in carrying value and fair value are illustrated in the following table:

Carrying values and fair values by asset class reclassified in 2008 and 2009

			Dec 31, 2016			Dec 31, 2015
in € m.	Carrying value (CV)	Fair value (FV)	Unrealized gains/(losses)	Carrying value (CV)	Fair value (FV)	Unrealized gains/(losses)
Securitization assets and debt securities reclassified:						
US municipal bonds	0	0	0	405	423	19
Student loans ABS	0	0	0	1,456	1,478	22
CDO/CLO	143	126	(17)	534	498	(36)
Covered bond	298	235	(63)	298	234	(64)
Commercial mortgages securities	3	3	0	175	176	1
Residential mortgages ABS	0	0	0	92	93	1
Other[1]	0	0	0	529	498	(31)
Total securitization assets and debt securities reclassified	**445**	**364**	**(81)**	**3,487**	**3,400**	**(88)**
Loans reclassified:						
Commercial mortgages	0	0	0	56	54	(1)
Residential mortgages	174	154	(20)	810	753	(57)
Other	0	0	0	50	49	(1)
Total loans reclassified	**174**	**154**	**(20)**	**916**	**857**	**(59)**
Total financial assets reclassified to loans	**619**	**519**	**(100)**	**4,403**	**4,256**	**(147)**

1 Includes asset backed securities related to the aviation industry and a mixture of other securitization assets and debt securities.

Securitized Assets and Debt Securities

CDO/CLO – This comprises a diverse portfolio with a variety of underlying assets and tranching levels in the capital structure. The main movement in the carrying value is due to sales in the period.

Covered Bonds – The remaining exposure in the portfolio is to Spanish government issuers.

Loans

Residential Mortgages – This category includes residential mortgages in the Italy, Spain and Germany. The carrying value reduced in the period mainly due to sale of residential mortgages in the UK.

14 – Financial Instruments carried at Fair Value

Valuation Methods and Control

The Group has an established valuation control framework which governs internal control standards, methodologies, and procedures over the valuation process.

Prices Quoted in Active Markets – The fair value of instruments that are quoted in active markets are determined using the quoted prices where they represent prices at which regularly and recently occurring transactions take place.

Valuation Techniques – The Group uses valuation techniques to establish the fair value of instruments where prices, quoted in active markets, are not available. Valuation techniques used for financial instruments include modeling techniques, the use of indicative quotes for proxy instruments, quotes from recent and less regular transactions and broker quotes.

For some financial instruments a rate or other parameter, rather than a price, is quoted. Where this is the case then the market rate or parameter is used as an input to a valuation model to determine fair value. For some instruments, modeling techniques follow industry standard models, for example, discounted cash flow analysis and standard option pricing models. These models are dependent upon estimated future cash flows, discount factors and volatility levels. For more complex or unique instruments, more sophisticated modeling techniques are required, and may rely upon assumptions or more complex parameters such as correlations, prepayment speeds, default rates and loss severity.

Frequently, valuation models require multiple parameter inputs. Where possible, parameter inputs are based on observable data or are derived from the prices of relevant instruments traded in active markets. Where observable data is not available for parameter inputs, then other market information is considered. For example, indicative broker quotes and consensus pricing information are used to support parameter inputs where they are available. Where no observable information is available to support parameter inputs then they are based on other relevant sources of information such as prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustment to reflect the terms of the actual instrument being valued and current market conditions.

Valuation Adjustments – Valuation adjustments are an integral part of the valuation process. In making appropriate valuation adjustments, the Group follows methodologies that consider factors such as bid-offer spreads, liquidity, counterparty/own credit and funding risk. Bid-offer spread valuation adjustments are required to adjust mid market valuations to the appropriate bid or offer valuation. The bid or offer valuation is the best representation of the fair value for an instrument, and therefore its fair value. The carrying value of a long position is adjusted from mid to bid, and the carrying value of a short position is adjusted from mid to offer. Bid-offer valuation adjustments are determined from bid-offer prices observed in relevant trading activity and in quotes from other broker-dealers or other knowledgeable counterparties. Where the quoted price for the instrument is already a bid-offer price then no additional bid-offer valuation adjustment is necessary. Where the fair value of financial instruments is derived from a modeling technique, then the parameter inputs into that model are normally at a mid-market level. Such instruments are generally managed on a portfolio basis and, when specified criteria are met, valuation adjustments are taken to reflect the cost of closing out the net exposure the Bank has to individual market or counterparty risks. These adjustments are determined from bid-offer prices observed in relevant trading activity and quotes from other broker-dealers.

Where complex valuation models are used, or where less-liquid positions are being valued, then bid-offer levels for those positions may not be available directly from the market, and therefore for the close-out cost of these positions, models and parameters must be estimated. When these adjustments are designed, the Group closely examines the valuation risks associated with the model as well as the positions themselves, and the resulting adjustments are closely monitored on an ongoing basis.

Counterparty Credit Valuation Adjustments (CVAs) are required to cover expected credit losses to the extent that the valuation technique does not already include an expected credit loss factor relating to the non-performance risk of the counterparty. The CVA amount is applied to all relevant over-the-counter (OTC) derivatives, and is determined by assessing the potential credit exposure to a given counterparty and taking into account any collateral held, the effect of any relevant netting arrangements, expected loss given default and the probability of default, based on available market information, including Credit Default Swap (CDS) spreads. Where counterparty CDS spreads are not available, relevant proxies are used.

The fair value of the Group's financial liabilities at fair value through profit or loss (i.e., OTC derivative liabilities and structured note liabilities designated at fair value through profit or loss) incorporates Debt Valuation Adjustments (DVA) to measure the change in the Group's own credit risk of the financial liability. For derivative liabilities the Group considers its own creditworthiness by assessing all counterparties' potential future exposure to the Group, taking into account any collateral posted by the Group, the effect of relevant netting arrangements, expected loss given default and the probability of default of the Group, based on the Group's market CDS level. The change in the Group's own credit risk for structured note liabilities is calculated by discounting the contractual cash flows of the instrument using the rate at which similar instruments would be issued at the measurement date as this reflects the value from the perspective of a market participant who holds the identical item as an asset.

When determining CVA and DVA, additional adjustments are made where appropriate to achieve fair value, due to the expected loss estimate of a particular arrangement, or where the credit risk being assessed differs in nature to that described by the available CDS instrument.

Funding Valuation Adjustments (FVA) are required to incorporate the market implied funding costs into the fair value of derivative positions. The FVA reflects a discounting spread applied to uncollateralized and partially collateralized derivatives and is determined by assessing the market-implied funding costs on both assets and liabilities.

Where there is uncertainty in the assumptions used within a modeling technique, an additional adjustment is taken to calibrate the model price to the expected market price of the financial instrument. Typically, such transactions have bid-offer levels which are less observable, and these adjustments aim to estimate the bid-offer by computing the liquidity-premium associated with the transaction. Where a financial instrument is of sufficient complexity that the cost of closing it out would be higher than the cost of closing out its component risks, then an additional adjustment is taken to reflect this.

We anticipate a change in fair value estimate for DVA on uncollateralized derivative liabilities during the first quarter 2017 to reflect the change of German legislation on the creditor hierarchy in bank insolvency introduced by the German Resolution Mechanism Act (Abwicklungsmechanismusgesetz), effective January 1, 2017. Under the respective provisions of the German Banking Act, as amended by the German Resolution Mechanism Act, obligations of banks resulting from certain senior unsecured debt instruments rank junior to their other senior unsecured obligations in the event of insolvency or resolution. As a result, various creditors, such as derivative counterparties, receive greater protection due to an additional buffer of senior unsecured debt instruments ranking below. The effect on unsecured derivative liabilities is to raise them from senior unsecured liabilities to the preferred class of senior unsecured liabilities in the capital waterfall. We therefore expect this to have an effect on the fair value of the portfolio of these derivatives in respect of own non-performance risk due to their higher expected recovery rate for our counterparty in the event of insolvency or resolution. This will result in a reduction in DVA and therefore cause a loss, estimated to be in the range of € 100 million to € 200 million.

Validation and Control – The Group has an independent specialized valuation control group within the Finance function which governs and develops the valuation control framework and manages the valuation control processes. The mandate of this specialist function includes the performance of the independent valuation control process for all businesses, the continued development of valuation control methodologies and techniques, as well as devising and governing the formal valuation control policy framework. Special attention of this independent valuation control group is directed to areas where management judgment forms part of the valuation process.

Results of the valuation control process are collected and analyzed as part of a standard monthly reporting cycle. Variances of differences outside of preset and approved tolerance levels are escalated both within the Finance function and with Senior Business Management for review, resolution and, if required, adjustment.

For instruments where fair value is determined from valuation models, the assumptions and techniques used within the models are independently validated by an independent specialist model validation group that is part of the Group's Risk Management function.

Quotes for transactions and parameter inputs are obtained from a number of third party sources including exchanges, pricing service providers, firm broker quotes and consensus pricing services. Price sources are examined and assessed to determine the quality of fair value information they represent, with greater emphasis given to those possessing greater valuation certainty and relevance. The results are compared against actual transactions in the market to ensure the model valuations are calibrated to market prices.

Price and parameter inputs to models, assumptions and valuation adjustments are verified against independent sources. Where they cannot be verified to independent sources due to lack of observable information, the estimate of fair value is subject to procedures to assess its reasonableness. Such procedures include performing revaluation using independently generated models (including where existing models are independently recalibrated), assessing the valuations against appropriate proxy instruments and other benchmarks, and performing extrapolation techniques. Assessment is made as to whether the valuation techniques produce fair value estimates that are reflective of market levels by calibrating the results of the valuation models against market transactions where possible.

Fair Value Hierarchy

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

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

These include: government bonds, exchange-traded derivatives and equity securities traded on active, liquid exchanges.

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

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

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

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

Carrying value of the financial instruments held at fair value[1]

			Dec 31, 2016			Dec 31, 2015
in € m.	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)
Financial assets held at fair value:						
Trading assets	89,943	70,415	10,686	90,031	93,253	12,751
Trading securities	89,694	62,220	5,012	89,718	82,869	6,669
Other trading assets	248	8,195	5,674	313	10,384	6,082
Positive market values from derivative financial instruments	13,773	461,579	9,798	5,629	500,520	9,445
Financial assets designated at fair value through profit or loss	10,118	75,867	1,601	18,024	86,751	4,478
Financial assets available for sale	28,695	23,380	4,153	43,260	25,449	4,874
Other financial assets at fair value	28	3,618[2]	33	0	3,136[2]	0
Total financial assets held at fair value	**142,558**	**634,860**	**26,271**	156,943	709,109	31,549
Financial liabilities held at fair value:						
Trading liabilities	41,664	15,311	52	40,185	12,102	18
Trading securities	41,664	14,874	52	40,154	11,155	18
Other trading liabilities	0	437	0	30	947	0
Negative market values from derivative financial instruments	13,616	441,386	8,857	5,528	480,668	7,879
Financial liabilities designated at fair value through profit or loss	4	58,259	2,229	2	41,797	3,053
Investment contract liabilities[3]	0	592	0	0	8,522	0
Other financial liabilities at fair value	0	4,647[2]	(848)[4]	0	6,492[2]	(1,146)[4]
Total financial liabilities held at fair value	**55,283**	**520,195**	**10,290**	45,715	549,581	9,805

1 Amounts in this table are generally presented on a gross basis, in line with the Group's accounting policy regarding offsetting of financial instruments, as described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates".
2 Predominantly relates to derivatives qualifying for hedge accounting.
3 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 42 "Insurance and Investment Contracts" for more detail on these contracts.
4 Relates to derivatives which are embedded in contracts where the host contract is held at amortized cost but for which the embedded derivative is separated. The separated embedded derivatives may have a positive or a negative fair value but have been presented in this table to be consistent with the classification of the host contract. The separated embedded derivatives are held at fair value on a recurring basis and have been split between the fair value hierarchy classifications.

In 2016, there were transfers from Level 2 to Level 1 on trading securities (€ 5 billion of assets) based on liquidity testing procedures.

Valuation Techniques

The following is an explanation of the valuation techniques used in establishing the fair value of the different types of financial instruments that the Group trades.

Sovereign, Quasi-sovereign and Corporate Debt and Equity Securities – Where there are no recent transactions then fair value may be determined from the last market price adjusted for all changes in risks and information since that date. Where a close proxy instrument is quoted in an active market then fair value is determined by adjusting the proxy value for differences in the risk profile of the instruments. Where close proxies are not available then fair value is estimated using more complex modeling techniques. These techniques include discounted cash flow models using current market rates for credit, interest, liquidity and other risks. For equity securities modeling techniques may also include those based on earnings multiples.

Mortgage- and Other Asset-Backed Securities (MBS/ABS) include residential and commercial MBS and other ABS including CDOs. ABS have specific characteristics as they have different underlying assets and the issuing entities have different capital structures. The complexity increases further where the underlying assets are themselves ABS, as is the case with many of the CDO instruments.

Where no reliable external pricing is available, ABS are valued, where applicable, using either relative value analysis which is performed based on similar transactions observable in the market, or industry-standard valuation models incorporating available observable inputs. The industry standard external models calculate principal and interest payments for a given deal based on assumptions that can be independently price tested. The inputs include prepayment speeds, loss assumptions (timing and severity) and a discount rate (spread, yield or discount margin). These inputs/assumptions are derived from actual transactions, external market research and market indices where appropriate.

Loans – For certain loans fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information since that transaction date. Where there are no recent market transactions then broker quotes, consensus pricing, proxy instruments or discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for credit risk, interest rate risk, foreign exchange risk, loss given default estimates and amounts utilized given default, as appropriate. Credit risk, loss given default and utilization given default parameters are determined using information from the loan or CDS markets, where available and appropriate.

Leveraged loans can have transaction-specific characteristics which can limit the relevance of market-observed transactions. Where similar transactions exist for which observable quotes are available from external pricing services then this information is used with appropriate adjustments to reflect the transaction differences. When no similar transactions exist, a discounted cash flow valuation technique is used with credit spreads derived from the appropriate leveraged loan index, incorporating the industry classification, subordination of the loan, and any other relevant information on the loan and loan counterparty.

Over-The-Counter Derivative Financial Instruments – Market standard transactions in liquid trading markets, such as interest rate swaps, foreign exchange forward and option contracts in G7 currencies, and equity swap and option contracts on listed securities or indices are valued using market standard models and quoted parameter inputs. Parameter inputs are obtained from pricing services, consensus pricing services and recently occurring transactions in active markets wherever possible.

More complex instruments are modeled using more sophisticated modeling techniques specific for the instrument and are calibrated to available market prices. Where the model output value does not calibrate to a relevant market reference then valuation adjustments are made to the model output value to adjust for any difference. In less active markets, data is obtained from less frequent market transactions, broker quotes and through extrapolation and interpolation techniques. Where observable prices or inputs are not available, management judgment is required to determine fair values by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions.

Financial Liabilities Designated at Fair Value through Profit or Loss under the Fair Value Option – The fair value of financial liabilities designated at fair value through profit or loss under the fair value option incorporates all market risk factors including a measure of the Group's credit risk relevant for that financial liability. The financial liabilities include structured note issuances, structured deposits, and other structured securities issued by consolidated vehicles, which may not be quoted in an active market. The fair value of these financial liabilities is determined by discounting the contractual cash flows using the relevant credit-adjusted yield curve. The market risk parameters are valued consistently to similar instruments held as assets, for example, any derivatives embedded within the structured notes are valued using the same methodology discussed in the "Over-The-Counter Derivative Financial Instruments" section above.

Where the financial liabilities designated at fair value through profit or loss under the fair value option are collateralized, such as securities loaned and securities sold under repurchase agreements, the credit enhancement is factored into the fair valuation of the liability.

Investment Contract Liabilities – Assets which are linked to the investment contract liabilities are owned by the Group. The investment contract obliges the Group to use these assets to settle these liabilities. Therefore, the fair value of investment contract liabilities is determined by the fair value of the underlying assets (i.e., amount payable on surrender of the policies).

Analysis of Financial Instruments with Fair Value Derived from Valuation Techniques Containing Significant Unobservable Parameters (Level 3)

Some of the instruments in Level 3 of the fair value hierarchy have identical or similar offsetting exposures to the unobservable input. However, according to IFRS they are required to be presented as gross assets and liabilities.

Trading Securities – Certain illiquid emerging market corporate bonds and illiquid highly structured corporate bonds are included in this level of the hierarchy. In addition, some of the holdings of notes issued by securitization entities, commercial and residential MBS, collateralized debt obligation securities and other ABS are reported here. The decrease in the year is mainly due to a combination of sales and settlements offset by purchases and transfers between Level 2 and Level 3 due to changes in the observability of input parameters used to value these instruments.

Positive and Negative Market Values from Derivative Instruments categorized in this level of the fair value hierarchy are valued based on one or more significant unobservable parameters. The unobservable parameters may include certain correlations, certain longer-term volatilities, certain prepayment rates, credit spreads and other transaction-specific parameters.

Level 3 derivatives includes certain options where the volatility is unobservable; certain basket options in which the correlations between the referenced underlying assets are unobservable; longer-term interest rate option derivatives; multi-currency foreign exchange derivatives; and certain credit default swaps for which the credit spread is not observable.

During the fourth quarter of 2016, various enhancements to the fair value hierarchy leveling process were implemented in our Rates business including both the use of additional sensitivity tests and the factoring in of traded data more directly when assessing observability. Previously consensus and broker quote data was primarily used in the leveling decision, which was in turn back-tested periodically to traded data. In implementing these changes a new observability matrix was established based on product, parameter, currency and tenor. The approach to consider the observability for Fair Value Hierarchy purposes of counterparty credit spreads on certain uncollateralized derivative transactions was also enhanced. These enhancements enable all unobservable parameters to be considered in aggregate in the sensitivity test and the instrument is designated as Level 3 if the aggregate impact of those unobservable inputs is material to the instrument valuation. The impact of these changes was the transfer into Level 3 from Level 2 of approximately € 2.4 billion and € 1.6 billion of Financial Liabilities; this is reflected in the Transfers into Level 3 column of the Reconciliation of financial instruments classified in Level 3 of this disclosure.

The marginal increase in assets was due to transfers between Level 2 and Level 3 due to changes in the observability of input parameters used to value these instruments offset by settlements. The increase in liabilities was due to transfers between Level 2 and Level 3 offset by settlements.

Other Trading Instruments classified in Level 3 of the fair value hierarchy mainly consist of traded loans valued using valuation models based on one or more significant unobservable parameters. Level 3 loans comprise illiquid leveraged loans and illiquid residential and commercial mortgage loans. The balance decreased in the year due to Sales and Settlements offset by purchases, issuances and transfers between Level 2 and Level 3 due to changes in the observability of input parameters used to value these instruments.

Financial Assets/Liabilities designated at Fair Value through Profit or Loss – Certain corporate loans and structured liabilities which were designated at fair value through profit or loss under the fair value option are categorized in this level of the fair value hierarchy. The corporate loans are valued using valuation techniques which incorporate observable credit spreads, recovery rates and unobservable utilization parameters. Revolving loan facilities are reported in the third level of the hierarchy because the utilization in the event of the default parameter is significant and unobservable.

In addition, certain hybrid debt issuances designated at fair value through profit or loss containing embedded derivatives are valued based on significant unobservable parameters. These unobservable parameters include single stock volatility correlations. Assets decreased during the year due to sales, settlements, transfers between Level 2 and Level 3 and due to deconsolidation of entities. Liabilities decreased in the year due to settlements and transfers between Level 2 and Level 3 offset by issuances.

Financial Assets Available for Sale include non-performing loan portfolios where there is no trading intent and unlisted equity instruments where there is no close proxy and the market is very illiquid. The decrease in assets in the year is due to sales and settlements offset by purchases.

Reconciliation of financial instruments classified in Level 3

Reconciliation of financial instruments classified in Level 3

										Dec 31, 2016
in € m.	Balance, beginning of year	Changes in the group of consolidated companies	Total gains/losses[1]	Purchases	Sales	Issuances[2]	Settlements[3]	Transfers into Level 3[4]	Transfers out of Level 3[4]	Balance, end of year
Financial assets held at fair value:										
Trading securities	6,669	(0)	143	1,736	(3,605)	0	(990)	1,589	(528)	5,012
Positive market values from derivative financial instruments	9,445	(60)	(88)	0	0	0	(1,290)	4,158	(2,367)	9,798
Other trading assets	6,082	66	56	2,196	(3,606)	735	(1,527)	2,616	(944)	5,674
Financial assets designated at fair value through profit or loss	4,478	(509)	40	2	(273)	131	(1,073)	86	(1,282)	1,601
Financial assets available for sale	4,874	(1)	255[5]	920	(630)	0	(1,377)	187	(74)	4,153
Other financial assets at fair value	0	0	0	0	0	0	0	33	0	33
Total financial assets held at fair value	**31,549**	**(504)**	**405[6,7]**	**4,853**	**(8,114)**	**866**	**(6,257)**	**8,669**	**(5,195)**	**26,271**
Financial liabilities held at fair value:										
Trading securities	18	0	0	0	0	0	34	0	(0)	52
Negative market values from derivative financial instruments	7,879	(317)	620	0	0	0	(508)	3,316	(2,134)	8,857
Other trading liabilities	0	0	0	0	0	0	0	0	0	0
Financial liabilities designated at fair value through profit or loss	3,053	0	(75)	0	0	587	(729)	245	(851)	2,229
Other financial liabilities at fair value	(1,146)	0	135	0	0	0	3	(26)	187	(848)
Total financial liabilities held at fair value	**9,805**	**(317)**	**680[6,7]**	**0**	**0**	**587**	**(1,200)**	**3,534**	**(2,799)**	**10,290**

1 Total gains and losses predominantly relate to net gains (losses) on financial assets/liabilities at fair value through profit or loss reported in the consolidated statement of income. The balance also includes net gains (losses) on financial assets available for sale reported in the consolidated statement of income and unrealized net gains (losses) on financial assets available for sale and exchange rate changes reported in other comprehensive income, net of tax. Further, certain instruments are hedged with instruments in Level 1 or Level 2 but the table above does not include the gains and losses on these hedging instruments. Additionally, both observable and unobservable parameters may be used to determine the fair value of an instrument classified within Level 3 of the fair value hierarchy; the gains and losses presented below are attributable to movements in both the observable and unobservable parameters.
2 Issuances relate to the cash amount received on the issuance of a liability and the cash amount paid on the primary issuance of a loan to a borrower.
3 Settlements represent cash flows to settle the asset or liability. For debt and loan instruments this includes principal on maturity, principal amortizations and principal repayments. For derivatives all cash flows are presented in settlements.
4 Transfers in and transfers out of Level 3 are related to changes in observability of input parameters. During the year they are recorded at their fair value at the beginning of year. For instruments transferred into Level 3 the table shows the gains and losses and cash flows on the instruments as if they had been transferred at the beginning of the year. Similarly for instruments transferred out of Level 3 the table does not show any gains or losses or cash flows on the instruments during the year since the table is presented as if they have been transferred out at the beginning of the year.
5 Total gains and losses on available for sale include a loss of € 94 million recognized in other comprehensive income, net of tax, and a gain of € 187 million recognized in the income statement presented in net gains (losses) on financial assets available for sale.
6 This amount includes the effect of exchange rate changes. For total financial assets held at fair value this effect is a gain of € 4 million and for total financial liabilities held at fair value this is a gain of € 50 million. The effect of exchange rate changes is reported in other comprehensive income, net of tax.
7 For assets positive balances represent gains, negative balances represent losses. For liabilities positive balances represent losses, negative balances represent gains.

in € m.	Balance, beginning of year	Changes in the group of consolidated companies	Total gains/ losses[1]	Purchases	Sales	Issuances[2]	Settlements[3]	Transfers into Level 3[4]	Transfers out of Level 3[4]	Balance, end of year
										Dec 31, 2015
Financial assets held at fair value:										
Trading securities	8,957	0	512	1,844	(2,432)	0	(1,007)	766	(1,971)	6,669
Positive market values from derivative financial instruments	9,559	(0)	539	0	0	0	(1,363)	1,683	(973)	9,445
Other trading assets	4,198	0	413	2,527	(1,507)	1,264	(1,461)	970	(321)	6,082
Financial assets designated at fair value through profit or loss	4,152	0	234	467	(36)	1,172	(1,227)	239	(523)	4,478
Financial assets available for sale	4,427	(0)	439[5]	1,058	(254)	0	(1,183)	469	(82)	4,874
Other financial assets at fair value[6]	0	0	0	0	0	0	0	0	0	0
Total financial assets held at fair value	**31,294**	**(0)**	**2,136[6,7]**	**5,896**	**(4,230)**	**2,436**	**(6,240)**	**4,126**	**(3,869)**	**31,549**
Financial liabilities held at fair value:										
Trading securities	43	0	5	0	0	0	9	0	(39)	18
Negative market values from derivative financial instruments	6,553	0	716	0	0	0	(487)	1,904	(807)	7,879
Other trading liabilities	0	0	0	0	0	0	0	0	0	0
Financial liabilities designated at fair value through profit or loss	2,366	0	196	0	0	1,249	(692)	155	(221)	3,053
Other financial liabilities at fair value	(552)	0	(352)	0	0	0	(65)	(177)	0	(1,146)
Total financial liabilities held at fair value	**8,410**	**0**	**564[6,7]**	**0**	**0**	**1,249**	**(1,234)**	**1,882**	**(1,067)**	**9,805**

1 Total gains and losses predominantly relate to net gains (losses) on financial assets/liabilities at fair value through profit or loss reported in the consolidated statement of income. The balance also includes net gains (losses) on financial assets available for sale reported in the consolidated statement of income and unrealized net gains (losses) on financial assets available for sale and exchange rate changes reported in other comprehensive income, net of tax. Further, certain instruments are hedged with instruments in Level 1 or Level 2 but the table above does not include the gains and losses on these hedging instruments. Additionally, both observable and unobservable parameters may be used to determine the fair value of an instrument classified within Level 3 of the fair value hierarchy; the gains and losses presented below are attributable to movements in both the observable and unobservable parameters.

2 Issuances relate to the cash amount received on the issuance of a liability and the cash amount paid on the primary issuance of a loan to a borrower.

3 Settlements represent cash flows to settle the asset or liability. For debt and loan instruments this includes principal on maturity, principal amortizations and principal repayments. For derivatives all cash flows are presented in settlements.

4 Transfers in and transfers out of Level 3 are related to changes in observability of input parameters. During the year they are recorded at their fair value at the beginning of year. For instruments transferred into Level 3 the table shows the gains and losses and cash flows on the instruments as if they had been transferred at the beginning of the year. Similarly for instruments transferred out of Level 3 the table does not show any gains or losses or cash flows on the instruments during the year since the table is presented as if they have been transferred out at the beginning of the year.

5 Total gains and losses on available for sale include a gain of € 92 million recognized in other comprehensive income, net of tax, and a loss of € 13 million recognized in the income statement presented in net gains (losses) on financial assets available for sale.

6 This amount includes the effect of exchange rate changes. For total financial assets held at fair value this effect is a gain of € 524 million and for total financial liabilities held at fair value this is a loss of € 161 million. The effect of exchange rate changes is reported in other comprehensive income, net of tax.

7 For assets positive balances represent gains, negative balances represent losses. For liabilities positive balances represent losses, negative balances represent gains.

Sensitivity Analysis of Unobservable Parameters

Where the value of financial instruments is dependent on unobservable parameter inputs, the precise level for these parameters at the balance sheet date might be drawn from a range of reasonably possible alternatives. In preparing the financial statements, appropriate levels for these unobservable input parameters are chosen so that they are consistent with prevailing market evidence and in line with the Group's approach to valuation control detailed above. Were the Group to have marked the financial instruments concerned using parameter values drawn from the extremes of the ranges of reasonably possible alternatives then as of December 31, 2016 it could have increased fair value by as much as € 1.8 billion or decreased fair value by as much as € 1.0 billion. As of December 31, 2015 it could have increased fair value by as much as € 2.1 billion or decreased fair value by as much as € 1.5 billion.

The changes in sensitive amounts from December 31, 2015 to December 31, 2016 show material reductions to both the positive fair value movement and to the negative fair value movement from using reasonable possible alternatives.

Both these moves are driven by the overall reduction in the Level 3 population in the same period (e.g. Group Level 3 assets down from € 31.6 billion in December 31, 2015 to € 26.3 billion in December 31, 2016), with this largely the result of de-risking, particularly in the Non-Core Operations Unit (Level 3 assets down from € 5 billion in December 31, 2015 to € 1 billion in December 31, 2016).

Our sensitivity calculation of unobservable parameters for Level 3 aligns to the approach used to assess valuation uncertainty for Prudent Valuation[1] purposes. This utilizes exit price analysis performed for the relevant assets and liabilities in the Prudent Valuation assessment. The downside sensitivity may be limited in some cases where the fair value is already demonstrably prudent.

This disclosure is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable input parameters. However, it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. Hence, the estimates disclosed above are likely to be greater than the true uncertainty in fair value at the balance sheet date. Furthermore, the disclosure is neither predictive nor indicative of future movements in fair value.

For many of the financial instruments considered here, in particular derivatives, unobservable input parameters represent only a subset of the parameters required to price the financial instrument, the remainder being observable. Hence for these instruments the overall impact of moving the unobservable input parameters to the extremes of their ranges might be relatively small compared with the total fair value of the financial instrument. For other instruments, fair value is determined based on the price of the entire instrument, for example, by adjusting the fair value of a reasonable proxy instrument. In addition, all financial instruments are already carried at fair values which are inclusive of valuation adjustments for the cost to close out that instrument and hence already factor in uncertainty as it reflects itself in market pricing. Any negative impact of uncertainty calculated within this disclosure, then, will be over and above that already included in the fair value contained in the financial statements.

1 Prudent Valuation is a capital requirement for assets held at fair value. It provides a mechanism for quantifying and capitalizing valuation uncertainty in accordance with the European Commission Delegated Regulation (EU) 2016/101, which supplements Article 34 of Regulation (EU) No. 575/2013 (CRR), requiring institutions to apply a deduction from CET1 the amount of any additional value adjustments on all assets measured at fair value calculated in accordance with Article 105(14).

Breakdown of the sensitivity analysis by type of instrument[1]

	Dec 31, 2016		Dec 31, 2015	
in € m.	**Positive fair value movement from using reasonable possible alternatives**	**Negative fair value movement from using reasonable possible alternatives**	**Positive fair value movement from using reasonable possible alternatives**	**Negative fair value movement from using reasonable possible alternatives**
Securities:				
Debt securities	213	137	212	158
Commercial mortgage-backed securities	13	12	12	11
Mortgage and other asset-backed securities	46	40	38	31
Corporate, sovereign and other debt securities	154	85	161	116
Equity securities	116	68	179	105
Derivatives:				
Credit	238	158	489	627
Equity	209	150	183	131
Interest related	429	187	364	147
Foreign Exchange	32	21	17	13
Other	143	92	161	100
Loans:				
Loans	377	227	539	261
Loan commitments	0	0	0	0
Other	0	0	0	0
Total	**1,758**	**1,040**	**2,144**	**1,542**

1 Where the exposure to an unobservable parameter is offset across different instruments then only the net impact is disclosed in the table.

Quantitative Information about the Sensitivity of Significant Unobservable Inputs

The behavior of the unobservable parameters on Level 3 fair value measurement is not necessarily independent, and dynamic relationships often exist between the other unobservable parameters and the observable parameters. Such relationships, where material to the fair value of a given instrument, are explicitly captured via correlation parameters, or are otherwise controlled via pricing models or valuation techniques. Frequently, where a valuation technique utilizes more than one input, the choice of a certain input will bound the range of possible values for other inputs. In addition, broader market factors (such as interest rates, equity, credit or commodity indices or foreign exchange rates) can also have effects.

The range of values shown below represents the highest and lowest inputs used to value the significant exposures within Level 3. The diversity of financial instruments that make up the disclosure is significant and therefore the ranges of certain parameters can be large. For example, the range of credit spreads on mortgage backed securities represents performing, more liquid positions with lower spreads then the less liquid, non-performing positions which will have higher credit spreads. As Level 3 contains the less liquid fair value instruments, the wide ranges of parameters seen is to be expected, as there is a high degree of pricing differentiation within each exposure type to capture the relevant market dynamics. There follows a brief description of each of the principal parameter types, along with a commentary on significant interrelationships between them.

Credit Parameters are used to assess the creditworthiness of an exposure, by enabling the probability of default and resulting losses of a default to be represented. The credit spread is the primary reflection of creditworthiness, and represents the premium or yield return above the benchmark reference instrument (typically LIBOR, or relevant Treasury Instrument, depending upon the asset being assessed), that a bond holder would require to allow for the credit quality difference between that entity and the reference benchmark. Higher credit spreads will indicate lower credit quality, and lead to a lower value for a given bond, or other loan-asset that is to be repaid to the Bank by the borrower. Recovery Rates represent an estimate of the amount a lender would receive in the case of a default of a loan, or a bond holder would receive in the case of default of the bond. Higher recovery rates will give a higher valuation for a given bond position, if other parameters are held constant. Constant Default Rate (CDR) and Constant Prepayment Rate (CPR) allow more complex loan and debt assets to be assessed, as these parameters estimate the ongoing defaults arising on scheduled repayments and coupons, or whether the borrower is making additional (usually voluntary) prepayments. These parameters are particularly relevant when forming a fair value opinion for mortgage or other types of lending, where repayments are delivered by the borrower through time, or where the borrower may pre-pay the loan (seen for example in some residential mortgages). Higher CDR will lead to lower valuation of a given loan or mortgage as the lender will ultimately receive less cash.

Interest rates, credit spreads, inflation rates, foreign exchange rates and equity prices are referenced in some option instruments, or other complex derivatives, where the payoff a holder of the derivative will receive is dependent upon the behavior of these underlying references through time. Volatility parameters describe key attributes of option behavior by enabling the variability of returns of the underlying instrument to be assessed. This volatility is a measure of probability, with higher volatilities denoting higher probabilities of a particular outcome occurring. The underlying references (interest rates, credit spreads etc.) have an effect on the valuation of options, by describing the size of the return that can be expected from the option. Therefore the value of a given option is dependent upon the value of the underlying instrument, and the volatility of that instrument, representing the size of the payoff, and the probability of that payoff occurring. Where volatilities are high, the option holder will see a higher option value as there is greater probability of positive returns. A higher option value will also occur where the payoff described by the option is significant.

Correlations are used to describe influential relationships between underlying references where a derivative or other instrument has more than one underlying reference. Behind some of these relationships, for example commodity correlation and interest rate-foreign exchange correlations, typically lie macroeconomic factors such as the impact of global demand on groups of commodities, or the pricing parity effect of interest rates on foreign exchange rates. More specific relationships can exist between credit references or equity stocks in the case of credit derivatives and equity basket derivatives, for example. Credit correlations are used to estimate the relationship between the credit performance of a range of credit names, and stock correlations are used to estimate the relationship between the returns of a range of equities. A derivative with a correlation exposure will be either long- or short-correlation. A high correlation suggests a strong relationship between the underlying references is in force, and this will lead to an increase in value of a long-correlation derivative. Negative correlations suggest that the relationship between underlying references is opposing, i.e., an increase in price of one underlying reference will lead to a reduction in the price of the other.

An EBITDA ('earnings before interest, tax, depreciation and amortization') multiple approach can be used in the valuation of less liquid securities. Under this approach the enterprise value ('EV') of an entity can be estimated via identifying the ratio of the EV to EBITDA of a comparable observable entity and applying this ratio to the EBITDA of the entity for which a valuation is being estimated. Under this approach a liquidity adjustment is often applied due to the difference in liquidity between the generally listed comparable used and the company under valuation. A higher EV/EBITDA multiple will result in a higher fair value.

Financial instruments classified in Level 3 and quantitative information about unobservable inputs

					Dec 31, 2016	
	Fair value					
in € m. (unless stated otherwise)	Assets	Liabilities	Valuation technique(s)[1]	Significant unobservable input(s) (Level 3)		Range
Financial instruments held at fair value – held for trading, designated at fair valueand available-for-sale:						
Mortgage and other asset backedsecurities held for trading:						
Commercial mortgage-backed securities	294	0	Price based	Price	0%	103%
			Discounted cash flow	Credit spread (bps)	119	2,000
Mortgage- and other asset-backed securities	1,071	0	Price based	Price	0%	110%
			Discounted cash flow	Credit spread (bps)	105	2,000
				Recovery rate	0%	100%
				Constant default rate	0%	18%
				Constant prepayment rate	0%	29%
Total mortgage- and other asset-backed securities	**1,365**	**0**				
Debt securities and other debt obligations	3,626	1,757	Price based	Price	0%	169%
Held for trading	3,373	52	Discounted cash flow	Credit spread (bps)	26	882
Corporate, sovereign and other debt securities	3,373					
Available-for-sale	253					
Designated at fair value	0	1,705				
Equity securities	937	0	Market approach	Price per net asset value	60%	100%
Held for trading	274	0		Enterprise value/EBITDA (multiple)	1	12
Available-for-sale	633		Discounted cash flow	Weighted average cost capital	8%	22%
Designated at fair value	30					
Loans	7,571	0	Price based	Price	0%	180%
Held for trading	4,105	0	Discounted cash flow	Credit spread (bps)	180	4,612
Designated at fair value	980			Constant default rate	0%	24%
Available-for-sale	2,486			Recovery rate	25%	80%
Loan commitments	0	40	Discounted cash flow	Credit spread (bps)	0	481
				Recovery rate	30%	99%
			Loan pricing model	Utilization	0%	100%
Other financial instruments	2,974[2]	485[3]	Discounted cash flow	IRR	3%	24%
				Repo rate (bps)	178	214
Total non-derivative financial instruments held at fair value	**16,474**	**2,282**				

1 Valuation technique(s) and subsequently the significant unobservable input(s) relate to the respective total position.
2 Other financial assets include € 1.6 billion of other trading assets, € 592 million of other financial assets designated at fair value and € 780 million other financial assets available for sale.
3 Other financial liabilities include € 444 million of securities sold under repurchase agreements designated at fair value and € 41 million of other financial liabilities designated at fair value.

in € m. (unless stated otherwise)	Fair value Assets	Liabilities	Valuation technique(s)	Significant unobservable input(s) (Level 3)	Range Dec 31, 2016	
Financial instruments held at fair value:						
Market values from derivative financial instruments:						
Interest rate derivatives	5,587	3,446	Discounted cash flow	Swap rate (bps)	(0)	2,309
				Inflation swap rate	(1) %	16 %
				Constant default rate	0 %	15 %
				Constant prepayment rate	0 %	19 %
			Option pricing model	Inflation volatility	0 %	5 %
				Interest rate volatility	0 %	123 %
				IR – IR correlation	(12) %	99 %
				Hybrid correlation	(50) %	93 %
Credit derivatives	829	1,126	Discounted cash flow	Credit spread (bps)	0	8,427
				Recovery rate	0 %	100 %
			Correlation pricing model	Credit correlation	13 %	85 %
Equity derivatives	1,142	2,098	Option pricing model	Stock volatility	10 %	67 %
				Index volatility	10 %	44 %
				Index – index correlation	73 %	88 %
				Stock – stock correlation	8 %	88 %
				Stock Forwards	0 %	8 %
				Index Forwards	0 %	20 %
FX derivatives	1,654	1,780	Option pricing model	Volatility	(8) %	39 %
Other derivatives	586	(441)[1]	Discounted cash flow	Credit spread (bps)	–	–
			Option pricing model	Index volatility	5 %	110 %
				Commodity correlation	(21) %	85 %
Total market values from derivative financial instruments	**9,798**	**8,008**				

1 Includes derivatives which are embedded in contracts where the host contract is held at amortized cost but for which the embedded derivative is separated.

in € m. (unless stated otherwise)	Fair value Assets	Liabilities	Valuation technique(s)[1]	Significant unobservable input(s) (Level 3)	Dec 31, 2015 Range	
Financial instruments held at fair value – held for trading, designated at fair value and available-for-sale:						
Mortgage and other asset backed securities held for trading:						
Commercial mortgage-backed securities	224	0	Price based	Price	0%	105%
			Discounted cash flow	Credit spread (bps)	370	1,500
Mortgage- and other asset-backed securities	1,891	0	Price based	Price	0%	111%
			Discounted cash flow	Credit spread (bps)	32	2,000
				Recovery rate	0%	100%
				Constant default rate	0%	24%
				Constant prepayment rate	0%	51%
Total mortgage- and other asset-backed securities	**2,115**	**0**				
Debt securities and other debt obligations	4,721	1,654	Price based	Price	0%	230%
Held for trading	4,229	18	Discounted cash flow	Credit spread (bps)	9	984
Corporate, sovereign andother debt securities	4,229					
Available-for-sale	330					
Designated at fair value	163	1,636				
Equity securities	1,248	0	Market approach	Price per net asset value	70%	100%
Held for trading	325	0		Enterprise value/EBITDA (multiple)	1	18
Available-for-sale	901		Discounted cash flow	Weighted average cost capital	8%	12%
Designated at fair value	21					
Loans	12,626	0	Price based	Price	0%	146%
Held for trading	6,076	0	Discounted cash flow	Credit spread (bps)	103	2,787
Designated at fair value	3,672			Constant default rate	0%	24%
Available-for-sale	2,879			Recovery rate	10%	82%
Loan commitments	0	84	Discounted cash flow	Credit spread (bps)	5	1,257
				Recovery rate	20%	75%
			Loan pricing model	Utilization	0%	100%
Other financial instruments	1,394[2]	1,333[3]	Discounted cash flow	IRR	4%	24%
				Repo rate (bps)	125	277
Total non-derivative financial instruments held at fair value	**22,104**	**3,071**				

1 Valuation technique(s) and subsequently the significant unobservable input(s) relate to the respective total position.
2 Other financial assets include € 6 million of other trading assets, € 623 million of other financial assets designated at fair value and € 765 million other financial assets available for sale.
3 Other financial liabilities include € 1.2 billion of securities sold under repurchase agreements designated at fair value and € 84 million of other financial liabilities designated at fair value.

in € m. (unless stated otherwise)	Fair value Assets	Liabilities	Valuation technique(s)	Significant unobservable input(s) (Level 3)	Range Dec 31, 2015	
Financial instruments held at fair value:						
Market values from derivative financial instruments:						
Interest rate derivatives	3,775	2,337	Discounted cash flow	Swap rate (bps)	(20)	915
				Inflation swap rate	0%	8%
				Constant default rate	0%	6%
				Constant prepayment rate	2%	19%
			Option pricing model	Inflation volatility	0%	8%
				Interest rate volatility	9%	176%
				IR – IR correlation	(25)%	100%
				Hybrid correlation	(70)%	99%
Credit derivatives	2,626	1,771	Discounted cash flow	Credit spread (bps)	3	8,526
				Recovery rate	0%	100%
			Correlation pricing model	Credit correlation	13%	89%
Equity derivatives	695	1,402	Option pricing model	Stock volatility	9%	89%
				Index volatility	12%	85%
				Index – index correlation	45%	93%
				Stock – stock correlation	5%	93%
FX derivatives	1,613	1,604	Option pricing model	Volatility	2%	24%
Other derivatives	736	(380)[1]	Discounted cash flow	Credit spread (bps)	0	0
			Option pricing model	Index volatility	7%	36%
				Commodity correlation	(21)%	90%
Total market values from derivative financial instruments	**9,445**	**6,733**				

1 Includes derivatives which are embedded in contracts where the host contract is held at amortized cost but for which the embedded derivative is separated.

Unrealized Gains or Losses on Level 3 Instruments held or in Issue at the Reporting Date

The unrealized gains or losses on Level 3 Instruments are not due solely to unobservable parameters. Many of the parameter inputs to the valuation of instruments in this level of the hierarchy are observable and the gain or loss is partly due to movements in these observable parameters over the period. Many of the positions in this level of the hierarchy are economically hedged by instruments which are categorized in other levels of the fair value hierarchy. The offsetting gains and losses that have been recorded on all such hedges are not included in the table below, which only shows the gains and losses related to the Level 3 classified instruments themselves held at the reporting date in accordance with IFRS 13. The unrealized gains and losses on Level 3 instruments are included in both net interest income and net gains on financial assets/liabilities at fair value through profit or loss in the consolidated income statement.

in € m.	Dec 31, 2016	Dec 31, 2015
Financial assets held at fair value:		
Trading securities	28	378
Positive market values from derivative financial instruments	1,597	658
Other trading assets	(80)	42
Financial assets designated at fair value through profit or loss	(1)	156
Financial assets available for sale	90	47
Other financial assets at fair value	(6)	0
Total financial assets held at fair value	**1,628**	**1,282**
Financial liabilities held at fair value:		
Trading securities	(2)	(0)
Negative market values from derivative financial instruments	(1,001)	(967)
Other trading liabilities	(0)	0
Financial liabilities designated at fair value through profit or loss	59	(134)
Other financial liabilities at fair value	(139)	384
Total financial liabilities held at fair value	**(1,082)**	**(717)**
Total	**547**	**565**

Recognition of Trade Date Profit

If there are significant unobservable inputs used in a valuation technique, the financial instrument is recognized at the transaction price and any trade date profit is deferred. The table below presents the year-to-year movement of the trade date profits deferred due to significant unobservable parameters for financial instruments classified at fair value through profit or loss. The balance is predominantly related to derivative instruments.

in € m.	2016	2015
Balance, beginning of year	**955**	**973**
New trades during the period	454	493
Amortization	(297)	(365)
Matured trades	(158)	(137)
Subsequent move to observability	(39)	(14)
Exchange rate changes	0	5
Balance, end of year	**916**	**955**

15 – Fair Value of Financial Instruments not carried at Fair Value

The valuation techniques used to establish fair value for the Group's financial instruments which are not carried at fair value in the balance sheet and their respective IFRS fair value hierarchy categorization are consistent with those outlined in Note 14 "Financial Instruments carried at Fair Value".

As described in Note 13 "Amendments to IAS 39 and IFRS 7, 'Reclassification of Financial Assets'", the Group reclassified certain eligible assets from the trading and available for sale classifications to loans. The Group continues to apply the relevant valuation techniques set out in Note 14 "Financial Instruments carried at Fair Value", to the reclassified assets.

Other financial instruments not carried at fair value are not managed on a fair value basis, for example, retail loans and deposits and credit facilities extended to corporate clients. For these instruments fair values are calculated for disclosure purposes only and do not impact the balance sheet or income statement. Additionally, since the instruments generally do not trade there is significant management judgment required to determine these fair values.

Short-term financial instruments – The carrying value represents a reasonable estimate of fair value for the following financial instruments which are predominantly short-term:

Assets	Liabilities
Cash and central bank balances	Deposits
Interbank balances (w/o central banks)	Central bank funds purchased and securities sold under repurchase agreements
Central bank funds sold and securities purchased under resale agreements	Securities loaned
Securities borrowed	Other short-term borrowings
Other assets	Other liabilities

For longer-term financial instruments within these categories, fair value is determined by discounting contractual cash flows using rates which could be earned for assets with similar remaining maturities and credit risks and, in the case of liabilities, rates at which the liabilities with similar remaining maturities could be issued, at the balance sheet date.

Loans – Fair value is determined using discounted cash flow models that incorporate parameter inputs for credit risk, interest rate risk, foreign exchange risk, loss given default estimates and amounts utilized given default, as appropriate. Credit risk, loss given default and utilization given default parameters are determined using information from the loan agreement or credit default swap markets, where available and appropriate.

For retail lending portfolios with a large number of homogenous loans (i.e. German residential mortgages), the fair value is calculated on a portfolio basis by discounting the portfolio's contractual cash flows using own new interest rates on this type of loan. For similar retail lending portfolios outside Germany, the fair value is calculated on a portfolio basis by discounting the portfolio's contractual cash flows using risk-free interest rates. This present value calculation is then adjusted for credit risk by discounting at the margins which could be earned on similar loans if issued at the balance sheet date. For other portfolios the present

value calculation is adjusted for credit risk by calculating the expected loss over the estimated life of the loan based on various parameters including probability of default and loss given default and level of collateralization. The fair value of corporate lending portfolios is estimated by discounting a projected margin over expected maturities using parameters derived from the current market values of collateralized loan obligation ("CLO") transactions collateralized with loan portfolios that are similar to the Group's corporate lending portfolio.

Securities purchased under resale agreements, securities borrowed, securities sold under repurchase agreements and securities loaned – Fair value is derived from valuation techniques by discounting future cash flows using the appropriate credit risk-adjusted discount rate. The credit risk-adjusted discount rate includes consideration of the collateral received or pledged in the transaction. These products are typically short-term and highly collateralized, therefore the fair value is not significantly different to the carrying value.

Long-term debt and trust preferred securities – Fair value is determined from quoted market prices, where available. Where quoted market prices are not available, fair value is estimated using a valuation technique that discounts the remaining contractual cash at a rate at which an instrument with similar characteristics could be issued at the balance sheet date.

Estimated fair value of financial instruments not carried at fair value on the balance sheet[1]

					Dec 31, 2016
in € m.	Carrying value	Fair value	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)
Financial assets:					
Cash and central bank balances	181,364	181,364	181,364	0	0
Interbank balances (w/o central banks)	11,606	11,606	58	11,548	0
Central bank funds sold and securities purchased under resale agreements	16,287	16,287	0	16,287	0
Securities borrowed	20,081	20,081	0	20,081	0
Loans	408,909	407,834	0	28,703	379,132
Securities held to maturity	3,206	3,305	3,305	0	0
Other financial assets	112,479	112,468	0	112,468	0
Financial liabilities:					
Deposits	550,204	550,402	2,232	548,170	0
Central bank funds purchased and securities sold under repurchase agreements	25,740	25,739	0	25,739	0
Securities loaned	3,598	3,598	0	3,598	0
Other short-term borrowings	17,295	17,289	0	17,268	21
Other financial liabilities	135,273	135,273	1,282	133,991	0
Long-term debt	172,316	171,178	0	161,976	9,201
Trust preferred securities	6,373	6,519	0	6,263	257

in € m.	Carrying value	Fair value	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)
					Dec 31, 2015
Financial assets:					
Cash and central bank balances	96,940	96,940	96,940	0	0
Interbank balances (w/o central banks)	12,842	12,842	1,540	11,302	0
Central bank funds sold and securities purchased under resale agreements	22,456	22,456	0	22,456	0
Securities borrowed	33,557	33,557	0	33,557	0
Loans	427,749	426,365	0	30,040	396,325
Securities held to maturity	0	0	0	0	0
Other financial assets	101,901	101,868	0	101,868	0
Financial liabilities:					
Deposits	566,974	566,652	3,638	563,014	0
Central bank funds purchased and securities sold under repurchase agreements	9,803	9,803	0	9,803	0
Securities loaned	3,270	3,270	0	3,270	0
Other short-term borrowings	28,010	28,003	0	28,000	3
Other financial liabilities	149,994	149,994	1,106	148,888	0
Long-term debt	160,016	160,065	0	152,297	7,768
Trust preferred securities	7,020	7,516	0	7,087	430

1 Amounts generally presented on a gross basis, in line with the Group's accounting policy regarding offsetting of financial instruments as described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates".

Loans – The difference between fair value and carrying value arose predominantly due to an increase in expected default rates and reduction in liquidity as implied from market pricing since initial recognition. These reductions in fair value are offset by an increase in fair value due to interest rate movements on fixed rate instruments.

Long-term debt and trust preferred securities – The difference between fair value and carrying value is due to the effect of changes in the rates at which the Group could issue debt with similar maturity and subordination at the balance sheet date compared to when the instrument was issued.

16 – Financial Assets Available for Sale

in € m.	Dec 31, 2016	Dec 31, 2015
Debt securities:		
German government	9,405	18,042
U.S. Treasury and U.S. government agencies	7,652	2,890
U.S. local (municipal) governments	3,261	3,103
Other foreign governments	23,779	34,123
Corporates	6,849	8,922
Other asset-backed securities	84	588
Mortgage-backed securities, including obligations of U.S. federal agencies	17	28
Other debt securities	470	570
Total debt securities	**51,516**	**68,266**
Equity securities:		
Equity shares	1,027	1,166
Investment certificates and mutual funds	122	75
Total equity securities	**1,149**	**1,241**
Other equity interests	**804**	**974**
Loans	**2,759**	**3,102**
Total financial assets available for sale	**56,228**	**73,583**

Please also refer to Note 7 "Net Gains (Losses) on Financial Assets Available for Sale" of this report.

17 – Financial Instruments Held to Maturity

In the first quarter of 2016, the Group has begun to use the Held to Maturity category to more appropriately present income and capital volatility in the firm's banking book. In addition to managing the firm's existing banking book exposure to interest rates, the new accounting classification will support certain of the Group's asset liability management objectives, e.g. maturity transformation.

The Group reclassified € 3.2 billion of securities held Available for Sale to Held to Maturity investments effective January 4, 2016. All reclassified assets are high quality Government, supranational and agency bonds and are managed by Group Treasury as part of the Group's Strategic Liquidity Reserve.

Carrying values and fair values of financial assets reclassified from Available for Sale to Held to Maturity

	Jan 04, 2016	Dec 31, 2016	
in € m.	Carrying value (CV)	Carrying value (CV)	Fair Value (FV)
Debt securities reclassified:			
G7 Government bonds	432	428	446
Other Government, supranational and agency bonds	2,809	2,778	2,859
Total financial assets reclassified to Held-to-Maturity	**3,241**	**3,206**	**3,305**

18 – Equity Method Investments

Investments in associates and jointly controlled entities are accounted for using the equity method of accounting.

The Group holds interests in 92 (2015: 91) associates and 14 (2015: 15) jointly controlled entities. Following the sale of investment in Hua Xia Bank Company, no other individual investments are material to the Group.

Aggregated financial information on the Group's share in associates and joint ventures that are individually immaterial

in € m.	Dec 31, 2016	Dec 31, 2015
Carrying amount of all associates that are individually immaterial to the Group	**1,027**	**1,013**
Aggregated amount of the Group's share of profit (loss) from continuing operations	183	177
Aggregated amount of the Group's share of post-tax profit (loss) from discontinued operations	0	0
Aggregated amount of the Group's share of other comprehensive income	11	4
Aggregated amount of the Group's share of total comprehensive income	**194**	**181**

19 – Offsetting Financial Assets and Financial Liabilities

The Group is eligible to present certain financial assets and financial liabilities on a net basis on the balance sheet pursuant to criteria described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates: Offsetting Financial Instruments".

The following tables provide information on the impact of offsetting on the consolidated balance sheet, as well as the financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement as well as available cash and financial instrument collateral.

Assets

							Dec 31, 2016
				Amounts not set off on the balance sheet			
in € m.	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Impact of Master Netting Agreements	Cash collateral	Financial instrument collateral [1]	Net amount
Central bank funds sold and securities purchased under resale agreements (enforceable)	17,755	(4,020)	13,735	0	0	(13,719)	16
Central bank funds sold and securities purchased under resale agreements (non-enforceable)	2,552	0	2,552	0	0	(2,225)	327
Securities borrowed (enforceable)	18,470	0	18,470	0	0	(17,637)	832
Securities borrowed (non-enforceable)	1,611	0	1,611	0	0	(1,555)	56
Financial assets at fair value through profit or loss							
Trading assets	171,520	(477)	171,044	0	(101)	(884)	170,059
Positive market values from derivative financial instruments (enforceable)	592,048	(126,523)	465,525	(386,727)	(51,790)	(9,349)	17,658
Positive market values from derivative financial instruments (non-enforceable)	19,625	0	19,625	0	(2,055)	(1,244)	16,327
Financial assets designated at fair value through profit or loss (enforceable)	95,802	(40,998)	54,804	(2,748)	(928)	(46,670)	4,457
Financial assets designated at fair value through profit or loss (non-enforceable)	32,783	0	32,783	0	0	(21,074)	11,709
Total financial assets at fair value through profit or loss	911,778	(167,998)	743,781	(389,475)	(54,874)	(79,221)	220,211
Loans	408,909	0	408,909	0	(13,039)	(47,703)	348,167
Other assets	153,732	(27,686)	126,045	(39,567)	(589)	(104)	85,786
thereof: Positive market values from derivatives qualifying for hedge accounting (enforceable)	8,830	(5,314)	3,516	(2,719)	(589)	(104)	104
Remaining assets not subject to netting	275,442	0	275,442	0	(423)	(307)	274,712
Total assets	**1,790,249**	**(199,704)**	**1,590,546**	**(429,042)**	**(68,925)**	**(162,473)**	**930,106**

1 Excludes real estate and other non-financial instrument collateral.

Liabilities

in € m.	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts of financial liabilities presented on the balance sheet	Amounts not set off on the balance sheet: Impact of Master Netting Agreements	Amounts not set off on the balance sheet: Cash collateral	Amounts not set off on the balance sheet: Financial instrument collateral	Net amount
							Dec 31, 2016
Deposits	550,204	0	550,204	0	0	0	550,204
Central bank funds purchased and securities sold under repurchase agreements (enforceable)	21,209	(4,020)	17,189	0	0	(17,189)	0
Central bank funds purchased and securities sold under repurchase agreements (non-enforceable)	8,551	0	8,551	0	0	(8,403)	149
Securities loaned (enforceable)	3,524	0	3,524	0	0	(3,524)	0
Securities loaned (non-enforceable)	75	0	75	0	0	(50)	25
Financial liabilities at fair value through profit or loss							
Trading liabilities	57,902	(873)	57,029	0	0	0	57,029
Negative market values from derivative financial instruments (enforceable)	569,064	(124,325)	444,739	(386,612)	(35,124)	(9,325)	13,678
Negative market values from derivative financial instruments (non-enforceable)	19,119	0	19,119	0	(1,721)	(897)	16,501
Financial liabilities designated at fair value through profit or loss (enforceable)	82,421	(39,031)	43,390	(2,748)	0	(40,642)	0
Financial liabilities designated at fair value through profit or loss (non-enforceable)	17,694	0	17,694	0	(7,910)	(7,664)	2,120
Total financial liabilities at fair value through profit or loss	746,200	(164,228)	581,971	(389,360)	(44,755)	(58,528)	89,328
Other liabilities	186,896	(31,456)	155,440	(56,679)	(1,298)	0	97,463
thereof: Negative market values from derivatives qualifying for hedge accounting (enforceable)	5,793	(1,200)	4,593	(2,834)	(1,297)	0	463
Remaining liabilities not subject to netting	208,773	0	208,773	0	0	0	208,773
Total liabilities	**1,725,431**	**(199,704)**	**1,525,727**	**(446,039)**	**(46,053)**	**(87,693)**	**945,942**

Assets

in € m.	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Amounts not set off on the balance sheet: Impact of Master Netting Agreements	Cash collateral	Financial instrument collateral [1]	Net amount
							Dec 31, 2015
Central bank funds sold and securities purchased under resale agreements (enforceable)	21,309	(5,174)	16,135	0	0	(16,127)	8
Central bank funds sold and securities purchased under resale agreements (non-enforceable)	6,321	0	6,321	0	0	(5,910)	411
Securities borrowed (enforceable)	13,956	0	13,956	0	0	(13,448)	508
Securities borrowed (non-enforceable)	19,601	0	19,601	0	0	(18,583)	1,018
Financial assets at fair value through profit or loss							
Trading assets	196,478	(442)	196,035	0	(12)	(592)	195,431
Positive market values from derivative financial instruments (enforceable)	612,412	(113,977)	498,435	(407,171)	(55,896)	(13,218)	22,150
Positive market values from derivative financial instruments (non-enforceable)	17,159	0	17,159	0	0	0	17,159
Financial assets designated at fair value through profit or loss (enforceable)	86,596	(30,801)	55,796	(2,146)	(1,167)	(44,437)	8,045
Financial assets designated at fair value through profit or loss (non-enforceable)	53,457	0	53,457	0	0	(28,793)	24,664
Total financial assets at fair value through profit or loss	966,102	(145,219)	820,883	(409,317)	(57,075)	(87,041)	267,449
Loans	427,768	(19)	427,749	0	(14,296)	(49,117)	364,335
Other assets	134,742	(16,605)	118,137	(58,478)	(7)	0	59,652
thereof: Positive market values from derivatives qualifying for hedge accounting (enforceable)	8,272	(5,137)	3,136	(2,461)	0	0	674
Remaining assets not subject to netting	206,348	0	206,348	0	(555)	(549)	205,245
Total assets	**1,796,146**	**(167,016)**	**1,629,130**	**(467,795)**	**(71,933)**	**(190,775)**	**898,627**

1 Excludes real estate and other non-financial instrument collateral.

Liabilities

in € m.	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts of financial liabilities presented on the balance sheet	Amounts not set off on the balance sheet: Impact of Master Netting Agreements	Cash collateral	Financial instrument collateral	Net amount
							Dec 31, 2015
Deposits	566,993	(19)	566,974	0	0	0	566,974
Central bank funds purchased and securities sold under repurchase agreements (enforceable)	9,089	(5,135)	3,954	0	0	(3,954)	0
Central bank funds purchased and securities sold under repurchase agreements (non-enforceable)	5,849	0	5,849	0	0	(5,130)	719
Securities loaned (enforceable)	1,795	0	1,795	0	0	(1,795)	0
Securities loaned (non-enforceable)	1,475	0	1,475	0	0	(951)	524
Financial liabilities at fair value through profit or loss							
Trading liabilities	53,215	(910)	52,304	0	0	0	52,304
Negative market values from derivative financial instruments (enforceable)	588,281	(117,306)	470,975	(403,267)	(53,149)	(14,559)	0
Negative market values from derivative financial instruments (non-enforceable)	23,101	0	23,101	0	0	(2,867)	20,234
Financial liabilities designated at fair value through profit or loss (enforceable)	50,690	(29,929)	20,761	(2,105)	0	(18,657)	0
Financial liabilities designated at fair value through profit or loss (non-enforceable)	32,612	0	32,612	0	0	(11,077)	21,535
Total financial liabilities at fair value through profit or loss	747,899	(148,145)	599,754	(405,372)	(53,149)	(47,160)	94,073
Other liabilities	188,723	(13,718)	175,005	(68,626)	0	0	106,379
thereof: Negative market values from derivatives qualifying for hedge accounting (enforceable)	8,615	(2,250)	6,365	(6,365)	0	0	0
Remaining liabilities not subject to netting	206,699	0	206,699	0	0	0	206,699
Total liabilities	**1,728,522**	**(167,016)**	**1,561,506**	**(473,998)**	**(53,149)**	**(58,990)**	**975,368**

The column 'Gross amounts set off on the balance sheet' discloses the amounts offset in accordance with all the criteria described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates: Offsetting Financial Instruments".

The column 'Impact of Master Netting Agreements' discloses the amounts that are subject to master netting agreements but were not offset because they did not meet the net settlement/simultaneous settlement criteria; or because the rights of set off are conditional upon the default of the counterparty only. The amounts presented for other assets and other liabilities include cash margin receivables and payables respectively.

The columns 'Cash collateral' and 'Financial instrument collateral' disclose the cash and financial instrument collateral amounts received or pledged in relation to the total amounts of assets and liabilities, including those that were not offset.

Non-enforceable master netting agreements or similar agreements refer to contracts executed in jurisdictions where the rights of set off may not be upheld under the local bankruptcy laws.

The cash collateral received against the positive market values of derivatives and the cash collateral pledged towards the negative mark-to-market values of derivatives are booked within the 'Other liabilities' and 'Other assets' balances respectively.

The Cash and Financial instrument collateral amounts disclosed reflect their fair values. The rights of set off relating to the cash and financial instrument collateral are conditional upon the default of the counterparty.

20 – Loans

Loans by industry classification

in € m.	Dec 31, 2016	Dec 31, 2015[1]
Financial intermediation	49,618	61,739
Manufacturing	29,290	28,131
thereof:		
Basic metals and fabricated metal products	4,027	4,276
Electrical and optical equipment	4,680	3,334
Transport equipment	3,655	3,869
Chemicals and chemical products	3,906	4,077
Machinery and equipment	2,461	2,907
Food products	3,214	2,501
Households (excluding mortgages)	37,093	45,317
Households – mortgages	150,776	154,689
Public sector	15,740	17,244
Wholesale and retail trade	16,744	18,327
Commercial real estate activities	27,369	22,879
Lease financing	561	561
Fund management activities	26,129	26,091
Other	60,223	58,572
thereof:		
Renting of machinery and other business activities	22,298	20,235
Transport, storage and communication	12,005	12,237
Mining and quarrying of energy-producing materials	3,365	4,772
Electricity, gas and water supply	4,369	4,328
Gross loans	**413,544**	**433,549**
(Deferred expense)/unearned income	88	772
Loans less (deferred expense)/unearned income	**413,455**	**432,777**
Less: Allowance for loan losses	4,546	5,028
Total loans	**408,909**	**427,749**

1 Comparatives have been restated to reflect changes in industry sectors.

21 – Allowance for Credit Losses

The allowance for credit losses consists of an allowance for loan losses and an allowance for off-balance sheet positions.

Breakdown of the movements in the Group's allowance for loan losses

	2016			2015			2014		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Allowance, beginning of year	**2,252**	**2,776**	**5,028**	**2,364**	**2,849**	**5,212**	**2,857**	**2,732**	**5,589**
Provision for loan losses	743	604	1,347	334	548	882	499	631	1,129
Net charge-offs:	(894)	(870)	(1,764)	(482)	(612)	(1,094)	(997)	(512)	(1,509)
Charge-offs	(979)	(972)	(1,951)	(538)	(717)	(1,255)	(1,037)	(613)	(1,650)
Recoveries	85	101	187	56	105	161	40	101	141
Other Changes	(30)	(35)	(65)	36	(8)	28	5	(2)	3
Allowance, end of year	**2,071**	**2,475**	**4,546**	**2,252**	**2,776**	**5,028**	**2,364**	**2,849**	**5,212**

Activity in the Group's allowance for off-balance sheet positions (contingent liabilities and lending commitments)

	2016			2015			2014		
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Allowance, beginning of year	**144**	**168**	**312**	**85**	**141**	**226**	**102**	**114**	**216**
Provision for off-balance sheet positions	24	12	36	58	16	74	(13)	18	4
Usage	0	0	0	0	0	0	0	0	0
Other changes	(5)	3	(2)	1	10	11	(4)	10	6
Allowance, end of year	**162**	**183**	**346**	**144**	**168**	**312**	**85**	**141**	**226**

22 – Transfers of Financial Assets

The Group enters into transactions in which it transfers financial assets held on the balance sheet and as a result may either be eligible to derecognize the transferred asset in its entirety or must continue to recognize the transferred asset to the extent of any continuing involvement, depending on certain criteria. These criteria are discussed in Note 1 "Significant Accounting Policies and Critical Accounting Estimates".

Where financial assets are not eligible to be derecognized, the transfers are viewed as secured financing transactions, with any consideration received resulting in a corresponding liability. The Group is not entitled to use these financial assets for any other purposes. The most common transactions of this nature entered into by the Group are repurchase agreements, securities lending agreements and total return swaps, in which the Group retains substantially all of the associated credit, equity price, interest rate and foreign exchange risks and rewards associated with the assets as well as the associated income streams.

Information on asset types and associated transactions that did not qualify for derecognition

in € m.	Dec 31, 2016	Dec 31, 2015
Carrying amount of transferred assets		
Trading securities not derecognized due to the following transactions:		
Repurchase agreements	30,089	26,752
Securities lending agreements	40,405	51,300
Total return swaps	2,083	2,648
Other	426	642
Total trading securities	**73,003**	**81,342**
Other trading assets	85	12
Financial assets designated at fair value through profit or loss	0	0
Financial assets available for sale	241	2,192
Loans	68	536
Total	**73,398**	**84,082**
Carrying amount of associated liabilities	**51,264**	**52,717**

Information on assets transferred that did not qualify for derecognition where associated liability is recourse only to the transferred assets[1]

	Dec 31, 2016		Dec 31, 2015	
in € m.	Carrying value	Fair value	Carrying value	Fair value
Trading securities	0	0	300	300
Other trading assets	0	0	0	0
Financial assets available for sale	0	0	1,372[2]	1,372
Loans	0	0	18	19
Total	**0**	**0**	**1,690**	**1,691**
Associated liability	0	0	1,460	1,460
Net position	0	0	230	231

1 Associated liabilities are notes issued by Consolidated Group Sponsored Securitizations.
2 The Muni Tender Option Bond Trusts program was suspended and the related bonds of € 1.4 billion were sold to a new DB entity DB Munico Ltd.

Carrying value of assets transferred in which the Group still accounts for the asset to the extent of its continuing involvement

in € m.	Dec 31, 2016	Dec 31, 2015
Carrying amount of the original assets transferred:		
Trading securities	0	21
Financial assets available for sale	332	0
Loans	40	96
Carrying amount of the assets continued to be recognized:		
Trading securities	0	21
Financial assets available for sale	263	0
Loans	16	33
Carrying amount of associated liabilities	**58**	**37**

The Group could retain some exposure to the future performance of a transferred asset either through new or existing contractual rights and obligations and still be eligible to derecognize the asset. This on-going involvement will be recognized as a new instrument which may be different from the original financial asset that was transferred. Typical transactions include retaining senior notes of non-consolidated securitizations to which originated loans have been transferred; financing arrangements with structured entities to which the Group has sold a portfolio of assets; or sales of assets with credit-contingent swaps. The Group's exposure to such transactions is not considered to be significant as any substantial retention of risks associated with the transferred asset will commonly result in an initial failure to derecognize. Transactions not considered to result in an on-going involvement include normal warranties on fraudulent activities that could invalidate a transfer in the event of legal action, qualifying pass-through arrangements and standard trustee or administrative fees that are not linked to performance.

The impact on the Group's Balance Sheet of on-going involvement associated with transferred assets derecognized in full:

	Dec 31,2016			Dec 31,2015		
in € m.	Carrying value	Fair value	Maximum Exposure to Loss[1]	Carrying value	Fair value	Maximum Exposure to Loss[1]
Loans:						
Securitization notes	3	3	57	56	56	132
Other	12	12	12	12	12	12
Total Loans	**15**	**15**	**69**	**68**	**68**	**144**
Financial assets held at Fair Value through the P&L:						
Securitization notes	0	0	0	134	134	134
Non-standard Interest Rate, cross-currency or inflation-linked swap	32	32	32	11	11	11
Total Financial assets held at Fair Value through the P&L	**32**	**32**	**32**	**145**	**145**	**145**
Financial assets available for sale:						
Securitization notes	0	0	0	0	0	0
Total Financial assets available for sale	**0**	**0**	**0**	**0**	**0**	**0**
Total financial assets representing on-going involvement	**47**	**47**	**101**	**214**	**214**	**289**
Financial liabilities held at Fair Value through the P&L:						
Non-standard Interest Rate, cross-currency or inflation-linked swap	64	64	0	57	57	0
Total financial liabilities representing on-going involvement	**64**	**64**	**0**	**57**	**57**	**0**

1 The maximum exposure to loss is defined as the carrying value plus the notional value of any undrawn loan commitments not recognized as liabilities.

The impact on the Group's Statement of Income of on-going involvement associated with transferred assets derecognized in full:

in € m.	Dec 31,2016			Dec 31,2015		
	Year-to-date P&L	Cumulative P&L	Gain/(loss) on disposal	Year-to-date P&L	Cumulative P&L	Gain/(loss) on disposal
Securitization notes	0	6	0	86	97	0[1]
Non-standard Interest Rate, cross-currency or inflation-linked swap	163	385	0	119	716	0
Net gains/(losses) recognized from on-going involvement in derecognized assets	**163**	**392**	**0**	**205**	**813**	**0**

1 Typically, sales of assets into securitization vehicles were of assets that were classified as Fair Value through P&L, therefore any gain or loss on disposal is immaterial.

23 – Assets Pledged and Received as Collateral

The Group pledges assets primarily as collateral against secured funding and for repurchase agreements, securities borrowing agreements as well as other borrowing arrangements and for margining purposes on OTC derivative liabilities. Pledges are generally conducted under terms that are usual and customary for standard securitized borrowing contracts and other transactions described.

Carrying value of the Group's assets pledged as collateral for liabilities or contingent liabilities[1]

in € m.	Dec 31, 2016	Dec 31, 2015
Financial assets at fair value through profit or loss	49,045	51,904
Financial assets available for sale	16,081	3,554
Loans	73,649	45,776
Other	376	302
Total	**139,150**	**101,535**

1 Excludes assets pledged as collateral from transactions that do not result in liabilities or contingent liabilities.

Total assets pledged to creditors available for sale or repledge[1]

in € m.	Dec 31, 2016	Dec 31, 2015
Financial assets at fair value through profit or loss	76,335	80,480
Financial assets available for sale	13,814	819
Loans	0	347
Total	**90,149**	**81,646**

1 Includes assets pledged as collateral from transactions that do not result in liabilities or contingent liabilities.

The Group receives collateral primarily in reverse repurchase agreements, securities lending agreements, derivatives transactions, customer margin loans and other transactions. These transactions are generally conducted under terms that are usual and customary for standard secured lending activities and the other transactions described. The Group, as the secured party, has the right to sell or re-pledge such collateral, subject to the Group returning equivalent securities upon completion of the transaction. This right is used primarily to cover short sales, securities loaned and securities sold under repurchase agreements.

Fair Value of collateral received

in € m.	Dec 31, 2016	Dec 31, 2015
Securities and other financial assets accepted as collateral	260,065	286,032
thereof:		
collateral sold or repledged	217,419	238,236

24 – Property and Equipment

in € m.	Owner occupied properties	Furniture and equipment	Leasehold improvements	Construction-in-progress	Total
Cost of acquisition:					
Balance as of January 1, 2015	**1,560**	**2,947**	**2,379**	**141**	**7,027**
Changes in the group of consolidated companies	8	(37)	(72)	0	(101)
Additions	4	153	162	114	432
Transfers	(2)	76	181	(129)	126
Reclassifications (to)/from "held for sale"	(5)	82	1	(2)	77
Disposals	132	267	61	0	461
Exchange rate changes	(1)	107	72	6	184
Balance as of December 31, 2015	**1,432**	**3,060**	**2,662**	**130**	**7,284**
Changes in the group of consolidated companies	(0)	24	(1)	0	23
Additions	134	199	111	281	725
Transfers	35	(4)	144	(171)	4
Reclassifications (to)/from "held for sale"	(17)	0	0	(0)	(17)
Disposals	67	908	117	(0)	1,092
Exchange rate changes	(1)	34	21	1	55
Balance as of December 31, 2016	**1,516**	**2,406**	**2,820**	**240**	**6,982**
Accumulated depreciation and impairment:					
Balance as of January 1, 2015	**498**	**2,121**	**1,500**	**0**	**4,118**
Changes in the group of consolidated companies	(1)	(31)	(64)	0	(96)
Depreciation	35	234	170	0	439
Impairment losses	6	16	3	1	27
Reversals of impairment losses	0	9	0	0	9
Transfers	(3)	21	93	(1)	109
Reclassifications (to)/from "held for sale"	(0)	58	7	0	65
Disposals	73	239	38	0	349
Exchange rate changes	2	86	46	(0)	134
Balance as of December 31, 2015	**464**	**2,257**	**1,716**	**0**	**4,438**
Changes in the group of consolidated companies	(0)	19	(6)	0	12
Depreciation	28	226	191	0	445
Impairment losses	87[1]	6	0	0	93
Reversals of impairment losses	0	(0)	0	0	0
Transfers	39	(14)	6	(0)	30
Reclassifications (to)/from "held for sale"	(0)	(1)	(1)	0	(2)
Disposals	46	803	42	0	891
Exchange rate changes	(2)	31	23	0	52
Balance as of December 31, 2016	**572**	**1,720**	**1,886**	**0**	**4,178**
Carrying amount:					
Balance as of December 31, 2015	**967**	**802**	**946**	**130**	**2,846**
Balance as of December 31, 2016	**944**	**685**	**934**	**240**	**2,804**

1 Of which € 86 million were included reflecting an impairment of a single property as a result of impairment testing under IAS 36.102.

Impairment losses on property and equipment are recorded within general and administrative expenses for the income statement.

The carrying value of items of property and equipment on which there is a restriction on sale was € 46 million as of December 31, 2016.

Commitments for the acquisition of property and equipment were € 139 million at year-end 2016.

25 – Leases

The Group is lessee under lease arrangements covering property and equipment.

Finance Lease Commitments

Most of the Group's finance lease arrangements are made under usual terms and conditions.

Net Carrying Value of Leasing Assets Held under finance leases

in € m.	Dec 31, 2016	Dec 31, 2015
Land and buildings	12	14
Furniture and equipment	2	2
Other	0	0
Net carrying value	**14**	**15**

Future Minimum Lease Payments Required under the Group's Finance Leases

in € m.	Dec 31, 2016	Dec 31, 2015
Future minimum lease payments:		
Not later than one year	6	6
Later than one year and not later than five years	18	20
Later than five years	67	70
Total future minimum lease payments	**91**	**97**
Less: Future interest charges	63	66
Present value of finance lease commitments	**28**	**30**
Future minimum lease payments to be received	**3**	**4**
Contingent rent recognized in the income statement[1]	**0**	**0**

1 The contingent rent is based on market interest rates, such as three months EURIBOR; below a certain rate the Group receives a rebate.

Operating Lease Commitments

The Group leases the majority of its offices and branches under long-term agreements. Most of the lease contracts are made under usual terms and conditions, which means they include options to extend the lease by a defined amount of time, price adjustment clauses and escalation clauses in line with general office rental market conditions. However, the lease agreements do not include any clauses that impose any restriction on the Group's ability to pay dividends, engage in debt financing transactions or enter into further lease agreements. The Group has one significant lease contract which contains five options to extend the lease each for a period of five years and there is no purchase option in this specific lease.

Future Minimum Lease Payments Required under the Group's Operating Leases

in € m.	Dec 31, 2016	Dec 31, 2015
Future minimum rental payments:		
Not later than one year	707	773
Later than one year and not later than five years	2,092	2,398
Later than five years	1,093	1,999
Total future minimum rental payments	**3,893**	**5,170**
Less: Future minimum rentals to be received	89	91
Net future minimum rental payments	**3,804**	**5,079**

The reduction in total future minimum rental payments at year-end 2016 compared to the prior year number also reflect the absence of future lease obligations due to the sale of Maher Terminals Port Elizabeth in the fourth quarter 2016.

As of December 31, 2016, the total future minimum rental payments included € 323 million for the Group headquarters in Frankfurt am Main that was sold and leased back on December 1, 2011. The Group entered into a 181 months leaseback arrangement for the entire facility in connection with the transaction.

In 2016, the rental payments for lease and sublease agreements amounted to € 832 million. This included charges of € 844 million for minimum lease payments and € 6 million for contingent rents as well as € 18 million related to sublease rentals received.

26 – Goodwill and Other Intangible Assets

Goodwill

Changes in Goodwill

The changes in the carrying amount of goodwill, as well as gross amounts and accumulated impairment losses of goodwill, for the years ended December 31, 2016, and 2015, are shown below by cash-generating units ("CGU"). As of January 1, 2016, the structure of the primary CGUs has been changed, following the reorganization of business operations under a new segment structure. Please refer to Note 4, "Business Segments and Related Information" for more information regarding changes in the presentation of segment disclosures.

Goodwill allocated to cash-generating units

in € m.	Global Markets	Corporate & Investment Banking	Private & Commercial Clients	Wealth Management	Deutsche Asset Management	Postbank	Non-Core Operations Unit[1]	Others	Total
Balance as of January 1, 2015	**1,459**	**1,032**	**999**	**506**	**3,625**	**1,764**	**0**	**134**	**9,518**
Goodwill acquired during the year	0	0	0	0	0	0	0	0	0
Purchase accounting adjustments	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Reclassification from (to) "held for sale"	0	0	0	0	(47)	(1)	0	(138)	(186)
Goodwill related to dispositions without being classified as "held for sale"	0	0	0	(1)	0	0	0	0	(1)
Impairment losses[2]	(1,568)	(600)	(1,002)	0	0	(1,763)	0	0	(4,933)
Exchange rate changes/other	109	87	3	26	262	0	0	5	492
Balance as of December 31, 2015	**0**	**519**	**0**	**530**	**3,839**	**0**	**0**	**1**	**4,890**
Gross amount of goodwill	**2,597**	**1,513**	**963**	**530**	**3,839**	**1,763**	**667**	**607**	**12,479**
Accumulated impairment losses	**(2,597)**	**(994)**	**(963)**	**0**	**0**	**(1,763)**	**(667)**	**(606)**	**(7,589)**
Balance as of January 1, 2016	**0**	**519**	**0**	**530**	**3,839**	**0**	**0**	**1**	**4,890**
Goodwill acquired during the year	0	0	0	0	0	0	0	0	0
Purchase accounting adjustments	0	0	0	0	0	0	0	0	0
Transfers	285	0	0	0	(285)	0	0	0	0
Reclassification from (to) "held for sale"	0	0	0	0	(12)	0	0	0	(12)
Goodwill related to dispositions without being classified as "held for sale"	0	0	0	0	0	0	0	0	0
Impairment losses[2]	(285)	0	0	0	(500)	0	0	0	(785)
Exchange rate changes/other	0	13	0	33	(37)	0	0	0	10
Balance as of December 31, 2016	**0**	**532**	**0**	**564**	**3,006**	**0**	**0**	**1**	**4,103**
Gross amount of goodwill	**2,953**	**1,553**	**998**	**564**	**3,506**	**1,763**	**669**	**1**	**12,007**
Accumulated impairment losses	**(2,953)**	**(1,021)**	**(998)**	**0**	**(500)**	**(1,763)**	**(669)**	**0**	**(7,904)**

1 Includes primary CGUs NCOU Wholesale Assets and NCOU Operating Assets.
2 Impairment losses of goodwill are recorded as impairment of goodwill and other intangible assets in the income statement.

In addition to the primary CGUs, the segments GM and NCOU carry goodwill resulting from the acquisition of nonintegrated investments which are not allocated to the respective segments' primary CGUs. Such goodwill is summarized as "Others" in the table above. The nonintegrated investments in the NCOU consisted of Maher Terminals LLC and Maher Terminals of Canada Corp. These legacy investments have been disposed of during the fourth quarter 2016 and the third quarter 2015, respectively.

In 2016, changes in goodwill mainly included impairments of € 785 million in GM (€ 285 million) and Deutsche AM (€ 500 million). The impairment in GM was the result of a transfer of certain businesses from Deutsche AM to GM in the second quarter 2016. The transfer resulted in the reassignment of € 285 million of goodwill from Deutsche AM based on relative values in accordance with IFRS. The subsequent impairment review of GM led to an impairment loss of € 285 million of the reassigned goodwill. The goodwill impairment in Deutsche AM was recorded in the fourth quarter 2016 in relation to the sale of the Abbey Life business and the formation of a disposal group held for sale. Immediately before its initial classification as a disposal group, the carrying amounts of all assets and liabilities included in the Abbey Life disposal group were measured and recognized in accordance with applicable IFRS. With the sale of Abbey Life to close for an amount lower than its carrying amount, the proportion of Deutsche AM CGU goodwill attributable to the Abbey Life business was not expected to be recovered upon sale of the disposal group. Accordingly, the allocated goodwill amount of € 500 million as well as other intangible assets (value of

business acquired, VOBA) of € 515 million included in the disposal group were considered impaired and written-off through Impairment of goodwill and other intangible assets. For more information on the impact from the disposal of the Abbey Life business, please refer to section 'Amortizing Intangible Assets' in this Note as well to Note 27 "Non-Current Assets and Disposal Groups Held for Sale".

In 2015, changes in goodwill (other than those related to exchange rate changes) mainly included impairments of € 4,933 million recorded in the third quarter 2015. These were reported in the former CGUs CB&S (€ 2,168 million) and PBC (€ 2,765 million). Following the re-segmentation of the Group in the first quarter 2016, the impairment amounts were restated to the new segments/CGUs GM/CIB and PW&CC/ Postbank, based on the goodwill balances related to these business units prior to the third quarter 2015 impairment. Accordingly, of the impairment amount of € 4,933 million, € 1,568 million were allocated to GM, € 600 million to CIB, € 1,002 million to PCC and € 1,763 million to Postbank. These charges had been the result of the goodwill impairment test conducted in the third quarter 2015. The test was triggered by the further substantiation of our strategy in the third quarter 2015, largely driven by the impact of the then expected higher regulatory capital requirements for both former segments CB&S and PBC as well as the disposal expectations in PBC. In connection with the sale of the Canadian port operations of Maher Terminals, goodwill of € 138 million was allocated to the disposal group classified as held for sale in the first quarter 2015.

In 2014, changes in goodwill included the impairment of € 49 million recorded in the NCOU upon write-off of goodwill related to the nonintegrated investment in Maher Terminals LLC (previously included in the column 'Others' of the above table). The carrying amount of Maher Terminals LLC exceeded its recoverable amount, resulting in an overall impairment loss of € 194 million, which was recorded as impairment of goodwill and other intangible assets. Of that impairment amount, € 49 million was allocated to fully write-off related goodwill and another € 145 million was allocated to other intangible assets included in the CGU (see 'Other Amortizing Intangible Assets' in this Note).

Goodwill Impairment Test

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to CGUs. On the basis as described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates", the Group's primary CGUs are as outlined above. "Other" goodwill is tested individually for impairment on the level of each of the nonintegrated investments. Goodwill is tested for impairment annually in the fourth quarter by comparing the recoverable amount of each goodwill-carrying CGU with its carrying amount. In addition, in accordance with IAS 36, the Group tests goodwill whenever a triggering event is identified. The recoverable amount is the higher of a CGU's fair value less costs of disposal and its value in use.

The annual goodwill impairment test conducted in 2016 did not result in an impairment loss on the Group's primary goodwill-carrying CGUs as the recoverable amounts of these CGUs were higher than the respective carrying amounts.

The Group's further updating of its strategy constituted a trigger event leading to an impairment test in the third quarter 2015. The goodwill impairment test resulted in goodwill impairments totaling € 4,933 million, consisting of € 2,168 million and € 2,765 million in the former CGUs CB&S and PBC, respectively. The impairment in CB&S was mainly driven by changes to the business mix in light of expected higher regulatory capital requirements, leading to a recoverable amount of approximately € 26.1 billion. The impairment in PBC was, in addition to the changed capital requirements, mainly driven by the disposal expectations regarding Hua Xia Bank Co. Ltd. and Postbank, which resulted in a recoverable amount of approximately € 12.3 billion for the CGU.

The recoverable amounts of all remaining primary CGUs, except for those in the NCOU, were substantially in excess of their respective carrying amounts. A triggering event review as of December 31, 2015 confirmed that there was no indication that the remaining goodwill in the primary CGUs was impaired.

A review of the Group's strategy or certain political or global risks for the banking industry such as a return of the European sovereign debt crisis, uncertainties regarding the implementation of already adopted regulation and the introduction of legislation that is already under discussion as well as a slowdown of GDP growth may negatively impact the performance forecasts of certain of the Group's CGUs and, thus, could result in an impairment of goodwill in the future.

Carrying Amount

The carrying amount of a primary CGU is derived using a capital allocation model. The allocation uses the Group's total equity at the date of valuation, including Additional Tier 1 Notes ("AT1 Notes"), which constitute unsecured and subordinated notes of Deutsche Bank and which are classified as Additional equity components in accordance with IFRS. Total equity is adjusted for specific effects related to nonintegrated investments, which are tested separately for impairment as outlined above, and for an add-on adjustment for goodwill attributable to noncontrolling interests.

Within the capital allocation, the shareholder's equity (adjusted for nonintegrated investments) is allocated to the primary CGUs in a two-step process, which is aligned with both the determination of the recoverable amount and the current equity allocation framework of Deutsche Bank. The two step approach works as follows: Allocation of shareholders' equity using a solvency-based key first, until the target CET 1 ratio (CRR/CRD 4 on a fully loaded basis) is met, and then, if applicable, incremental capital allocation to consider the leverage ratio requirements. The solvency-based allocation contains the assignment of intangible assets in line with its regulatory treatment. Further, it comprises equity allocations based on the CGU's relative share of risk-weighted assets, on capital deduction items as well as on regulatory reconciliation items. In the second step, if applicable, the CGUs receive equity allocations based on their pro-rata leverage ratio exposure measure relative to the Group. Additionally, noncontrolling interests (plus the add-on adjustment for goodwill attributable to noncontrolling interests) are considered in the carrying amounts of the respective primary CGUs. The AT1 Notes are allocated to the primary CGUs in proportion to their specific leverage ratio shortfall, with leverage ratio shortfall being a function of the Group's target leverage ratio, the CGU's leverage ratio exposure measure and the allocated CET 1 capital.

The carrying amount for nonintegrated investments is determined on the basis of their respective equity.

Recoverable Amount

The Group determines the recoverable amounts of its primary CGUs on the basis of fair value less costs of disposal (Level 3 of the fair value hierarchy) and employs a discounted cash flow (DCF) model, which reflects the specifics of the banking business and its regulatory environment. The model calculates the present value of the estimated future earnings that are distributable to shareholders after fulfilling the respective regulatory capital requirements. The recoverable amounts also include the fair value of the AT1 Notes, allocated to the primary CGUs consistent to their treatment in the carrying amount.

The DCF model uses earnings projections and respective capitalization assumptions (with capital ratios increasing from current levels to a Common Equity Tier 1 capital ratio being comfortably above 13 % and a leverage ratio of 4.5 % in the medium term, both under fully loaded definitions) based on five-year financial plans, which are discounted to their present value. Estimating future earnings and capital requirements involves judgment and the consideration of past and current performances as well as expected developments in the respective markets, and in the overall macroeconomic and regulatory environments. Earnings projections beyond the initial five-year period are, where applicable, adjusted to derive a sustainable level. In case of a going concern, the cash flow to equity is assumed to increase by or converge towards a constant long-term growth rate of up to 2.8 % (2015: 3.2 %). This is based on projected revenue forecasts of the CGUs as well as expectations for the development of gross domestic product and inflation, and is captured in the terminal value.

Key Assumptions and Sensitivities

Key Assumptions: The DCF value of a CGU is sensitive to the earnings projections, to the discount rate (cost of equity) applied and, to a much lesser extent, to the long-term growth rate. The discount rates applied have been determined based on the capital asset pricing model and comprise a risk-free interest rate, a market risk premium and a factor covering the systematic market risk (beta factor). The values for the risk-free interest rate, the market risk premium and the beta factors are determined using external sources of information. CGU-specific beta factors are determined based on a respective group of peer companies. Variations in all of these components might impact the discount rates.

Primary goodwill-carrying cash-generating units

	Discount rate (post-tax)	
	2016	**2015[1]**
Corporate & Investment Banking	8.8%	–
Wealth Management	8.4%	–
Deutsche Asset Management	9.9%	–

1 Comparatives not meaningful as the CGU structure changed in 2016.

Management determined the values for the key assumptions in the following table based on a combination of internal and external analysis. Estimates for efficiency and the cost reduction program are based on progress made to date and scheduled future projects and initiatives.

Primary goodwill-carrying cash-generating unit	Description of key assumptions	Uncertainty associated with key assumptions and potential events/ circumstances that could have a negative effect
Wealth Management	– Strategy continuously informed by market trends and developments, including global wealth creation and concentration, digitalization, aging population and transfer to next generation – Expanding business with high net worth and ultra high net worth clients with strong coverage in selected developed and emerging markets – Building out of global discretionary portfolio management and investment advisory solutions – Optimize benefit from home market leadership in Germany, combined with strong organic growth strategy in Asia/ Pacific and Americas – Maintained or increased market share in the fragmented competitive landscape – Cost savings in light of operating platform optimization – Targeted investment in platform enhancements, investment solutions and digital capabilities	– Major industry threats, i.e., market and exchange rate volatility, sovereign debt burden, increasing costs from compliance of upcoming regulations – Continued low interest rate environment – Investors continue to hold assets out of the markets, retreat to cash or simpler, lower fee products, and reduce trading activity – Business/execution risks, i.e., under achievement of net new money targets from market uncertainty, franchise instability, DB reputation, loss of high quality relationship managers – Difficulties in executing organic growth strategies through certain restrictions, e.g., unable to hire relationship managers, longer product development cycle – Cost savings following efficiency gains and expected IT/process improvements are not realized to the extent planned
Deutsche Asset Management	– Deliver strong investment product performance – Expand product suite in growth areas (e.g., alternatives, multi-asset, passive, ESG investment schemes) while rationalizing non-core strategies – Consistent net new money growth leveraging market share leadership in Germany and the rest of Europe through DWS and continued growth in Asia/Pacific and Americas – Diversification of intermediary coverage toward high growth channels, further deepening of core institutional / insurance relationships and deployment of digital solutions to serve new channels – Further efficiency through improved core operating processes, platform optimization and product rationalization – Anticipated margin compression from regulation (MIFID II)	– Challenging market environment and volatility unfavorable to our investment strategies – Unfavorable margin development and adverse competition levels in key markets and products beyond expected levels – Business/execution risks, e.g., under achievement of net new money targets from market uncertainty, loss of high quality client facing employees, lower than expected efficiency gains – Uncertainty around regulation and its potential implications not yet anticipated – Impact of reputational risks from legacy DB litigations

Primary goodwill-carrying cash-generating unit	Description of key assumptions	Uncertainty associated with key assumptions and potential events/ circumstances that could have a negative effect
Corporate & Investment Banking	– Optimization of clients perimeter through strategic exits and targeted improvement of returns – Maximizing client driven franchise offering a wide suite of investment banking products in Debt and Equity Origination as well as Advisory combined with Trade, Cash and Security Services in transaction banking – Modest economic recovery in Europe while Americas growth expected to benefit from fiscal stimulus and further rate increases – Debt and Equity Origination business expected to continue to build on the positive momentum from the second half of 2016 – Mitigate regulatory driven Capital increases through portfolio management and re-investing to enhance returns – Cost efficiencies driven by ongoing cost and headcount management	– Market environment remains challenging, particularly in Europe – Increase in political risk from upcoming national elections in Europe and the exit process of the U.K. from the European Union – Strategic portfolio optimization and business perimeter decisions may not generate expected revenue growths and client optimization may have more than expected impact on revenues – Further potential margin compression – Decline in costs expected from strategic activities does not materialize in the planned time frame – Slower than anticipated recovery of the world economy and its impact on trade volumes, interest rates and foreign exchange rates

Sensitivities: In order to test the resilience of the recoverable amount, key assumptions used in the DCF model (for example, the discount rate and the earnings projections) are sensitized. Management believes that reasonable possible changes in key assumptions could cause impairment losses in CIB, WM and DeAM, for which the recoverable amounts exceeded the respective carrying amounts by 12 % or € 1.5 billion (CIB), 49 % or € 1.3 billion (WM) and 32 % or € 1.8 billion (DeAM).

Change in certain key assumptions to cause the recoverable to equal the carrying amount

Change in Key Assumptions	CIB	DeAM	WM
Discount rate (post tax) increase from/to	8.8%/9.5%	9.9%/11.3%	8.4%/11.0%
Projected future earnings in each period	(9)%	(34)%	(21)%
Long term growth rates	N/M	N/M	N/M

N/M– Not meaningful, as a rate of 0 % would still lead to a recoverable amount in excess of the carrying amount.

Other Intangible Assets

Changes of other intangible assets by asset classes for the years ended December 31, 2016, and 2015

	Purchased intangible assets								Internally generated intangible assets	Total other intangible assets
	Unamortized			Amortized					Amortized	
in € m.	Retail investment management agreements	Other	Total unamortized purchased intangible assets	Customer-related intangible assets	Value of business acquired	Contract-based intangible assets	Software and other	Total amortized purchased intangible assets	Software	
Cost of acquisition/ manufacture:										
Balance as of January 1, 2015	**951**	**441**	**1,392**	**1,529**	**888**	**720**	**1,025**	**4,162**	**3,715**	**9,269**
Additions	0	0	0	26	0	0	21	47	1,217	1,265
Changes in the group of consolidated companies	0	(3)	(3)	0	0	0	(1)	(1)	(3)	(7)
Disposals	0	0	0	0	0	0	0	0	193	193
Reclassifications from (to) "held for sale"	0	0	0	(42)	0	0	(13)	(55)	0	(55)
Transfers	0	0	0	0	0	0	42	42	(11)	31
Exchange rate changes	110	2	112	45	53	75	39	212	121	446
Balance as of December 31, 2015	**1,061**	**440**	**1,501**	**1,559**	**941**	**795**	**1,112**	**4,407**	**4,846**	**10,755**
Additions	0	0	0	27	0	0	49	76	1,499	1,575
Changes in the group of consolidated companies	0	0	0	(155)	(806)	0	(13)	(974)	0	(975)
Disposals	0	0	0	1	0	0	148	149	123	272
Reclassifications from (to) "held for sale"	0	0	0	0	0	(747)	(203)	(950)	0	(950)
Transfers	0	0	0	0	0	0	65	65	(29)	36
Exchange rate changes	33	0	33	1	(135)	22	9	(103)	42	(28)
Balance as of December 31, 2016	**1,094**	**440**	**1,534**	**1,431**	**0**	**70**	**871**	**2,372**	**6,235**	**10,140**
Accumulated amortization and impairment:										
Balance as of January 1, 2015	**240**	**3**	**243**	**976**	**243**	**343**	**781**	**2,343**	**1,249**	**3,835**
Amortization for the year	0	0	0	87	44	36	45	212	499	710[1]
Changes in the group of consolidated companies	0	(3)	(3)	0	0	0	(1)	(1)	(3)	(7)
Disposals	0	0	0	0	0	0	(1)	(1)	190	189
Reclassifications from (to) "held for sale"	0	0	0	(25)	0	0	(4)	(29)	0	(29)
Impairment losses	0	416	416	397	0	14	16	427	191	1,034[2]
Reversals of impairment losses	0	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	(1)	0	28	27	(24)	3
Exchange rate changes	28	2	30	41	14	35	29	119	61	210
Balance as of December 31, 2015	**268**	**418**	**686**	**1,476**	**300**	**429**	**893**	**3,098**	**1,782**	**5,567**
Amortization for the year	0	0	0	39	37	24	36	136	679	815[3]
Changes in the group of consolidated companies	0	0	0	(155)	(808)	0	(15)	(978)	(10)	(988)
Disposals	0	0	0	1	0	0	146	147	99	246
Reclassifications from (to) "held for sale"	0	0	0	0	0	(359)	(94)	(453)	0	(453)
Impairment losses	0	6	6	0	515	0	0	515	60	580[4]
Reversals of impairment losses	0	0	0	0	0	39	10	49	0	49[5]
Transfers	0	0	0	3	0	0	45	48	(20)	28
Exchange rate changes	8	0	8	1	(43)	10	6	(26)	26	7
Balance as of December 31, 2016	**276**	**424**	**700**	**1,363**	**0**	**65**	**715**	**2,143**	**2,418**	**5,261**
Carrying amount:										
As of December 31, 2015	**793**	**22**	**815**	**83**	**641**	**367**	**218**	**1,309**	**3,064**	**5,188**
As of December 31, 2016	**818**	**15**	**833**	**68**	**0**	**5**	**156**	**229**	**3,817**	**4,879**

1 The € 710 million were included in general and administrative expenses.

2 Of which € 843 million were included in impairment of goodwill and other intangible assets, consisting of impairments of unamortized trademark intangible assets (€ 416 million) as well as amortized customer-related (€ 397 million), contract-based (€ 14 million) and trademark (€ 16 million) intangible assets. Furthermore, € 191 million of impairments related to self-developed software, which were recorded in general and administrative expenses.
3 The € 815 million were included in general and administrative expenses.
4 Of which € 521 million were included in impairment of goodwill and other intangible assets, consisting of impairments of an unamortized trademark intangible asset (€ 6 million) as well as the write-off of the Value of business acquired (VOBA; € 515 million). Furthermore, € 60 million of impairments related to self-developed software, which were recorded in general and administrative expenses.
5 € 49 million were recorded as reversal of a prior year's impairment related to the sale of Maher Terminals LLC (NCOU) and are included under impairment of goodwill and other intangible assets.

Amortizing Intangible Assets

In 2016, amortizing other intangible assets decreased by a net € 327 million. Main components of this development included increases due to additions to internally generated intangible assets of € 1.5 billion, which represent the capitalization of expenses incurred in conjunction with the Group's development of own-used software. These were offset by amortization expenses of € 815 million, mostly related to the scheduled asset consumption of self-developed software (€ 679 million), and impairment charges of € 580 million, mainly reflecting the write-off of the value of business acquired (VOBA; € 515 million) as a consequence of the Abbey Life disposal (Deutsche AM). Furthermore, the reassessment of current platform software as well as software under construction, led to the writedown of self-developed software (€ 60 million). In advance of the sale of the NCOU legacy investment in Maher Terminals' Port Elizabeth operation in the fourth quarter 2016, its reclassification to the held-for-sale category in the third quarter 2016 had led to a net reduction of € 497 million in contract-based and trade name other intangible assets.

During 2015, the main changes in amortizing other intangible assets included additions to internally generated intangible assets of € 1.2 billion, which represent the capitalization of expenses incurred in conjunction with the Group's activities related to the development of own-used software. On the other hand and as a result of the reassessment of current platform software as well as software under construction, the Group recorded impairments of self-developed software of € 191 million. On April 27, 2015, Deutsche Bank announced its new strategic roadmap, in which the sale of Postbank is an integral part. The Group's further updating of its new strategy constituted a triggering event upon which goodwill and all other non-financial assets included in the former CGU PBC had to be tested for impairment. The valuation performed in the third quarter 2015 on the new strategic plan resulted in an impairment of the former CGU PBC. After allocation of the impairment to fully write-off the former PBC goodwill (€ 2.8 billion; see section 'Changes in Goodwill' above for its restatement to CGUs under the new segment structure in 2016), an impairment loss of € 837 million related to other intangible assets within the former CGU PBC was recognized (of which € 834 million related to the Postbank CGU), reflecting the change in strategic intent and the expected deconsolidation of Postbank. The impairment was based on a fair value less costs of disposal model (Level 3 of the fair value hierarchy). Of that impairment amount, € 427 million related to amortizing intangible assets, mainly comprising write-offs of customer-related intangible assets (€ 397 million), BHW trademark intangibles (€ 16 million) and contract-based intangible assets (€ 14 million). The remainder was allocated to write-off the unamortizing Postbank trademark intangible asset (€ 410 million; see below).

In 2014, impairments of € 146 million recorded on purchased other intangible assets were largely attributable to Maher Terminals LLC (NCOU; thereof € 116 million on lease rights ('contract-based') and € 29 million on trade mark ('software and others')), following the continued negative outlook for container and business volumes. The impairment of self-developed software of € 48 million was largely a result of the reassessment of current platform software under the OpEx Program.

Other intangible assets with finite useful lives are generally amortized over their useful lives based on the straight-line method.

Useful lives of other amortized intangible assets by asset class

	Useful lives in years
Internally generated intangible assets:	
Software	up to 10
Purchased intangible assets:	
Customer-related intangible assets	up to 20
Contract-based intangible assets	up to 8
Other	up to 80

Unamortized Intangible Assets

Within this asset class, the Group recognizes certain contract-based and marketing-related intangible assets, which are deemed to have an indefinite useful life.

In particular, the asset class comprises the below detailed investment management agreements related to retail mutual funds and certain trademarks. Due to the specific nature of these intangible assets, market prices are ordinarily not observable and, therefore, the Group values such assets based on the income approach, using a post-tax DCF-methodology.

Retail investment management agreements: These assets, amounting to € 818 million, relate to the Group's U.S. retail mutual fund business and are allocated to the Deutsche AM CGU. Retail investment management agreements are contracts that give DWS Investments the exclusive right to manage a variety of mutual funds for a specified period. Since these contracts are easily renewable, the cost of renewal is minimal, and they have a long history of renewal, these agreements are not expected to have a foreseeable limit on the contract period. Therefore, the rights to manage the associated assets under management are expected to generate cash flows for an indefinite period of time. This intangible asset was recorded at fair value based upon a valuation provided by a third party at the date of the Group's acquisition of Zurich Scudder Investments, Inc. in 2002.

The recoverable amount of the asset of € 818 million was calculated as fair value less costs of disposal using the multi-period excess earnings method and the fair value measurement was categorized as Level 3 in the fair value hierarchy. The key assumptions in determining the fair value less costs of disposal include the asset mix, the flows forecast and the effective fee rate. The discount rates (cost of equity) applied in the calculation were 10.7 % in 2016 and 11.0 % in 2015. The reviews of the valuation for the years 2016 and 2015 neither resulted in any impairment nor a reversal of prior impairments. In 2014, a reversal of impairment of € 84 million was recognized and recorded in impairment of goodwill and other intangible assets in the income statement, mainly due to a positive flows forecast on the back of a strengthening franchise, a favorable asset mix and a decrease in the discount rate.

Trademarks: The other unamortized intangible assets included the Postbank (allocated to CGU Postbank) and the Sal. Oppenheim (allocated to CGU Deutsche AM) trademarks, which were both acquired in 2010. The Postbank trademark was initially recognized in 2010 at € 382 million. In finalizing the purchase price allocation in 2011, the fair value of the Postbank trademark increased to € 410 million. The Sal. Oppenheim trademark was recognized at € 27 million. Since both trademarks were expected to generate cash flows for an indefinite period of time, they were classified as unamortized intangible assets. Both trademarks were recorded at fair value at the acquisition date, based on third party valuations. The recoverable amounts were calculated as the fair value less costs of disposal of the trademarks based on the income approach using the relief-from-royalty method. Reflecting the change in strategic intent and the expected deconsolidation of Postbank, the Postbank trademark (€ 410 million) was fully written off in the third quarter 2015. Following a review of the valuation model for the Sal. Oppenheim trademark, a write-down of € 6 million was recorded in the fourth quarter 2015. The discontinuation of its use outside the German market led to a further write-down of € 6 million recorded in the fourth quarter 2016.

27 – Non-Current Assets and Disposal Groups Held for Sale

Within the balance sheet, non-current assets and disposal groups held for sale are included in other assets and other liabilities.

in € m.	Dec 31, 2016	Dec 31, 2015
Cash, due and deposits with banks, Central bank funds sold and securities purchased under resale agreements	243	0
Trading assets, Derivatives, Financial assets designated at fair value through P&L	30	0
Financial assets available for sale	29	0
Loans	46	28
Property and equipment	174	43
Other assets	42	3,420
Total assets classified as held for sale	**563**	**3,491**
Deposits, Central bank funds purchased and securities sold under resale agreements	570	0
Trading liabilities, Derivatives, Financial liabilities designated at fair value through P&L	29	0
Long-term debt	0	0
Other liabilities	102	37
Total liabilities classified as held for sale	**701**	**37**

As of December 31, 2016 and December 31, 2015, unrealized net gains of € 0 million and € 662 million, respectively, relating to non-current assets classified as held for sale were recognized directly in accumulated other comprehensive income (loss) (net of tax).

Maher Terminals, Port Elizabeth

On April 15, 2016, the Group announced that it had reached an agreement with Macquarie Infrastructure Partners III ("MIP III"), a fund managed by Macquarie Infrastructure and Real Assets ("MIRA"), to sell Maher Terminals USA, LLC ("Maher Terminals"), a multi-user container terminal in Port Elizabeth, New Jersey. Under the transaction, MIP III agreed to acquire 100 % of Maher Terminals, subject to regulatory approvals. Following on from further progress made in the third quarter 2016, as of September 30, 2016, Maher Terminals had been classified as a disposal group held for sale. The reclassification did not result in an impairment loss. Prior to its reclassification, Maher Terminals had been accounted for as a consolidated legacy investment held within the NCOU. The sale was successfully completed on November 16, 2016.

Abbey Life

On September 28, 2016, Deutsche Bank announced that it had reached an agreement with Phoenix Life Holdings Limited ("Phoenix Life"), a subsidiary of Phoenix Group Holdings ("Phoenix Group"), to sell its Abbey Life business (Abbey Life Assurance Company Limited, Abbey Life Trustee Services Limited and Abbey Life Trust Securities Limited) which were held within Deutsche AM. Under the terms of the transaction, Phoenix Life agreed to acquire 100 % of the Abbey Life business for a purchase price, net of certain adjustments, of GBP 933 million (€ 1,087 million, based on year-end exchange rate) and an indemnity protection for up to GBP 175 million covering for a period of up to 8 years for potential outcomes in relation to an impending review by the Financial Conduct Authority (FCA).

The transaction was subject to regulatory approvals including that of the Prudential Regulatory Authority (PRA), as well as to a vote of the shareholders of Phoenix Group and the completion of a rights issue by Phoenix Group to fund the transaction. With Phoenix Group shareholders voting to approve the transaction on October 24, 2016 and the rights issue completed on November 8, 2016, Phoenix Group announced on December 13, 2016 that the PRA had given its consent to the acquisition of Abbey Life. Closing of the transaction has occurred on December 30, 2016. Accordingly, the Abbey Life entities were deconsolidated from the Group's balance sheet at year-end 2016.

With the above requirements fulfilled and prior to the closing date of the transaction, the Abbey Life entities became subject to the held-for-sale accounting rules. Therefore and immediately before its initial classification as held-for-sale, the disposal group, which also contained intangible assets of € 1,015 million (comprised of goodwill of € 500 million allocated from the disposing cash-generating unit Deutsche AM as well as the VOBA of € 515 million (value of business acquired; see Note 26 "Goodwill and Other Intangible Assets")), was initially measured and recognized in accordance with applicable accounting rules. A comparison of the fair value less costs to sell and net assets of the disposal group resulted in an initial impairment of € 1,015 million recorded in Deutsche AM's segment P&L of the fourth quarter 2016 as an Impairment of goodwill and other intangible assets.

Upon closing of the sale, cumulative losses of € 49 million stemming from the termination of the Abbey Life business' cash flow hedge program, which were previously a component of other comprehensive income, were released to profit or loss. This was offset by other income items leading to € 72 million of net positive revenues as a result of the sale. Together with the € 1,015 million intangibles impairment already recognized, in the fourth quarter 2016, the Group recorded an overall pre-tax loss on the transaction of € 943 million.

The sale has a net positive capital impact upon closing of the transaction and has improved Deutsche Bank's Common Equity Tier 1 capital ratio (CRR/CRD 4 fully loaded) as of December 31, 2016 by approximately 10 basis points. The transaction does not have a material impact on Deutsche Bank's Available Distributable Items.

Sal. Oppenheim's Luxembourg-based asset servicing business

On December 22, 2016, Deutsche Bank announced that it has reached an agreement to sell its fund administration and custody business of Sal. Oppenheim Luxembourg to private bank Hauck & Aufhäuser. Accordingly, the balance sheet of the related business, which is held in Deutsche AM, was classified as a disposal group held for sale. The revaluation of the disposal group resulted in an impairment loss of € 34 million recorded in Other income of the fourth quarter 2016. The completion of the transaction, which comprises the sale of two Luxemburg entities and its staff, is subject to customary closing conditions and regulatory approvals and is expected to close within twelve months.

Disposals in 2016

Division	Disposal	Financial impact[1]	Date of the disposal
Private, Wealth & Commercial Clients	On December 28, 2015, Deutsche Bank had agreed to sell its entire 19.99 % stake in Hua Xia Bank Company Limited ("Hua Xia") to PICC Property and Casualty Company Limited ("PICC Property & Casualty"). Accordingly and as of year-end 2015, the equity method investment in Hua Xia of € 3.3 billion was reclassified to the held-for-sale category. The completion of the transaction was subject to customary closing conditions and regulatory approvals, including that of the China Banking Regulatory Commission, which granted its approval for PICC Property and Casualty in the fourth quarter 2016 to acquire Deutsche Bank's stake in Hua Xia.	Due to revaluation of the held-for-sale investment and up until its disposal in the fourth quarter 2016, the Group recorded revaluation losses of € 122 million during 2016 on the non-current asset, marking it down to € 3.1 billion. The revaluation losses recorded in other income were largely a result of the decline in the share price of Hua Xia and an adverse exchange rate development. Due to the agreed consideration for the Hua Xia stake, other transaction-related effects partly compensated the decline in the share price. In addition, accumulated other comprehensive income of € 662 million related to the investment was reclassified to the income statement. The overall transaction related net gain in 2016 amounted to € 624 million.	Fourth quarter 2016
Private, Wealth & Commercial Clients	Deutsche Bank completed the previously announced definitive agreement to sell its U.S. Private Client Services (PCS) business to Raymond James Financial, Inc. as of September 6, 2016.	None	Third quarter 2016
Deutsche Asset Management	In August 2015, Deutsche Bank had announced that it has entered into an agreement to sell its Indian asset management business to Pramerica Asset Managers Pvt. Ltd. In March 2016, all regulatory approvals have been obtained and the sale was completed.	None	First quarter 2016.

1 Impairment losses and reversals of impairment losses are included in Other income.

Non-Current Assets and Disposal Groups Held for Sale as of December 31, 2015

Division	Non-current assets and disposal groups held for sale	Financial impact[1]	Additional information
Private, Wealth & Commercial Clients	On December 28, 2015, Deutsche Bank had agreed to sell its entire 19.99 % stake in Hua Xia Bank Company Limited („Hua Xia“) to PICC Property and Casualty Company Limited. Accordingly and as of year-end 2015, the equity method investment in Hua Xia of € 3.3 billion was reclassified to the held-for-sale category.	Prior to its reclassification, Hua Xia had been accounted for as an associate under the equity method of accounting. The revaluation of the equity method investment to its fair value (quoted market price less costs of disposal in an active market (level 1)) resulted in a partial reversal of € 162 million from the initial impairment amount of € 649 million recorded during the third quarter 2015. Accordingly, the net impairment of € 487 million was recorded in former PBC and reported under Net income (loss) from equity method investments. The agreement to sell the stake in Hua Xia combined with the share price development resulted in an overall net loss of € 697 million in total.	Fourth quarter 2015
Private, Wealth & Commercial Clients	In line with the Bank's agenda to focus on strategic priorities, the Group announced that it has entered into a definitive asset purchase agreement to sell its U.S. Private Client Services unit ("PCS") to Raymond James Financial, Inc.	None	Fourth quarter 2015

1 Impairment losses and reversals of impairment losses are included in Other income.

Disposals in 2015

Division	Disposal	Financial impact[1]	Date of the disposal
Non-Core Operations Unit	In the first quarter 2015, the Group classified its investment in the Fairview Container Terminal in Port of Prince Rupert, Canada, which is a segment of Maher Terminals, a multi-user container terminal operator, as a disposal group held for sale. Under the disposal transaction, DP World, a Dubai-based marine terminal operator, agreed to acquire 100 % of the Fairview Container Terminal for a consideration of € 391 million (CAD 580 million).	None.	Third quarter 2015
Infrastructure	Piecemeal sale of parts of the Group's wholesale banking information technology (IT) infrastructure to Hewlett Packard.	None in 2015.	Second quarter 2015

1 Impairment losses and reversals of impairment losses are included in Other income.

28 — Other Assets and Other Liabilities

in € m.	Dec 31, 2016	Dec 31, 2015
Other assets:		
Brokerage and securities related receivables		
Cash/margin receivables	57,924	60,421
Receivables from prime brokerage	9,859	10,575
Pending securities transactions past settlement date	6,409	4,221
Receivables from unsettled regular way trades	30,908	19,722
Total brokerage and securities related receivables	105,100	94,939
Accrued interest receivable	2,433	2,649
Assets held for sale	563	3,491
Other	17,950	17,058
Total other assets	**126,045**	**118,137**

in € m.	Dec 31, 2016	Dec 31, 2015
Other liabilities:		
Brokerage and securities related payables		
Cash/margin payables	70,706	71,161
Payables from prime brokerage	20,155	40,854
Pending securities transactions past settlement date	2,668	3,847
Payables from unsettled regular way trades	28,490	18,776
Total brokerage and securities related payables	122,019	134,637
Accrued interest payable	2,712	2,607
Liabilities held for sale	701	37
Other	30,008	37,725
Total other liabilities	**155,440**	**175,005**

For further details on the assets and liabilities held for sale please refer to Note 27 "Non-Current Assets and Disposal Groups Held for Sale".

29 — Deposits

in € m.	Dec 31, 2016	Dec 31, 2015
Noninterest-bearing demand deposits	200,122	192,010
Interest-bearing deposits		
Demand deposits	129,654	153,559
Time deposits	130,299	124,196
Savings deposits	90,129	97,210
Total interest-bearing deposits	350,082	374,964
Total deposits	**550,204**	**566,974**

30 – Provisions

Movements by Class of Provisions

in € m.	Home Savings Business	Operational Risk	Civil Litigations	Regulatory Enforcement	Re-structuring	Mortgage Repurchase Demands	Other[1]	Total
Balance as of January 1, 2015	**1,150**	**422**	**761**	**2,448**	**120**	**669**	**880**	**6,450**
Changes in the group of consolidated companies	0	0	0	0	0	0	2	2
New provisions	316	170	1,296	4,067	688	16	915	7,468
Amounts used	301	17	562	2,504	118	123	554	4,179
Unused amounts reversed	1	289	112	69	40	231	380	1,121
Effects from exchange rate fluctuations/ Unwind of discount	(32)	18	38	119	1	78	39	261
Transfers	0	12	(4)	(13)	4	0	21	20
Balance as of December 31, 2015	**1,132**	**315**	**1,418**	**4,048**	**656**	**409**	**922**	**8,900**
Changes in the group of consolidated companies	0	(0)	0	0	(8)	0	(66)	(74)
New provisions	213	123	1,192	1,616	535	25	582	4,286
Amounts used	213	23	403	82	333	273	545	1,872
Unused amounts reversed	37	93	278	34	110	10	131	693
Effects from exchange rate fluctuations/ Unwind of discount	(36)	0	12	84	4	13	5	82
Transfers	0	(13)	72	(24)	(1)	0	(31)	3
Balance as of December 31, 2016	**1,059**	**309**	**2,014**	**5,607**	**741**	**164**	**735**	**10,629**

1 For the remaining portion of provisions as disclosed on the consolidated balance sheet, please see Note 21 "Allowance for Credit Losses", in which allowances for credit related off-balance sheet positions are disclosed.

Classes of Provisions

Home Savings provisions arise out of the home savings business of Deutsche Postbank Group and Deutsche Bank Bauspar-Aktiengesellschaft. In home savings, a customer enters into a building loan agreement, whereby the customer becomes entitled to borrow on a building loan once the customer has on deposit with the lending bank a targeted amount of money. In connection with the building loan agreement, arrangement fees are charged and interest is paid on deposited amounts at a rate that is typically lower than that paid on other bank deposits. In the event the customer determines not to make the borrowing, the customer becomes entitled to a retroactive interest bonus, reflecting the difference between the low contract savings interest rate and a fixed interest rate, currently substantially above market rate. The home savings provision relates to the potential interest bonus and arrangement fee reimbursement liability. The model for the calculation of the potential interest bonus liability includes parameters for the percentage of customer base impacted, applicable bonus rate, customer status and timing of payment. Other factors impacting the provision are available statistical data relating to customer behavior and the general environment likely to affect the business in the future.

Operational provisions arise out of operational risk and exclude civil litigation and regulatory enforcement provisions, which are presented as separate classes of provisions.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The definition used for the purposes of determining operational provisions differs from the risk management definition, as it excludes risk of loss resulting from civil litigations or regulatory enforcement matters. For risk management purposes, operational risk includes legal risk, as payments to customers, counterparties and regulatory bodies in civil litigations or regulatory enforcement matters constitute loss events for operational shortcomings, but excludes business and reputational risk.

Civil Litigation provisions arise out of current or potential claims or proceedings alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may result in demands from customers, counterparties or other parties in civil litigations.

Regulatory Enforcement provisions arise out of current or potential claims or proceedings alleging non-compliance with legal or regulatory responsibilities, which have resulted or may result in an assessment of fines or penalties by governmental regulatory agencies, self regulatory organizations or other enforcement authorities.

Restructuring provisions arise out of restructuring activities. The Group aims to enhance its long-term competitiveness through major reductions in costs, duplication and complexity in the years ahead. For details see Note 10 "Restructuring".

Mortgage Repurchase Demands provisions arise out of Deutsche Bank's U.S. residential mortgage loan business. From 2005 through 2008, as part of Deutsche Bank's U.S. residential mortgage loan business, Deutsche Bank sold approximately U.S.$ 84 billion of private label securities and U.S.$ 71 billion of loans through whole loan sales. Deutsche Bank has been presented with demands to repurchase loans from purchasers, investors and financial insurers based on alleged material breaches of representations and warranties or to indemnify such persons with respect to losses allegedly caused thereby. Deutsche Bank's general practice is to process valid repurchase demands that are presented in compliance with contractual rights.

As of December 31, 2016, Deutsche Bank has approximately U.S.$ 847 million of mortgage repurchase demands outstanding and not subject to agreements to rescind (based on original principal balance of the loans). These demands consist primarily of demands made in respect of private label securitizations by the trustees or servicers thereof. Against these outstanding demands, Deutsche Bank recorded provisions of U.S.$ 173 million (€ 164 million) as of December 31, 2016. Deutsche Bank is the beneficiary of indemnity agreements from the originators or sellers of certain of the mortgage loans subject to these demands, with respect to which Deutsche Bank has recognized receivables of U.S.$ 64 million (€ 61 million) as of December 31, 2016. The net provisions against these demands following deduction of such receivables were U.S.$ 109 million (€ 103 million) as of December 31, 2016.

As of December 31, 2016, Deutsche Bank has completed repurchases, obtained agreements to rescind, settled or rejected as untimely claims on loans with an original principal balance of approximately U.S.$ 8.8 billion. In connection with those repurchases, agreements and settlements, Deutsche Bank has obtained releases for potential claims on approximately U.S.$ 98.1 billion of loans sold by Deutsche Bank as described above.

Additional mortgage repurchase demands may be made in respect of mortgage loans that Deutsche Bank has sold, but Deutsche Bank cannot reliably estimate their timing or amount. On June 11, 2015, the New York Court of Appeals issued a ruling affirming dismissal of mortgage repurchase claims asserted in litigation relating to a residential mortgage-backed security issued by Deutsche Bank on the grounds that the action was not timely commenced. The Court held that the repurchase claims, which alleged breaches of contractual representations and warranties pertaining to the loans at issue, accrued as of the closing date of the securitization and, thus, were time-barred under New York's six-year statute of limitations. This and related decisions could impact the extent to which future repurchase demands are made to Deutsche Bank and the likelihood of success of any such claims.

Deutsche Bank did not act as servicer for the loans sold to third parties as whole loans (which constitute almost half of all U.S. residential mortgage loans sold from 2005 through 2008) and, once sold, Deutsche Bank ceased to have access to information about their performance. While loan performance is publicly available on the mortgage loans that Deutsche Bank securitized, no direct correlation has been observed between their performance and repurchase demands received. Demands have been received on loans that have defaulted, as well as loans that are current and loans that have been repaid in full.

Other provisions include several specific items arising from a variety of different circumstances, including the provision for the reimbursement of loan processing fees, deferred sales commissions and provisions for bank levies.

Provisions and Contingent Liabilities

The Group recognizes a provision for potential loss only when there is a present obligation arising from a past event that is probable to result in an economic outflow that can be reliably estimated. Where a reliable estimate cannot be made for such an obligation, no provision is recognized and the obligation is deemed a contingent liability. Contingent liabilities also include possible obligations for which the possibility of future economic outflow is more than remote but less than probable. Where a provision has been taken for a particular claim, no contingent liability is recorded; for matters or sets of matters consisting of more than one claim, however, provisions may be recorded for some claims, and contingent liabilities (or neither a provision nor a contingent liability) may be recorded for others.

The Group operates in a legal and regulatory environment that exposes it to significant litigation risks. As a result, the Group is involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, including the United States. In recent years, regulation and supervision in a number of areas have 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 and enforcement actions which are often followed by civil litigation. This trend has accelerated markedly as a result of the global financial crisis and the European sovereign debt crisis.

In determining for which of the claims the possibility of a loss is probable, or less than probable but more than remote, and then estimating the possible loss for those claims, the Group takes into consideration a number of factors, including but not limited to the nature of the claim and its underlying facts, the procedural posture and litigation history of each case, rulings by the courts or tribunals, the Group's experience and the experience of others in similar cases (to the extent this is known to the Group), prior settlement discussions, settlements by others in similar cases (to the extent this is known to the Group), available indemnities and the opinions and views of legal counsel and other experts.

The provisions the Group has recognized for civil litigation and regulatory enforcement matters as of December 31, 2016 and December 31, 2015 are set forth in the table above. For some matters for which the Group believes an outflow of funds is probable, no provisions were recognized as the Group could not reliably estimate the amount of the potential outflow.

For the matters for which a reliable estimate can be made, the Group currently estimates that, as of December 31, 2016, the aggregate future loss of which the possibility is more than remote but less than probable is approximately € 1.5 billion for civil litigation matters (December 31, 2015: € 1.4 billion) and € 0.8 billion for regulatory enforcement matters (December 31, 2015: € 1.0 billion). These figures include matters where the Group's potential liability is joint and several and where the Group expects any such liability to be paid by a third party. For other significant civil litigation and regulatory enforcement matters, the Group believes the possibility of an outflow of funds is more than remote but less than probable but the amount is not reliably estimable, and accordingly such matters are not included in the contingent liability estimates. For still other significant civil litigation and regulatory enforcement matters, the Group believes the possibility of an outflow of funds is remote and therefore has neither recognized a provision nor included them in the contingent liability estimates.

This estimated possible loss, as well as any provisions taken, is based upon currently available information and is subject to significant judgment and a variety of assumptions, variables and known and unknown uncertainties. These uncertainties may include inaccuracies in or incompleteness of the information available to the Group, particularly at the preliminary stages of matters, and assumptions by the Group as to future rulings of courts or other tribunals or the likely actions or positions taken by regulators or adversaries may prove incorrect. Moreover, estimates of possible loss for these matters are often not amenable to the use of statistical or other quantitative analytical tools frequently used in making judgments and estimates, and are subject to even greater degrees of uncertainty than in many other areas where the Group must exercise judgment and make estimates. The estimated possible loss, as well as any provisions taken, can be and often are substantially less than the amount initially requested by regulators or adversaries or the maximum potential loss that could be incurred were the matters to result in a final adjudication adverse to the Group. Moreover, in several regions in which the Group operates, an adversary often is not required to set forth the amount it is seeking, and where it is, the amount may not be subject to the same requirements that generally apply to pleading factual allegations or legal claims.

The matters for which the Group determines that the possibility of a future loss is more than remote will change from time to time, as will the matters as to which a reliable estimate can be made and the

estimated possible loss for such matters. Actual results may prove to be significantly higher or lower than the estimate of possible loss in those matters where such an estimate was made. In addition, loss may be incurred in matters with respect to which the Group believed the likelihood of loss was remote. In particular, the estimated aggregate possible loss does not represent the Group's potential maximum loss exposure for those matters.

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

Current Individual Proceedings

Set forth below are descriptions of civil litigation and regulatory enforcement matters or groups of matters for which the Group has taken material provisions, or for which there are material contingent liabilities that are more than remote, or for which there is the possibility of material business or reputational risk; similar matters are grouped together and some matters consist of a number of proceedings or claims. The disclosed matters include matters for which the possibility of a loss is more than remote but for which the Group cannot reliably estimate the possible loss.

Esch Funds Litigation. Sal. Oppenheim jr. & Cie. AG & Co. KGaA ("Sal. Oppenheim") was prior to its acquisition by Deutsche Bank in 2010 involved in the marketing and financing of participations in closed end real estate funds. These funds were structured as Civil Law Partnerships under German law. Usually, Josef Esch Fonds-Projekt GmbH performed the planning and project development. Sal. Oppenheim held an indirect interest in this company via a joint-venture. In relation to this business a number of civil claims have been filed against Sal. Oppenheim. Some but not all of these claims are also directed against former managing partners of Sal. Oppenheim and other individuals. The claims brought against Sal. Oppenheim relate to investments of originally approximately € 1.1 billion. After certain claims have either been dismissed or settled, claims relating to investments of originally approximately € 330 million are still pending. Currently, the aggregate amounts claimed in the pending proceedings are approximately € 390 million. The investors are seeking to unwind their fund participation and to be indemnified against potential losses and debt related to the investment. The claims are based in part on an alleged failure of Sal. Oppenheim to provide adequate information on related risks and other material aspects important for the investors' decision. Based on the facts of the individual cases, some courts have decided in favor and some against Sal. Oppenheim. Appeals are pending. The Group has recorded provisions and contingent liabilities with respect to these cases but has not disclosed the amounts thereof because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

FX Investigations and Litigations. Deutsche Bank has received requests for information from certain regulatory and law enforcement agencies globally who are investigating trading in, and various other aspects of, the foreign exchange market. Deutsche Bank is cooperating with these investigations. Relatedly, Deutsche Bank has conducted its own internal global review of foreign exchange trading and other aspects of its foreign exchange business.

On October 19, 2016, the U.S. Commodity Futures Trading Commission, Division of Enforcement ("CFTC") issued a letter ("CFTC Letter") notifying Deutsche Bank that the CFTC "is not taking any further action at this time and has closed the investigation of Deutsche Bank" regarding foreign exchange. As is customary, the CFTC Letter states that the CFTC "maintains the discretion to decide to reopen the investigation at any time in the future." The CFTC Letter has no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending.

On December 7, 2016, it was announced that Deutsche Bank has reached an agreement with CADE, the Brazilian antitrust enforcement agency, to settle an investigation into conduct in the foreign exchange market by a former Brazil-based Deutsche Bank trader. This has had the effect of bringing to a close CADE's administrative process as far as it relates to Deutsche Bank.

On February 13, 2017, the United States Department of Justice ("DOJ"), Criminal Division, Fraud Section, issued a letter ("DOJ Letter") notifying Deutsche Bank that the DOJ has closed its criminal inquiry "concerning possible violations of federal criminal law in connection with the foreign exchange markets." As is customary, the DOJ Letter states that the DOJ may reopen its inquiry if it obtains additional information or evidence regarding the inquiry. The DOJ Letter has no binding impact on other regulatory and law enforcement agency investigations regarding Deutsche Bank's foreign exchange trading and practices, which remain pending.

Investigations conducted by certain other regulatory and law enforcement agencies are ongoing and Deutsche Bank is cooperating with these investigations.

Deutsche Bank also has been named as a defendant in multiple putative class actions brought in the U.S. District Court for the Southern District of New York alleging antitrust and U.S. Commodity Exchange Act claims relating to the alleged manipulation of foreign exchange rates. The complaints in the class actions do not specify the damages sought. On January 28, 2015, the federal court overseeing the class actions granted the motion to dismiss with prejudice in two actions involving non-U.S. plaintiffs while denying the motion to dismiss in one action involving U.S. plaintiffs then pending. Additional actions have been filed since the court's January 28, 2015 order. There are now four actions pending. The first pending action is a consolidated action brought on behalf of a putative class of over-the-counter traders and a putative class of central-exchange traders, who are domiciled in or traded in the United States or its territories, and alleges illegal agreements to restrain competition with respect to and to manipulate both benchmark rates and spot rates, particularly the spreads quoted on those spot rates; the complaint further alleges that those supposed conspiracies, in turn, resulted in artificial prices on centralized exchanges for foreign exchange futures and options. Deutsche Bank's motion to dismiss the consolidated action was granted in part and denied in part on September 20, 2016. A second action tracks the allegations in the consolidated action and asserts that such purported conduct gave rise to, and resulted in a breach of, defendants' fiduciary duties under the U.S. Employment Retirement Income Security Act of 1974 (ERISA). The third putative class action was filed in the same court on December 21, 2015, by Axiom Investment Advisors, LLC alleging that Deutsche Bank rejected FX orders placed over electronic trading platforms through the application of a function referred to as "Last Look" and that these orders were later filled at prices less favorable to putative class members (the "Last Look" action). Plaintiff has asserted claims for breach of contract, quasi-contractual claims, and claims under New York statutory law. Filed on September 26, 2016, the fourth putative class action (the "Indirect Purchasers" action) tracks the allegations in the consolidated action and asserts that such purported conduct injured "indirect purchasers" of FX instruments. These claims are brought pursuant to the Sherman Act, New York's Donnelly Act, California's Cartwright Act and California's Unfair Competition Law.

On August 24, 2016, the Court granted defendants' motion to dismiss the ERISA action. Plaintiffs in that action filed an appellate brief in the United States Court of Appeals for the Second Circuit on January 9, 2017. On February 14, 2017, the court granted in part and denied in part Deutsche Bank's motion to dismiss the Last Look action. Deutsche Bank moved to dismiss the Indirect Purchasers action on January 24, 2017. Discovery has commenced in the consolidated and Last Look actions. Discovery has not yet commenced in the ERISA and Indirect Purchasers actions.

Deutsche Bank also has been named as a defendant in two Canadian class proceedings brought in the provinces of Ontario and Quebec. Filed on September 10, 2015, these class actions assert factual allegations similar to those made in the consolidated action in the United States and seek damages pursuant to the Canadian Competition Act as well as other causes of action.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

Interbank Offered Rates Matters. *Regulatory and Law Enforcement Matters.* Deutsche Bank has received requests for information from various regulatory and law enforcement agencies, including various U.S. state attorneys general, in connection with industry-wide investigations concerning the setting of the London Interbank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Tokyo Interbank Offered Rate (TIBOR) and other interbank offered rates. Deutsche Bank is cooperating with these investigations.

As previously reported, Deutsche Bank 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, Deutsche Bank agreed to pay € 725 million in total. This fine has been paid in full and does not form part of the Bank's provisions.

Also as previously reported, on April 23, 2015, Deutsche Bank entered into separate settlements with the U.S. Department of Justice (DOJ), the U.S. Commodity Futures Trading Commission (CFTC), the U.K. Financial Conduct Authority (FCA), and the New York State Department of Financial Services (DFS) to resolve investigations into misconduct concerning the setting of LIBOR, EURIBOR, and TIBOR. Under the terms of these agreements, Deutsche Bank agreed to pay penalties of U.S.$ 2.175 billion to the DOJ, CFTC and DFS and GBP 226.8 million to the FCA. These fines have been paid in full and do not form part of the Bank's provisions, save for U.S.$ 150 million that is payable to the DOJ, subject to court approval (currently scheduled for March 28, 2017), following the sentencing of DB Group Services (UK) Ltd. (an indirectly-held, wholly-owned subsidiary of Deutsche Bank) in connection with its guilty plea to one count of wire fraud. As

part of the resolution with the DOJ, Deutsche Bank entered into a Deferred Prosecution Agreement with a three year term pursuant to which it agreed (among other things) to the filing of an Information in the U.S. District Court for the District of Connecticut charging Deutsche Bank with one count of wire fraud and one count of price fixing in violation of the Sherman Act.

On November 29, 2016, the U.S. Securities and Exchange Commission staff informed Deutsche Bank that it has concluded its IBOR investigation and that it does not intend to recommend an enforcement action by the Commission.

On December 21, 2016, the Swiss Competition Commission, WEKO, formally announced its IBOR-related settlement decisions addressing various banks, including Deutsche Bank AG, relating to EURIBOR and Yen LIBOR. Deutsche Bank will be required to pay a fine of CHF 5.0 million with respect to Yen Libor and approximately CHF 0.4 million for WEKO's fees. Deutsche Bank received full immunity from fines for EURIBOR in return for being the first party to notify such conduct to WEKO. The settlement amount is already fully reflected in the existing litigation provisions.

As reported above, Deutsche Bank is subject to an inquiry by a working group of U.S. state attorneys general in relation to the setting of LIBOR, EURIBOR, and TIBOR. The Bank continues to cooperate with the U.S. state attorneys generals' inquiry.

Other investigations of Deutsche Bank concerning the setting of various interbank offered rates remain ongoing, and Deutsche Bank remains exposed to further action. The Group has not disclosed whether it has established a provision or contingent liability with respect to the remaining investigations because it has concluded that such disclosure can be expected to seriously prejudice their outcome.

Overview of Civil Litigations. Deutsche Bank is party to 47 civil actions concerning alleged manipulation relating to the setting of various Interbank Offered Rates which are described in the following paragraphs. Most of the civil actions, including putative class actions, are pending in the U.S. District Court for the Southern District of New York (SDNY), against Deutsche Bank and numerous other defendants. All but six of the civil actions were filed on behalf of parties who allege losses as a result of manipulation relating to the setting of U.S. dollar LIBOR. The six civil actions pending against Deutsche Bank that do not relate to U.S. dollar LIBOR are also pending in the SDNY, and include two actions concerning Yen LIBOR and Euroyen TIBOR, one action concerning EURIBOR, one consolidated action concerning Pound Sterling (GBP) LIBOR, one action concerning Swiss franc (CHF) LIBOR, and one action concerning two Singapore Dollar (SGD) benchmark rates, the Singapore Interbank Offered Rate (SIBOR) and the Swap Offer Rate (SOR).

Claims for damages for all 47 of the civil actions discussed have been asserted under various legal theories, including violations of the U.S. Commodity Exchange Act (CEA), federal and state antitrust laws, the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO), and other federal and state laws. In all but five cases, the amount of damages has not been formally articulated by the plaintiffs. The five cases that allege a specific amount of damages are individual actions consolidated in the U.S. dollar LIBOR multidistrict litigation and seek a minimum of more than U.S.$ 1.25 billion in damages in the aggregate from all defendants including Deutsche Bank. The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

U.S. dollar LIBOR. With two exceptions, all of the civil actions concerning U.S. dollar LIBOR are being coordinated as part of a multidistrict litigation (the "U.S. dollar LIBOR MDL") in the SDNY. In light of the large number of individual cases pending against Deutsche Bank and their similarity, the civil actions included in the U.S. dollar LIBOR MDL are now subsumed under the following general description of the litigation pertaining to all such actions, without disclosure of individual actions except when the circumstances or the resolution of an individual case is material to Deutsche Bank.

Following a series of decisions in the U.S. dollar LIBOR MDL between March 2013 and December 2016 narrowing their claims, plaintiffs are currently asserting antitrust claims, CEA claims and state law fraud, contract, unjust enrichment and other tort claims. The court has also issued decisions dismissing certain plaintiffs' claims for lack of personal jurisdiction and on statute of limitations grounds, which are currently the subject of additional briefing; further decisions are pending.

On May 23, 2016, the U.S. Court of Appeals for the Second Circuit issued an opinion reinstating antitrust claims against the defendants in the U.S. dollar LIBOR MDL, and remanded to the district court for further consideration. On December 20, 2016, the district court issued a ruling dismissing certain antitrust claims while allowing others to proceed.

Discovery is underway in several of the cases, with motions for class certification currently scheduled to be briefed by August 2017.

On January 10, 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle a putative class action pending as part of the U.S. dollar LIBOR MDL asserting claims based on alleged

transactions in Eurodollar futures and options traded on the Chicago Mercantile Exchange (*FTC Capital GmbH* v. *Credit Suisse Group AG*). The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further documentation and approval by the court.

Finally, one of the actions in the U.S. dollar LIBOR MDL has been dismissed in its entirety, including (as to Deutsche Bank and other foreign defendants) on personal jurisdiction grounds, and plaintiffs have filed an appeal to the Second Circuit.

Both of the non-MDL U.S. dollar LIBOR cases have been dismissed. Plaintiffs in the non-MDL case proceeding in the SDNY have moved to amend their complaint, and a decision on that motion is pending. The dismissal of the other non-MDL case, which was proceeding in the U.S. District Court for the Central District of California, was affirmed by the Ninth Circuit in December 2016.

Yen LIBOR and Euroyen TIBOR. On January 24, 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle two putative class actions pending in the SDNY alleging manipulation of Yen LIBOR and Euroyen TIBOR (*Laydon* v. *Mizuho Bank, Ltd*. and *Sonterra Capital Master Fund Ltd*. v. *UBS AG*), and withdrew its pending motions to dismiss the *Sonterra* action. (The *Laydon* action has already been subject to decisions by the court on motions to dismiss and is currently in discovery.) The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further documentation and approval by the court.

EURIBOR. On January 24, 2017, Deutsche Bank entered into a preliminary agreement with plaintiffs to settle a putative class action pending in the SDNY alleging manipulation of EURIBOR (*Sullivan* v. *Barclays PLC*), and withdrew its pending motions to dismiss the action. The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement. The settlement agreement is subject to further documentation and approval by the court.

GBP LIBOR, CHF LIBOR, and SIBOR and SOR. Putative class actions alleging manipulation of Pound Sterling (GBP) LIBOR, Swiss Franc (CHF) LIBOR, and the Singapore Interbank Offered Rate (SIBOR) and Swap Offer Rate (SOR), respectively, are each pending in the SDNY. Each of these actions is the subject of fully briefed motions to dismiss. Decisions are pending.

Bank Bill Swap Rate Claims. On August 16, 2016, a putative class action was filed in the U.S. District Court for the Southern District of New York against Deutsche Bank and other defendants, bringing claims based on alleged collusion and manipulation in connection with the Australian Bank Bill Swap Rate ("BBSW"). The complaint alleges that the defendants, among other things, engaged in money market transactions intended to influence the BBSW fixing, made false BBSW submissions, and used their control over BBSW rules to further the alleged misconduct. Plaintiffs bring suit on behalf of persons and entities that engaged in U.S.-based transactions in BBSW-linked financial instruments from 2003 through the present. An amended complaint was filed on December 16, 2016, and defendants' motions to dismiss have been filed.

Investigations Into Referral Hiring Practices and Certain Business Relationships. Certain regulators and law enforcement authorities in various jurisdictions, including the U.S. Securities and Exchange Commission and the U.S. Department of Justice, are investigating, among other things, Deutsche Bank's compliance with the U.S. Foreign Corrupt Practices Act and other laws with respect to the Bank's hiring practices related to candidates referred by clients, potential clients and government officials, and its engagement of finders and consultants. Deutsche Bank is responding to and continuing to cooperate with these investigations. Certain regulators in other jurisdictions have also been briefed on these investigations. The Group has recorded a provision with respect to certain of these regulatory investigations. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of these regulatory investigations. Based on the facts currently known, it is not practicable at this time for the Bank to predict the timing of a resolution.

Kaupthing CLN Claims. In June 2012, Kaupthing hf, an Icelandic stock corporation, acting through its winding-up committee, issued Icelandic law claw back claims for approximately € 509 million (plus costs, as well as interest calculated on a damages rate basis and a late payment rate basis) against Deutsche Bank in both Iceland and England. The claims were in relation to leveraged credit linked notes ("CLNs"), 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 claimed to have funded the SPVs and alleged that Deutsche Bank was or should have been aware that Kaupthing itself was economically exposed in the transactions. Kaupthing claimed that the transactions were 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 (together with the Icelandic proceedings, the "Kaupthing Proceedings"). Deutsche Bank filed a defense in the Icelandic proceedings in late February 2013. In February 2014, 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 "SPV Proceedings"). The SPVs claimed approximately € 509 million (plus costs, as well as interest), although the amount of that interest claim was less than in Iceland. Deutsche Bank has now reached a settlement of the Kaupthing and SPV Proceedings which has been paid in the first quarter of 2017. The settlement amount is already fully reflected in existing litigation reserves and no additional provisions have been taken for this settlement.

Kirch. The public prosecutor's office in Munich (Staatsanwaltschaft München I) has conducted and is currently conducting criminal investigations in connection with the Kirch case inter alia with regard to former Deutsche Bank Management Board members. The Kirch case involved several civil proceedings between Deutsche Bank AG and Dr. Leo Kirch as well as media companies controlled by him. The key issue was whether an interview given by Dr. Rolf Breuer, then Spokesman of Deutsche Bank's Management Board, in 2002 with Bloomberg television, during which Dr. Breuer commented on Dr. Kirch's (and his companies') inability to obtain financing, caused the insolvency of the Kirch companies. In February 2014, Deutsche Bank and the Kirch heirs reached a comprehensive settlement, which has ended all legal disputes between them.

The allegations of the public prosecutor are that the relevant former Management Board members failed to correct in a timely manner factual statements made by Deutsche Bank's litigation counsel in submissions filed in one of the civil cases between Kirch and Deutsche Bank AG before the Munich Higher Regional Court and the Federal Court of Justice, after allegedly having become aware that such statements were not correct, and/or made incorrect statements in such proceedings, respectively.

On April 25, 2016, following the trial before the Munich District Court regarding the main investigation involving Juergen Fitschen and four other former Management Board members, the Munich District Court acquitted all of the accused, as well as the Bank, which was a secondary participant in such proceedings. On April 26, 2016, the public prosecutor filed an appeal. An appeal is limited to a review of legal errors rather than facts. On October 18, 2016, a few weeks after the written judgment was served, the public prosecutor provided notice that it will uphold its appeal only with respect to former Management Board members Juergen Fitschen, Dr. Rolf Breuer and Dr. Josef Ackermann and that it will withdraw its appeal with respect to former Management Board members Dr. Clemens Boersig and Dr. Tessen von Heydebreck for whom the acquittal thereby becomes binding.

The other investigations by the public prosecutor (which also deal with attempted litigation fraud in the Kirch civil proceedings) are ongoing. Deutsche Bank is fully cooperating with the Munich public prosecutor's office.

The Group does not expect these proceedings to have significant economic consequences for it and has not recorded a provision or contingent liability with respect thereto.

KOSPI Index Unwind Matters. Following the decline of the Korea Composite Stock Price Index 200 (the "KOSPI 200") in the closing auction on November 11, 2010 by approximately 2.7 %, the Korean Financial Supervisory Service ("FSS") commenced an investigation and expressed concerns that the fall in the KOSPI 200 was attributable to a sale by Deutsche Bank of a basket of stocks, worth approximately € 1.6 billion, that was held as part of an index arbitrage position on the KOSPI 200. On February 23, 2011, the Korean Financial Services Commission, which oversees the work of the FSS, reviewed the FSS' findings and recommendations and resolved to take the following actions: (i) to file a criminal complaint to the Korean Prosecutor's Office for alleged market manipulation against five employees of the Deutsche Bank group and Deutsche Bank's subsidiary Deutsche Securities Korea Co. (DSK) for vicarious corporate criminal liability; and (ii) to impose a suspension of six months, commencing April 1, 2011 and ending September 30, 2011, of DSK's business for proprietary trading of cash equities and listed derivatives and DMA (direct market access) cash equities trading, and the requirement that DSK suspend the employment of one named employee for six months. There was an exemption to the business suspension which permitted DSK to continue acting as liquidity provider for existing derivatives linked securities. On August 19, 2011, the Korean Prosecutor's Office announced its decision to indict DSK and four employees of the Deutsche Bank group on charges of spot/futures linked market manipulation. The criminal trial commenced in January 2012. On January 25, 2016, the Seoul Central District Court rendered a guilty verdict against a DSK trader and a guilty verdict against DSK. A criminal fine of KRW 1.5 billion (less than € 2.0 million) was imposed on DSK. The Court also ordered forfeiture of the profits generated on the underlying trading activity. The Group disgorged the profits on the underlying trading activity in 2011. The criminal trial verdict has been appealed by both the prosecutor and the defendants.

In addition, a number of civil actions have been filed in Korean courts against Deutsche Bank and DSK by certain parties who allege they incurred losses as a consequence of the fall in the KOSPI 200 on November 11, 2010. First instance court decisions were rendered against the Bank and DSK in some of these cases starting in the fourth quarter of 2015. The outstanding known claims have an aggregate claim amount of approximately € 50 million (at present exchange rates). The Group has recorded a provision with respect to these outstanding civil matters. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of these matters.

Life Settlements Investigation. U.S. federal law enforcement authorities are investigating Deutsche Bank's historical life settlements business. Issues being examined include the origination and purchase of investments in life insurance assets during the 2005 to 2008 period. Relatedly, the Bank has been conducting its own internal review of its historical life settlement business. The Bank is cooperating with the investigating authorities.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to prejudice seriously its outcome.

Mortgage-Related and Asset-Backed Securities Matters and Investigation. *Regulatory and Governmental Matters.* Deutsche Bank, along with certain affiliates (collectively referred in these paragraphs to as "Deutsche Bank"), have received subpoenas and requests for information from certain regulators and government entities, including members of the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force, concerning its activities regarding the origination, purchase, securitization, sale, valuation and/or trading of mortgage loans, residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralized debt obligations (CDOs), other asset-backed securities and credit derivatives. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information.

Discussions with the U.S. Department of Justice (DOJ) concerning a settlement of potential claims that the DOJ was considering bringing based on its investigation of Deutsche Bank's RMBS origination and securitization activities began with an initial demand of U.S.$ 14 billion on September 12, 2016. On December 23, 2016, Deutsche Bank announced that it reached a settlement-in-principle with the DOJ to resolve potential claims related to its RMBS business conducted from 2005 to 2007. The settlement became final and was announced by the DOJ on January 17, 2017. Under the settlement, Deutsche Bank paid a civil monetary penalty of U.S.$ 3.1 billion and agreed to provide U.S.$ 4.1 billion in consumer relief.

In September 2016, Deutsche Bank received administrative subpoenas from the Maryland Attorney General seeking information concerning Deutsche Bank's RMBS and CDO businesses from 2002 to 2009. On January 10, 2017, Deutsche Bank and the Maryland Attorney General reached a settlement-in-principle to resolve the matter for U.S.$ 15 million in cash and U.S.$ 80 million in consumer relief (to be allocated from the overall U.S.$ 4.1 billion consumer relief obligation agreed to as part of Deutsche Bank's settlement with the DOJ). The agreement remains subject to completion of settlement documentation.

The Group has recorded provisions with respect to some of the outstanding regulatory investigations but not others. The Group has not disclosed the amount of these provisions because it has concluded that such disclosure can be expected to prejudice seriously the resolution of these regulatory investigations.

Issuer and Underwriter Civil Litigation. Deutsche Bank has been named as defendant in numerous civil litigations brought by private parties in connection with its various roles, including issuer or underwriter, in offerings of RMBS and other asset-backed securities. These cases, described below, allege that the offering documents contained material misrepresentations and omissions, including with regard to the underwriting standards pursuant to which the underlying mortgage loans were issued, or assert that various representations or warranties relating to the loans were breached at the time of origination. The Group has recorded provisions with respect to several of these civil cases, but has not recorded provisions with respect to all of these matters. The Group has not disclosed the amount of these provisions because it has concluded that such disclosure can be expected to prejudice seriously the resolution of these matters.

Deutsche Bank is a defendant in a class action relating to its role as one of the underwriters of six RMBS offerings issued by Novastar Mortgage Corporation. No specific damages are alleged in the complaint. The lawsuit was brought by plaintiffs representing a class of investors who purchased certificates in those offerings. The parties recently reached a settlement-in-principle to resolve the matter for a total of U.S.$ 165 million, a portion of which will be paid by the Bank. Deutsche Bank expects that, once the settlement is fully documented, there will be a court approval process that will take several months before the settlement becomes final.

Aozora Bank, Ltd. (Aozora) filed lawsuits against Deutsche Bank entities (among others) asserting fraud and related claims in connection with Aozora's investments in various CDOs, which allegedly declined in value.

On January 14, 2015, the court granted the motion of Deutsche Bank AG and its subsidiary Deutsche Bank Securities Inc. to dismiss the action brought against both entities by Aozora relating to a CDO identified as Blue Edge ABS CDO, Ltd. Aozora appealed this decision and on March 31, 2016, the appellate court affirmed the lower court's dismissal. Aozora has not sought a further appeal. Separately, another Deutsche Bank subsidiary, Deutsche Investment Management Americas, Inc., is a defendant, along with UBS AG and affiliates, in an action brought by Aozora relating to a CDO identified as Brooklyn Structured Finance CDO, Ltd. On October 13, 2015, the court denied defendants' motion to dismiss Aozora's claims for fraud and aiding and abetting fraud, and defendants appealed the decision. Oral argument was held on September 14, 2016, and on November 3, 2016, the appellate court reversed the lower court decision and granted defendants' motions to dismiss Aozora's claims. Aozora has not sought a further appeal, and on December 15, 2016, the court entered judgment dismissing the complaint.

Deutsche Bank is a defendant in three actions related to RMBS offerings brought by the Federal Deposit Insurance Corporation (FDIC) as receiver for: (a) Colonial Bank (alleging no less than U.S.$ 189 million in damages against all defendants), (b) Guaranty Bank (alleging no less than U.S.$ 901 million in damages against all defendants), and (c) Citizens National Bank and Strategic Capital Bank (alleging no less than U.S.$ 66 million in damages against all defendants). In separate actions brought by the FDIC as receiver for Colonial Bank and Guaranty Bank, the appellate courts have reinstated claims previously dismissed on statute of limitations grounds. In the case concerning Guaranty Bank, petitions for rehearing and certiorari to the U.S. Supreme Court were denied and discovery is ongoing. In the case concerning Colonial Bank, a petition for rehearing was denied and on October 6, 2016, defendants filed a petition for certiorari to the U.S. Supreme Court, which was denied on January 9, 2017. On January 18, 2017, a similar appeal in the action brought by the FDIC as receiver for Citizens National Bank and Strategic Capital Bank was also denied.

Residential Funding Company brought a repurchase action against Deutsche Bank for breaches of representations and warranties on loans sold to Residential Funding Company and for indemnification for losses incurred as a result of RMBS-related claims and actions asserted against Residential Funding Company. The complaint did not specify the amount of damages sought. On June 20, 2016, the parties executed a confidential settlement agreement, and on June 24, 2016, the Court dismissed the case with prejudice.

Deutsche Bank recently reached a settlement to resolve claims brought by the Federal Home Loan Bank of San Francisco on two resecuritizations of RMBS certificates for an amount not material to the Bank. Following this settlement and two other previous partial settlements of claims, Deutsche Bank remained a defendant with respect to one RMBS offering, for which Deutsche Bank, as an underwriter, was provided contractual indemnification. On January 23, 2017, a settlement agreement was executed to resolve the claims relating to that RMBS offering. Deutsche Bank expects that the matter will be dismissed shortly.

Deutsche Bank is a defendant in an action brought by Royal Park Investments (as purported assignee of claims of a special-purpose vehicle created to acquire certain assets of Fortis Bank) alleging common law claims related to the purchase of RMBS. The complaint did not specify the amount of damages sought. On April 29, 2016, Deutsche Bank filed a motion to dismiss, which is currently pending.

In June 2014, HSBC, as trustee, brought an action in New York state court against Deutsche Bank to revive a prior action, alleging that Deutsche Bank failed to repurchase mortgage loans in the ACE Securities Corp. 2006-SL2 RMBS offering. The revival action was stayed during the pendency of an appeal of the dismissal of a separate action wherein HSBC, as trustee, brought an action against Deutsche Bank alleging breaches of representations and warranties made by Deutsche Bank concerning the mortgage loans in the same offering. On March 29, 2016, the court dismissed the revival action, and on April 29, 2016, plaintiff filed a notice of appeal.

Deutsche Bank was named as a defendant in a civil action brought by the Charles Schwab Corporation seeking rescission of its purchase of a single Countrywide-issued RMBS certificate. In the fourth quarter of 2015, Bank of America, which indemnified Deutsche Bank in the case, reached an agreement to settle the action with respect to the single certificate at issue for Deutsche Bank. On March 16, 2016, the court finalized the dismissal with prejudice of Deutsche Bank Securities Inc. as a defendant.

On February 18, 2016, Deutsche Bank and Amherst Advisory & Management LLC (Amherst) executed settlement agreements to resolve breach of contract actions relating to five RMBS trusts. On June 30, 2016, the parties executed settlement agreements, amending and restating the agreements the parties signed on February 18, 2016. Following an August 2016 vote by the certificate holders in favor of the settlement, the trustee accepted the settlement agreements and dismissed the actions. On October 17, 2016, the parties filed stipulations of discontinuance with prejudice, which were so-ordered by the court on October 18 and October 19, 2016, thereby resolving the five actions. A portion of the settlement funds paid by Deutsche Bank was reimbursed by a non-party to the litigations.

Deutsche Bank was a defendant in an action brought by Phoenix Light SF Limited (as purported assignee of claims of special purpose vehicles created and/or managed by former WestLB AG) alleging common law and federal securities law claims related to the purchase of RMBS. On October 14, 2016, the parties finalized a settlement to resolve the matter for an amount not material to the Bank. On November 2, 2016, the court so-ordered a stipulation of discontinuance with prejudice, thereby resolving the action.

On February 3, 2016, Lehman Brothers Holding, Inc. (Lehman) instituted an adversary proceeding in United States Bankruptcy Court for the Southern District of New York against, among others, MortgageIT, Inc. (MIT) and Deutsche Bank AG, as alleged successor to MIT, asserting breaches of representations and warranties set forth in certain 2003 and 2004 loan purchase agreements concerning 63 mortgage loans that MIT sold to Lehman, which Lehman in turn sold to the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The complaint seeks indemnification for losses incurred by Lehman in connection with settlements entered into with Fannie Mae and Freddie Mac as part of the Lehman bankruptcy proceedings to resolve claims concerning those loans. On December 29, 2016, Lehman filed its second amended complaint against DB Structured Products, Inc. and MIT alleging damages of approximately U.S.$ 10.3 million.

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

Trustee Civil Litigation. Deutsche Bank is a defendant in eight separate civil lawsuits brought by various groups of investors concerning its role as trustee of certain RMBS trusts. The actions generally allege claims for breach of contract, breach of fiduciary duty, breach of the duty to avoid conflicts of interest, negligence and/or violations of the Trust Indenture Act of 1939, based on the trustees' alleged failure to perform adequately certain obligations and/or duties as trustee for the trusts. The eight actions include two putative class actions brought by a group of investors, including funds managed by BlackRock Advisors, LLC, PIMCO-Advisors, L.P., and others (the BlackRock Class Actions), one putative class action brought by Royal Park Investments SA/NV, and five individual lawsuits. One of the BlackRock Class Actions is pending in the U.S. District Court for the Southern District of New York in relation to 62 trusts, which allegedly suffered total realized collateral losses of U.S.$ 9.8 billion, although the complaint does not specify a damage amount. On January 23, 2017, the Court granted in part and denied in part the Trustees's motion to dismiss. At a February 2, 2017 conference, the Court dismissed plaintiffs' representations and warranties claims as to 21 trusts whose originators or sponsors had entered bankruptcy. The only claims that remain are for violation of the Trust Indenture Act of 1939 as to some trusts, and breach of contract. Discovery is ongoing. The second BlackRock Class Action is pending in the Superior Court of California in relation to 465 trusts, which allegedly suffered total realized collateral losses of U.S.$ 75.7 billion, although the complaint does not specify a damage amount. The trustees filed a demurrer seeking to dismiss the tort claims asserted by plaintiffs and a motion to strike certain elements of the breach of contract claim, and on October 18, 2016, the court sustained the trustees' demurrer, dismissing the tort claims, but denied the motion to strike. Discovery is ongoing in that action. The putative class action brought by Royal Park Investments SA/NV is pending in the U.S. District Court for the Southern District of New York and concerns ten trusts, which allegedly suffered total realized collateral losses of more than U.S.$ 3.1 billion, although the complaint does not specify a damage amount. Royal Park's class certification motion is fully briefed but has not yet been decided. Discovery is ongoing.

The other five individual lawsuits include actions by (a) the National Credit Union Administration Board ("NCUA"), as an investor in 97 trusts, which allegedly suffered total realized collateral losses of U.S.$ 17.2 billion, although the complaint does not specify a damage amount; (b) certain CDOs (collectively, "Phoenix Light") that hold RMBS certificates issued by 43 RMBS trusts, and seeking over U.S.$ 527 million of damages; (c) the Western and Southern Life Insurance Company and five related entities (collectively "Western & Southern"), as investors in 18 RMBS trusts, against the trustee for 10 of those trusts, which allegedly suffered total realized collateral losses of "tens of millions of dollars in damages," although the complaint does not specify a damage amount; (d) Commerzbank AG, as an investor in 50 RMBS trusts, seeking recovery for alleged "hundreds of millions of dollars in losses;" and (e) IKB International, S.A. in Liquidation and IKB Deutsche Industriebank AG (collectively, "IKB"), as an investor in 37 RMBS trusts, seeking more than U.S.$ 268 million of damages. In the NCUA case, the trustee's motion to dismiss for failure to state a claim is pending and discovery is stayed. In the Phoenix Light case, discovery is ongoing as to the 43 trusts that remain in the case. In the Western & Southern case, the trustee filed its answer to the amended complaint on November 18, 2016, and discovery is ongoing as to the ten trusts that remain in the case. In the Commerzbank case, the trustee's motion to dismiss for failure to state a claim was granted in part and denied in part on February 10, 2017, and discovery is ongoing as to the 50 trusts in the case. In the IKB case, a motion to dismiss was filed on October 5, 2016 and is pending; limited discovery has commenced as to the 34 trusts that remain in the case.

The Group believes a contingent liability exists with respect to these eight cases, but at present the amount of the contingent liability is not reliably estimable.

Postbank Voluntary Public Takeover Offer. On September 12, 2010, Deutsche Bank announced the decision to make a voluntary 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 Postbank shareholders consideration of € 25 for each Postbank share. The takeover offer was accepted for a total of approximately 48.2 million Postbank shares.

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, at the latest, in 2009. The plaintiff avers that, at the latest 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. Based thereon, the plaintiff alleges that the consideration offered by Deutsche Bank AG for the shares in Deutsche Postbank AG in the 2010 voluntary takeover offer needed to be raised to € 57.25 per share.

The Cologne District 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 that Deutsche Bank AG and Deutsche Post AG "acted in concert" in 2009. The Cologne appellate court has scheduled a further hearing for November 8, 2017.

Starting in 2014, additional former shareholders of Deutsche Postbank AG, who accepted the 2010 tender offer, brought similar claims as Effecten-Spiegel AG against Deutsche Bank which are pending with the Cologne District Court, and three of these plaintiffs applied for model case proceedings (*Musterverfahren*) under the German Capital Markets Model Case Act. The Cologne District Court has heard these follow-on matters on January 27, 2017 and announced its intention to publish a decision on April 28, 2017.

In September 2015, former shareholders of Deutsche Postbank AG filed in the Cologne District Court shareholder actions against Deutsche Postbank AG to set aside the squeeze-out resolution taken in the shareholders meeting of Deutsche Postbank AG in August 2015. Among other things, the plaintiffs allege that Deutsche Bank AG was subject to a suspension of voting rights with respect to its shares in Postbank based on the allegation that Deutsche Bank AG failed to make a mandatory takeover offer at a higher price in 2009. The squeeze out is final and the proceeding itself has no reversal effect, but may result in damage payments. The claimants in this proceeding refer to legal arguments similar to those asserted in the Effecten-Spiegel proceeding described above. The Cologne District Court indicated its intention to announce a decision in the spring of 2017.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

Precious Metals Investigations and Litigations. Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. Deutsche Bank is cooperating with these investigations, and engaging with relevant authorities, as appropriate. Relatedly, Deutsche Bank has been conducting its own internal review of Deutsche Bank's historic participation in the precious metals benchmarks and other aspects of its precious metals trading and precious metals business.

Deutsche Bank is a defendant in two consolidated class action lawsuits pending in the U.S. District Court for the Southern District of New York. The suits allege violations of U.S. antitrust law, the U.S. Commodity Exchange Act and related state law arising out of the alleged manipulation of gold and silver prices through participation in the Gold and Silver Fixes, but do not specify the damages sought. Deutsche Bank has reached agreements to settle both actions, the financial terms of which are not material to Deutsche Bank. The agreements remain subject to final court approval.

In addition, Deutsche Bank is a defendant in Canadian class action proceedings in the province of Ontario concerning gold and in the provinces of Ontario and Quebec concerning silver. Each of the proceedings seeks damages for alleged violations of the Canadian Competition Act and other causes of action.

The Group has recorded provisions with respect to certain of these matters. The Group has not disclosed the amount of these provisions, nor has it disclosed whether it has established provisions with respect to other matters referred above or any contingent liability with respect to any of those matters, because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

Russia/UK Equities Trading Investigation. Deutsche Bank has investigated the circumstances around equity trades entered into by certain clients with Deutsche Bank in Moscow and London that offset one another. The total volume of the transactions under review is significant. Deutsche Bank's internal investigation of potential violations of law, regulation and policy and into the related internal control environment has concluded, and Deutsche Bank is assessing the findings identified during the investigation; to date it has identified certain violations of Deutsche Bank's policies and deficiencies in Deutsche Bank's control environment. Deutsche Bank has advised regulators and law enforcement authorities in several jurisdictions (including Germany, Russia, the U.K. and U.S.) of this investigation. Deutsche Bank has taken disciplinary measures with regards to certain individuals in this matter and will continue to do so with respect to others as warranted.

On January 30 and 31, 2017, the New York State Department of Financial Services (DFS) and UK Financial Conduct Authority (FCA) announced settlements with the Bank related to their investigations into this matter. The settlements conclude the DFS and the FCA's investigations into the bank's anti-money laundering (AML) control function in its investment banking division, including in relation to the equity trading described above. Under the terms of the settlement agreement with the DFS, Deutsche Bank entered into a Consent Order, and agreed to pay civil monetary penalties of U.S.$ 425 million and to engage an independent monitor for a term of up to two years. Under the terms of the settlement agreement with the FCA, Deutsche Bank agreed to pay civil monetary penalties of approximately GBP 163 million. The settlement amounts were already materially reflected in existing litigation reserves.

Deutsche Bank is cooperating with other regulators and law enforcement authorities (including the DOJ and the Federal Reserve), which have their own ongoing investigations into these securities trades. The Group has recorded a provision with respect to these ongoing investigations. The Group has not disclosed the amount of this provision because it has concluded that such disclosure can be expected to prejudice seriously the outcome of this matter.

Sovereign, Supranational and Agency Bonds (SSA) Investigations and Litigations. Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to SSA bond trading. Deutsche Bank is cooperating with these investigations.

Deutsche Bank is a defendant in several putative class action complaints filed in the U.S. District Court for the Southern District of New York alleging violations of U.S. antitrust law and common law related to alleged manipulation of the secondary trading market for SSA bonds. These cases are in their early stages and are in the process of being consolidated.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

Trust Preferred Securities Litigation. Deutsche Bank and certain of its affiliates and former officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. On July 25, 2016, the court issued a decision dismissing all claims as to three of the five offerings at issue, but allowed certain claims relating to the November 2007 and February 2008 offerings to proceed. On November 17, 2016, Plaintiffs moved for class certification as to the November 2007 offering. On December 1, 2016, the Court stayed all proceedings in the action. On January 20, 2017, Plaintiffs amended their motion for class certification to include the February 2008 offering and seek to add an additional individual as a proposed class representative. On February 10, 2017, the Court (i) ordered that Plaintiffs on the November 2007 offering provide proof that they either sold at a loss or held to redemption, and otherwise stayed all proceedings with respect to the November 2007 offering, and (ii) stayed all proceedings with respect to the February 2008 offering pending a decision by the Supreme Court of the United States in *California Public Employees' Retirement System* v. *ANZ Securities* in which the Supreme Court is expected to consider whether the filing of a putative class action serves to toll the three-year time limitation in Section 13 of the Securities Act with respect to the claims of putative class members. A decision is expected before the end of June 2017.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to seriously prejudice its outcome.

U.S. Embargoes-Related Matters. Deutsche Bank has received requests for information from certain U.S. regulatory and law enforcement agencies concerning its 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, Deutsche Bank voluntarily decided that it 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, Deutsche Bank decided that it would 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; it also decided to limit its non-U.S. dollar business with counterparties in Cuba. On November 3, 2015, Deutsche Bank entered into agreements with the New York State Department of Financial Services and the Federal Reserve Bank of New York to resolve their investigations of Deutsche Bank. Deutsche Bank paid the two agencies U.S.$ 200 million and U.S.$ 58 million, respectively, and agreed to terminate certain employees, not rehire certain former employees and install an independent monitor for one year. In addition, the Federal Reserve Bank of New York ordered certain remedial measures, specifically, the requirement to ensure an effective OFAC compliance program and an annual review of such program by an independent party until the Federal Reserve Bank of New York is satisfied as to its effectiveness. The investigations of the U.S. law enforcement agencies (including the DOJ) remain ongoing.

The Group has not disclosed whether it has established a provision or contingent liability with respect to this matter because it has concluded that such disclosure can be expected to prejudice seriously its outcome.

U.S. Treasury Securities Investigations and Litigations. Deutsche Bank has received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to U.S. Treasuries auctions, trading, and related market activity. Deutsche Bank is cooperating with these investigations.

Deutsche Bank is a defendant in several putative class actions alleging violations of U.S. antitrust law, the U.S. Commodity Exchange Act and common law related to the alleged manipulation of the U.S. Treasury securities market. These cases are in their early stages and have been consolidated in the Southern District of New York.

The Group has not disclosed whether it has established a provision or contingent liability with respect to these matters because it has concluded that such disclosure can be expected to prejudice seriously their outcome.

31 – Credit related Commitments and Contingent Liabilities

Irrevocable lending commitments and lending related contingent liabilities

In the normal course of business the Group regularly enters into irrevocable lending commitments, including fronting commitments as well as contingent liabilities consisting of financial and performance guarantees, standby letters of credit and indemnity agreements on behalf of its customers. Under these contracts the Group is required to perform under an obligation agreement or to make payments to the beneficiary based on third party's failure to meet its obligations. For these instruments it is not known to the Group in detail if, when and to what extent claims will be made. In the event that the Group has to pay out cash in respect of its fronting commitments, the Group would immediately seek reimbursement from the other syndicate lenders. The Group considers all the above instruments in monitoring the credit exposure and may require collateral to mitigate inherent credit risk. If the credit risk monitoring provides sufficient perception about a loss from an expected claim, a provision is established and recorded on the balance sheet.

The following table shows the Group's irrevocable lending commitments and lending related contingent liabilities without considering collateral or provisions. It shows the maximum potential utilization of the Group in case all these liabilities entered into must be fulfilled. The table therefore does not show the expected future cash flows from these liabilities as many of them will expire without being drawn and arising claims will be honored by the customers or can be recovered from proceeds of arranged collateral.

Irrevocable lending commitments and lending related contingent liabilities

in € m.	**Dec 31, 2016**	**Dec 31, 2015**
Irrevocable lending commitments	166,063	174,549
Contingent liabilities	52,341	57,325
Total	**218,404**	**231,874**

Government Assistance

In the course of its business, the Group regularly applies for and receives government support by means of Export Credit Agency ("ECA") guarantees covering transfer and default risks for the financing of exports

and investments into Emerging Markets and to a lesser extent, developed markets for Structured Trade & Export Finance and short- and medium-term Trade Finance business. Almost all export-oriented states have established such ECAs to support their domestic exporters. The ECAs act in the name and on behalf of the government of their respective country and are either constituted directly as governmental departments or organized as private companies vested with the official mandate of the government to act on its behalf. Terms and conditions of such ECA guarantees are broadly similar due to the fact that most of the ECAs act within the scope of the Organization for Economic Cooperation and Development ("OECD") consensus rules. The OECD consensus rules, an intergovernmental agreement of the OECD member states, define benchmarks intended to ensure that a fair competition between different exporting nations will take place.

In some countries dedicated funding programs with governmental support are offered for ECA-covered financings. On a selective basis, the Group makes use of such programs. In certain financings, the Group also receives government guarantees from national and international governmental institutions as collateral to support financings in the interest of the respective governments. The majority of such ECA guarantees received by the Group were issued either by the Euler-Hermes Kreditversicherungs-AG acting on behalf of the Federal Republic of Germany, by the Korean Export Credit Agencies (Korea Trade Insurance Corporation and The Export-Import Bank of Korea) acting on behalf of the Republic of Korea or by Chinese Export Credit Agency (China Export & Insurance Corporation (Sinosure)) acting on behalf of the People's Republic of China.

Irrevocable payment commitments with regard to levies

Irrevocable payment commitments related to bank levy according to Bank Recovery and Resolution Directive (BRRD), the Single Resolution Fund (SRF) and the German statutory deposit protection amounted to € 280.4 million as of December 31, 2016, and to € 155.5 million as of December 31, 2015.

32 – Other Short-Term Borrowings

in € m.	Dec 31, 2016	Dec 31, 2015
Other short-term borrowings:		
Commercial paper	3,219	9,327
Other	14,076	18,683
Total other short-term borrowings	**17,295**	**28,010**

33 – Long-Term Debt and Trust Preferred Securities

Long-Term Debt by Earliest Contractual Maturity

in € m.	Due in 2017	Due in 2018	Due in 2019	Due in 2020	Due in 2021	Due after 2021	Total Dec 31, 2016	Total Dec 31, 2015
Senior debt:								
Bonds and notes:								
Fixed rate	18,379	8,402	11,327	7,498	17,112	22,206	84,924	86,255
Floating rate	8,477	4,882	6,876	3,435	5,455	7,956	37,082	38,963
Subordinated debt:								
Bonds and notes:								
Fixed rate	0	70	28	1,096	0	3,688	4,882	4,602
Floating rate	231	70	0	0	0	1,605	1,906	1,811
Other	**1,672**	**29,891**	**1,870**	**904**	**842**	**8,344**	**43,523**	**28,385**
Total long-term debt	**28,758**	**43,315**	**20,102**	**12,933**	**23,409**	**43,799**	**172,316**	**160,016**

The Group did not have any defaults of principal, interest or other breaches with respect to its liabilities in 2016 and 2015.

Trust Preferred Securities[1]

in € m.	Dec 31, 2016	Dec 31, 2015
Fixed rate	5,302	6,067
Floating rate	1,071	953
Total trust preferred securities	**6,373**	**7,020**

1 Perpetual instruments, redeemable at specific future dates at the Group's option.

34 – Maturity Analysis of the earliest contractual undiscounted cash flows of Financial Liabilities

					Dec 31, 2016
in € m.	**On demand**	**Due within 3 months**	**Due between 3 and 12 months**	**Due between 1 and 5 years**	**Due after 5 years**
Noninterest bearing deposits	200,122	0	0	0	0
Interest bearing deposits	129,704	147,531	46,176	17,027	11,247
Trading liabilities[1]	57,029	0	0	0	0
Negative market values from derivative financial instruments[1]	463,858	0	0	0	0
Financial liabilities designated at fair value through profit or loss	18,949	38,641	4,343	2,676	6,460
Investment contract liabilities[2]	0	0	592	0	0
Negative market values from derivative financial instruments qualifying for hedge accounting[3]	0	573	737	2,427	856
Central bank funds purchased	353	0	0	0	0
Securities sold under repurchase agreements	19,980	2,401	2,386	715	0
Securities loaned	4,168	11	0	0	0
Other short-term borrowings	13,322	1,995	1,802	0	0
Long-term debt	6	7,462	24,440	118,607	46,812
Trust preferred securities	0	78	2,539	4,361	0
Other financial liabilities	128,400	2,642	583	407	3,246
Off-balance sheet loan commitments	160,099	0	0	0	0
Financial guarantees	20,966	0	0	0	0
Total[4]	**1,216,955**	**201,333**	**83,599**	**146,219**	**68,621**

1 Trading liabilities and derivatives not qualifying for hedge accounting balances are recorded at fair value. The Group believes that this best represents the cash flow that would have to be paid if these positions had to be closed out. Trading liabilities and derivatives not qualifying for hedge accounting balances are shown within "on demand" which Group's management believes most accurately reflects the short-term nature of trading activities. The contractual maturity of the instruments may however extend over significantly longer periods.

2 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 42 "Insurance and Investment Contracts" for more detail on these contracts.

3 Derivatives designated for hedge accounting are recorded at fair value and are shown in the time bucket at which the hedged relationship is expected to terminate.

4 The balances in the table do not agree to the numbers in the Group's balance sheet as the cash flows included in the table are undiscounted. This analysis represents the worst case scenario for the Group if the Group was required to repay all liabilities earlier than expected. The Group believes that the likelihood of such an event occurring is remote.

in € m.	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years
					Dec 31, 2015
Noninterest bearing deposits	192,010	0	0	0	0
Interest bearing deposits	153,788	156,710	42,680	15,382	12,004
Trading liabilities[1]	52,303	0	0	0	0
Negative market values from derivative financial instruments[1]	494,076	0	0	0	0
Financial liabilities designated at fair value through profit or loss	18,450	25,067	3,964	4,357	5,985
Investment contract liabilities[2]	0	104	873	1,701	5,843
Negative market values from derivative financial instruments qualifying for hedge accounting[3]	0	556	918	1,908	2,983
Central bank funds purchased	574	0	0	0	0
Securities sold under repurchase agreements	7,498	1,919	519	0	0
Securities loaned	2,818	16	0	1	414
Other short-term borrowings	17,782	2,771	6,865	0	0
Long-term debt	62	16,834	12,414	92,914	52,169
Trust preferred securities	0	831	628	5,772	1,285
Other financial liabilities	146,684	3,791	456	361	36
Off-balance sheet loan commitments	166,236	0	0	0	0
Financial guarantees	19,828	0	0	0	0
Total[4]	**1,272,109**	**208,600**	**69,317**	**122,396**	**80,719**

1 Trading liabilities and derivatives not qualifying for hedge accounting balances are recorded at fair value. The Group believes that this best represents the cash flow that would have to be paid if these positions had to be closed out. Trading liabilities and derivatives not qualifying for hedge accounting balances are shown within "on demand" which Group's management believes most accurately reflects the short-term nature of trading activities. The contractual maturity of the instruments may however extend over significantly longer periods.
2 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 42 "Insurance and Investment Contracts" for more detail on these contracts.
3 Derivatives designated for hedge accounting are recorded at fair value and are shown in the time bucket at which the hedged relationship is expected to terminate.
4 The balances in the table do not agree to the numbers in the Group's balance sheet as the cash flows included in the table are undiscounted. This analysis represents the worst case scenario for the Group if the Group was required to repay all liabilities earlier than expected. The Group believes that the likelihood of such an event occurring is remote.

Additional Notes

35 – Common Shares

Common Shares

Deutsche Bank's share capital consists of common shares issued in registered form without par value. Under German law, each share represents an equal stake in the subscribed capital. Therefore, each share has a nominal value of € 2.56, derived by dividing the total amount of share capital by the number of shares.

Number of shares	Issued and fully paid	Treasury shares	Outstanding
Common shares, January 1, 2015	**1,379,273,131**	**(260,182)**	**1,379,012,949**
Shares issued under share-based compensation plans	0	0	0
Capital increase	0	0	0
Shares purchased for treasury	0	(326,647,008)	(326,647,008)
Shares sold or distributed from treasury	0	326,532,326	326,532,326
Common shares, December 31, 2015	**1,379,273,131**	**(374,864)**	**1,378,898,267**
Shares issued under share-based compensation plans	0	0	0
Capital increase	0	0	0
Shares purchased for treasury	0	(355,069,462)	(355,069,462)
Shares sold or distributed from treasury	0	355,240,884	355,240,884
Common shares, December 31, 2016	**1,379,273,131**	**(203,442)**	**1,379,069,689**

There are no issued ordinary shares that have not been fully paid.

Shares purchased for treasury consist of shares held by the Group for a period of time, as well as any shares purchased with the intention of being resold in the short-term. In addition, the Group has bought back shares for equity compensation purposes. All such transactions were recorded in shareholders' equity and no revenues and expenses were recorded in connection with these activities. Treasury stock held as of year-end will mainly be used for future share-based compensation.

Authorized Capital

The Management Board is authorized to increase the share capital by issuing new shares for cash and in some circumstances noncash consideration. As of December 31, 2016, Deutsche Bank AG had authorized but unissued capital of € 1,760,000,000 which may be issued in whole or in part until April 30, 2020. Further details are governed by Section 4 of the Articles of Association.

Authorized capital	Consideration	Pre-emptive rights	Expiration date
€352,000,000	Cash or noncash	May be excluded if the capital increase is for noncash consideration with the intent of acquiring a company or holdings in a company and may be excluded pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act	April 30, 2020
€1,408,000,000	Cash	May be excluded insofar as is necessary to grant to the holders of option rights, convertible bonds and convertible participatory rights issued by the company (see Articles of Association Section 4)	April 30, 2020

Conditional Capital

The Management Board is authorized to issue once or more than once, participatory notes that are linked with conversion rights or option rights and/or convertible bonds and/or bonds with warrants. The participatory notes, convertible bonds or bonds with warrants may also be issued by affiliated companies of Deutsche Bank AG. For this purpose share capital was increased conditionally upon exercise of these conversion and/or exchange rights or upon mandatory conversion.

Conditional capital	Expiration date for the issuance of conversion and/or option rights
€230,400,000	April 30, 2017
€256,000,000	April 30, 2019

Dividends

The following table presents the amount of dividends proposed or declared for the years ended December 31, 2016, 2015 and 2014, respectively.

	2016[1] (proposed)	2015	2014
Cash dividends declared (in € m.)	**393**	0	1,034
Cash dividends declared per common share (in €)	**0.19**	0.00	0.75

1 Taking into account expected shares to be issued before the Annual General Meeting in May 2017, the dividend per share of € 0.19 paid out of the distributable profit for 2016 contains the pay out of the distributable profit carried forward from 2015 of approximately € 165 million and a dividend of € 0.11 per share from the remaining distributable profit for 2016.

36 – Employee Benefits

Share-Based Compensation Plans

The Group made grants of share-based compensation under the DB Equity Plan. This plan represents a contingent right to receive Deutsche Bank common shares after a specified period of time. The award recipient is not entitled to receive dividends during the vesting period of the award.

The share awards granted under the terms and conditions of the DB Equity Plan may be forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period. Vesting usually continues after termination of employment in cases such as redundancy or retirement.

In countries where legal or other restrictions hinder the delivery of shares, a cash plan variant of the DB Equity Plan was used for granting awards.

The following table sets forth the basic terms of these share plans.

Grant year(s)	Deutsch Bank Equity Plan	Vesting schedule	Early retirement provisions	Eligibility
2016	Annual Award	1/4: 12 months[1] 1/4: 24 months[1] 1/4: 36 months[1] 1/4: 48 months[1]	Yes	Select employees as annual performance-based compensation
		Or cliff vesting after 54 months[1]	Yes[2]	Members of Management Board or of Senior Management Group
	Retention/New Hire	Individual specification	Yes	Select employees to attract and retain the best talent
	Annual Award – Upfront	Vesting immediately at grant[3]	No	Regulated employees
	Key Position Award (KPA)[4]	Cliff-vesting after 4 years[3]	Yes	Select employees as annual retention
2015/ 2014/ 2013	Annual Award	1/3: 12 months[1] 1/3: 24 months[1] 1/3: 36 months[1]	Yes	Select employees as annual performance-based compensation
		Or cliff vesting after 54 months[1]	Yes[2]	Members of Management Board or of Senior Management Group
	Retention/New Hire	Individual specification	Yes	Select employees to attract and retain the best talent
	Annual Award – Upfront	Vesting immediately at grant[5]	No	Regulated employees
2012/ 2011	Annual Award	1/3: 12 months[6] 1/3: 24 months[6] 1/3: 36 months[6]	Yes	Select employees as annual performance-based compensation
	Retention/New Hire	Individual specification	Yes	Select employees to attract and retain the best talent
	Annual Award – Upfront	Vesting immediately at grant[5]	No	Regulated employees

1 For members of the Management Board or of the Senior Management Group and all other regulated employees a further retention period of six months applies.

2 Early retirement provisions do not apply to members of the Management Board.
3 For all regulated employees share delivery after a further retention period of twelve months.
4 A predefined proportion of the individual's KPA is subject to an additional share price hurdle, meaning this award proportion only vests in the event that the Bank's share price reaches a certain share target price prior to vesting.
5 For members of the Management Board share delivery after a retention period of three years. For all other regulated employees share delivery after a retention period of six months.
6 For members of the Management Board a different schedule applies. For all other regulated employees share delivery after a further retention period of six months.

Furthermore, the Group offers a broad-based employee share ownership plan entitled Global Share Purchase Plan ("GSPP"). The GSPP offers employees in specific countries the opportunity to purchase Deutsche Bank shares in monthly installments over one year. At the end of the purchase cycle, the bank matches the acquired stock in a ratio of one to one up to a maximum of ten free shares, provided that the employee remains at Deutsche Bank Group for another year. In total, about 15,250 staff from 21 countries enrolled in the eighth cycle that began in November 2016.

The Group has other local share-based compensation plans, none of which, individually or in the aggregate, are material to the consolidated financial statements.

The following table shows the outstanding share award units as of the respective dates, which represent a contingent right to receive Deutsche Bank common shares after a specified period of time. It also includes the grants under the cash plan variant of the DB Equity Plan.

	Share units (in thousands)	Weighted-average grant date fair value per unit
Balance as of December 31, 2014	**52,449**	**€31.60**
Balance as of December 31, 2015	**53,651**	**€28.18**
Balance as of December 31, 2016	**90,292**	**€20.22**

Share-based payment transactions resulting in a cash payment give rise to a liability, which amounted to approximately € 15 million, € 19 million and € 21 million for the years ended December 31, 2016, 2015 and 2014, respectively.

As of December 31, 2016, the grant volume of outstanding share awards was approximately € 1.6 billion. Thereof, € 1.1 billion had been recognized as compensation expense in the reporting year or prior to that. Hence, compensation expense for deferred share-based compensation not yet recognized amounted to € 0.5 billion as of December 31, 2016.

In addition to the amounts shown in the table above, approximately 3.4 and 9.4 million shares were issued to plan participants in February and March 2017, resulting from the vesting of DB Equity Plan awards granted in prior years (thereof 0.1 million units for February and 0.1 million units for March 2017 vesting cycles under the cash plan variant of this DB Equity Plan).

Post-employment Benefit Plans

Nature of Plans

The Group sponsors a number of post-employment benefit plans on behalf of its employees, both defined contribution plans and defined benefit plans. The Group's plans are accounted for based on the nature and substance of the plan. Generally, for defined benefit plans the value of a participant's accrued benefit is based on each employee's remuneration and length of service; contributions to defined contribution plans are typically based on a percentage of each employee's remuneration. The rest of this note focuses predominantly on the Group's defined benefit plans.

The Group's defined benefit plans are primarily described on a geographical basis, reflecting differences in the nature and risks of benefits, as well as in the respective regulatory environments. In particular, the requirements set by local regulators can vary significantly and determine the design and financing of the benefit plans to a certain extent. Key information is also shown based on participant status, which provides a broad indication of the maturity of the Group's obligations.

					Dec 31, 2016
in € m.	Germany	UK	U.S.	Other	Total
Defined benefit obligation related to					
Active plan participants	4,884	791	443	741	6,859
Participants in deferred status	2,139	2,559	560	99	5,357
Participants in payment status	4,955	1,146	545	251	6,897
Total defined benefit obligation	**11,978**	**4,496**	**1,548**	**1,091**	**19,113**
Fair value of plan assets	**10,975**	**5,352**	**1,219**	**973**	**18,519**
Funding ratio (in %)	**92**	**119**	**79**	**89**	**97**

					Dec 31, 2015
in € m.	Germany	UK	U.S.	Other	Total
Defined benefit obligation related to					
Active plan participants	4,352	796	436	845	6,429
Participants in deferred status	1,883	2,350	538	196	4,967
Participants in payment status	4,548	1,177	533	300	6,558
Total defined benefit obligation	**10,783**	**4,323**	**1,507**	**1,341**	**17,954**
Fair value of plan assets	**10,371**	**5,322**	**1,182**	**1,210**	**18,085**
Funding ratio (in %)	**96**	**123**	**78**	**90**	**101**

The majority of the Group's defined benefit plan obligations relate to Germany, the United Kingdom and the United States. Within the other countries, the largest obligations relate to Switzerland, Channel Islands and Belgium. In Germany and some continental European countries, post-employment benefits are usually agreed on a collective basis with respective employee works councils or their equivalent. The Group's main pension plans are governed by boards of trustees, fiduciaries or their equivalent.

Post-employment benefits can form an important part of an employee's total remuneration. The Group's approach is that their design shall be attractive to employees in the respective market, but sustainable for the Group to provide over the longer term. At the same time, the Group tries to limit its risks related to provision of such benefits. Consequently the Group has moved to offer defined contribution plans in many locations over recent years.

In the past the Group typically offered pension plans based on final pay prior to retirement. These types of benefits still form a significant part of the pension obligations for participants in deferred and payment status. Currently, in Germany and the United States, the main defined benefit pension plans for active staff are cash account type plans where the Group credits an annual amount to individuals' accounts based on an employee's current salary. Dependent on the plan rules, the accounts increase either at a fixed interest rate or participate in market movements of certain underlying investments to limit the investment risk for the Group. Sometimes, in particular in Germany, there is a guaranteed benefit amount within the plan rules, e.g. payment of at least the amounts contributed. Upon retirement, beneficiaries may usually opt for a lump sum or for conversion of the accumulated account balance into an annuity. This conversion is often based on market conditions and mortality assumptions at retirement. In the United Kingdom, the main defined benefit pension plan was redesigned in 2011 for active employees still eligible to the plan to reduce the overall long-term risk exposure to the Group. In the Netherlands the Group converted the defined benefit plan into a collective defined contribution plan during 2016.

The Group also sponsors retirement and termination indemnity plans in several countries, as well as some post-employment medical plans for a number of current and retired employees, mainly in the United States. The post-employment medical plans typically pay fixed percentages of medical expenses of eligible retirees after a set deductible has been met. In the United States, once a retiree is eligible for Medicare, the Group contributes to a Health Reimbursement Account and the retiree is no longer eligible for the Group's medical program. The Group's total defined benefit obligation for post-employment medical plans was € 201 million and € 196 million at December 31, 2016 and December 31, 2015, respectively. In combination with the benefit structure, these plans represent limited risk for the Group.

The following amounts of expected benefit payments from the Group's defined benefit plans include benefits attributable to employees' past and estimated future service, and include both amounts paid from the Group's external pension trusts and paid directly by the Group in respect of unfunded plans.

in € m.	Germany	UK	U.S.	Other	Total
Actual benefit payments 2016	403	132	123	76	734
Benefits expected to be paid 2017	406	69	84	66	625
Benefits expected to be paid 2018	417	73	82	64	636
Benefits expected to be paid 2019	436	79	89	63	667
Benefits expected to be paid 2020	453	88	85	62	688
Benefits expected to be paid 2021	468	94	88	64	714
Benefits expected to be paid 2022 – 2026	2,644	601	472	330	4,047
Weighted average duration of defined benefit obligation (in years)	15	23	13	14	16

Multi-employer Plans

In Germany, the Group is a member of the BVV together with other financial institutions. The BVV offers retirement benefits to eligible employees in Germany as a complement to post-employment benefit promises of the Group. Both employers and employees contribute on a regular basis to the BVV. The BVV provides annuities of a fixed amount to individuals on retirement and increases these fixed amounts if surplus assets arise within the plan. According to legislation in Germany, the employer is ultimately liable for providing the benefits to its employees. An increase in benefits may also arise due to additional obligations to retirees for the effects of inflation. BVV is a multi-employer defined benefit plan. However, in line with industry practice, the Group accounts for it as a defined contribution plan since insufficient information is available to identify assets and liabilities relating to the Group's current and former employees, primarily because the BVV does not fully allocate plan assets to beneficiaries nor to member companies. According to the BVV's most recent disclosures, there is no current deficit in the plan that may affect the amount of future Group contributions. Furthermore, any plan surplus emerging in the future will be distributed to the plan members, hence it cannot reduce future Group contributions. In June 2016, the BVV's Annual General Meeting approved a reduction in benefits from future contributions for certain groups of employees. Similar to other participating companies, the Group committed to make up for reduced benefit levels by increasing contributions to the BVV from January 1, 2017. A corresponding labor agreement has been signed with the German works council.

The Group's expenses for defined contribution plans also include annual contributions by Deutsche Postbank AG to the pension fund for postal civil servants in Germany. Responsibility for the liability for these benefits lies with the German government.

Governance and Risk

The Group maintains a Pensions Risk Committee to oversee its pension and related risks on a global basis. This Committee meets quarterly, reports directly to the Senior Executive Compensation Committee and is supported by the Pensions Operating Committee.

Within this context, the Group develops and maintains guidelines for governance and risk management, including funding, asset allocation and actuarial assumption setting. In this regard, risk management means the management and control of risks for the Group related to market developments (e.g., interest rate, credit spread, price inflation), asset investment, regulatory or legislative requirements, as well as monitoring demographic changes (e.g., longevity). Especially during and after acquisitions or changes in the external environment (e.g., legislation, taxation), topics such as the general plan design or potential plan amendments are considered. Any plan changes follow a process requiring approval by Group Human Resources. To the extent that pension plans are funded, the assets held mitigate some of the liability risks, but introduce investment risk.

In the Group's key pension countries, the Group's largest post-employment benefit plan risk exposures relate to potential changes in credit spreads, interest rates, price inflation and longevity, although these have been partially mitigated through the investment strategy adopted.

Overall, the Group seeks to minimize the impact of pensions on the Group's financial position from market movements, subject to balancing the trade-offs involved in financing post-employment benefits, regulatory capital and constraints from local funding or accounting requirements. The Group measures its pension risk exposures on a regular basis using specific metrics developed by the Group for this purpose.

Funding

The Group maintains various external pension trusts to fund the majority of its defined benefit plan obligations. The Group's funding policy is to maintain coverage of the defined benefit obligation by plan assets within a range of 90 % to 100 % of the obligation, subject to meeting any local statutory requirements. The Group has also determined that certain plans should remain unfunded, although their funding approach is subject to periodic review, e.g. when local regulations or practices change. Obligations for the Group's unfunded plans are accrued on the balance sheet.

For most of the externally funded defined benefit plans there are local minimum funding requirements. The Group can decide on any additional plan contributions, with reference to the Group's funding policy. There are some locations, e.g. the United Kingdom, where the trustees and the Bank jointly agree contribution levels. In most countries the Group expects to receive an economic benefit from any plan surpluses of plan assets compared to defined benefit obligations, typically by way of reduced future contributions. Given the broadly fully funded position and the investment strategy adopted in the Group's key funded defined benefit plans, any minimum funding requirements that may apply are not expected to place the Group under any material adverse cash strain in the short term. With reference to the Group's funding policy, the Group considers not re-claiming benefits paid from the Group's assets as an equivalent to making cash contributions into the external pension trusts during the year.

For post-retirement medical plans, the Group accrues for obligations over the period of employment and pays the benefits from Group assets when the benefits become due.

Actuarial Methodology and Assumptions

December 31 is the measurement date for all plans. All plans are valued by independent qualified actuaries using the projected unit credit method. A Group policy provides guidance to local actuaries to ensure consistency globally on setting actuarial assumptions which are finally determined by the Group's Pensions Operating Committee.

The key actuarial assumptions applied in determining the defined benefit obligations at December 31 are presented below in the form of weighted averages.

	Dec 31, 2016				Dec 31, 2015			
	Germany	UK	U.S.[1]	Other	Germany	UK	U.S.[1]	Other
Discount rate (in %)	1.7	2.6	4.0	2.3	2.4	3.9	4.2	2.6
Rate of price inflation (in %)	1.7	3.6	2.2	2.0	1.6	3.4	2.3	2.2
Rate of nominal increase in future compensation levels (in %)	2.1	4.6	2.3	2.8	2.1	4.4	2.3	2.5
Rate of nominal increase for pensions in payment (in %)	1.6	3.5	2.2	1.1	1.5	3.3	2.3	1.1
Assumed life expectancy at age 65								
For a male aged 65 at measurement date	19.1	23.4	22.4	22.0	19.0	23.5	21.8	21.6
For a female aged 65 at measurement date	23.2	25.5	23.9	24.5	23.1	25.0	24.0	24.1
For a male aged 45 at measurement date	21.8	25.1	23.9	23.7	21.6	25.1	23.5	23.4
For a female aged 45 at measurement date	25.7	27.4	25.4	26.1	25.6	26.9	25.6	25.8
Mortality tables applied	Richttafeln Heubeck 2005G	SAPS (S2) Light with CMI 2015 projections	RP2014 White-collar with MP2016 projections	Country specific tables	Richttafeln Heubeck 2005G	SAPS (S1) Light with CMI 2015 projections	RP2014 Aggregate with MP 2014 projections	Country specific tables

1 Cash balance interest crediting rate in line with the 30-year US government bond yield.

For the Group's most significant plans in the key countries, the discount rate used at each measurement date is set based on a high quality corporate bond yield curve – derived based on bond universe information sourced from reputable third-party index and data providers and rating agencies – reflecting the timing, amount and currency of the future expected benefit payments for the respective plan. For longer durations

where limited bond information is available, reasonable yield curve extrapolation methods are applied using respective actual swap rates and credit spread assumptions. Consistent discount rates are used across all plans in each currency zone, based on the assumption applicable for the Group's largest plan(s) in that zone. For plans in the other countries, the discount rate is based on high quality corporate or government bond yields applicable in the respective currency, as appropriate at each measurement date with a duration broadly consistent with the respective plan's obligations.

The price inflation assumptions in the eurozone and the United Kingdom are set with reference to market measures of inflation based on inflation swap rates in those markets at each measurement date. For other countries, the price inflation assumptions are typically based on long term forecasts by Consensus Economics Inc.

The assumptions for the increases in future compensation levels and for increases to pensions in payment are developed separately for each plan, where relevant. Each is set based on the price inflation assumption and reflecting the Group's reward structure or policies in each market, as well as relevant local statutory and plan-specific requirements.

Among other assumptions, mortality assumptions can be significant in measuring the Group's obligations under its defined benefit plans. These assumptions have been set in accordance with current best practice in the respective countries. Future potential improvements in longevity have been considered and included where appropriate.

Reconciliation in Movement of Liabilities and Assets – Impact on Financial Statements

					2016
in € m.	**Germany**	**UK**	**U.S.**	**Other**	**Total**
Change in the present value of the defined benefit obligation:					
Balance, beginning of year	**10,783**	**4,323**	**1,507**	**1,341**	**17,954**
Defined benefit cost recognized in Profit & Loss					
Current service cost	190	23	21	62	296
Interest cost	256	151	61	35	503
Past service cost and gain or loss arising from settlements	2	5	0	(39)[1]	(32)
Defined benefit cost recognized in Other Comprehensive Income					
Actuarial gain or loss arising from changes in financial assumptions	1,142	1,251	42	141	2,576
Actuarial gain or loss arising from changes in demographic assumptions	0	4	(6)	(3)	(5)
Actuarial gain or loss arising from experience	2	(66)	0	(3)	(67)
Cash flow and other changes					
Contributions by plan participants	3	0	0	19	22
Benefits paid	(403)	(132)	(123)	(76)	(734)
Payments in respect to settlements	0	0	0	(393)[1]	(393)
Acquisitions/Divestitures	0	(402)[2]	0	0	(402)
Exchange rate changes	0	(661)	46	(8)	(623)
Other[3]	3	0	0	15	18
Balance, end of year	**11,978**	**4,496**	**1,548**	**1,091**	**19,113**
thereof:					
Unfunded	4	13	206	123	346
Funded	11,974	4,483	1,342	968	18,767
Change in fair value of plan assets:					
Balance, beginning of year	**10,371**	**5,322**	**1,182**	**1,210**	**18,085**
Defined benefit cost recognized in Profit & Loss					
Interest income	249	185	48	32	514
Defined benefit cost recognized in Other Comprehensive Income					
Return from plan assets less interest income	484	1,042	10	97	1,633
Cash flow and other changes					
Contributions by plan participants	3	0	0	19	22
Contributions by the employer	271	22	56	73	422
Benefits paid [4]	(402)	(132)	(110)	(56)	(700)
Payments in respect to settlements	0	0	0	(393)[1]	(393)
Acquisitions/Divestitures	0	(282)[2]	0	0	(282)
Exchange rate changes	0	(804)	36	(19)	(787)
Other[3]	(1)	0	0	12	11
Plan administration costs	0	(1)	(3)	(2)	(6)
Balance, end of year	**10,975**	**5,352**	**1,219**	**973**	**18,519**
Funded status, end of year	**(1,003)**	**856**	**(329)**	**(118)**	**(594)**
Change in irrecoverable surplus (asset ceiling)					
Balance, beginning of year	**0**	**0**	**0**	**0**	**0**
Interest cost	0	0	0	0	0
Changes in irrecoverable surplus	0	0	0	0	0
Exchange rate changes	0	0	0	0	0
Balance, end of year	**0**	**0**	**0**	**0**	**0**
Net asset (liability) recognized	**(1,003)**	**856**	**(329)**	**(118)**	**(594)**[5]

1 Converted defined benefit plan into a collective defined contribution plan in the Netherlands.
2 Abbey Life.
3 Includes the opening balance of a plan in Belgium for which defined contribution plan accounting was applied before and other smaller plans.
4 For funded plans only.
5 Thereof € 934 million recognized in Other assets and € 1,528 million in Other liabilities.

in € m.	Germany	UK	U.S.	Other	2015 Total
Change in the present value of the defined benefit obligation:					
Balance, beginning of year	**11,263**	**4,295**	**1,375**	**1,260**	**18,193**
Defined benefit cost recognized in Profit & Loss					
Current service cost	202	30	24	61	317
Interest cost	224	170	58	29	481
Past service cost and gain or loss arising from settlements	4	4	0	1	9
Defined benefit cost recognized in Other Comprehensive Income					
Actuarial gain or loss arising from changes in financial assumptions	(551)	(143)	(39)	(50)	(783)
Actuarial gain or loss arising from changes in demographic assumptions	0	(66)	0	0	(66)
Actuarial gain or loss arising from experience	22	(103)	15	(9)	(75)
Cash flow and other changes					
Contributions by plan participants	3	0	0	13	16
Benefits paid	(383)	(123)	(85)	(69)	(660)
Payments in respect to settlements	0	0	0	0	0
Acquisitions/Divestitures	0	0	0	0	0
Exchange rate changes	0	259	159	54	472
Other[1]	(1)	0	0	51	50
Balance, end of year	**10,783**	**4,323**	**1,507**	**1,341**	**17,954**
thereof:					
Unfunded	2	14	203	114	333
Funded	10,781	4,309	1,304	1,227	17,621
Change in fair value of plan assets:					
Balance, beginning of year	**10,634**	**5,095**	**1,072**	**1,109**	**17,910**
Defined benefit cost recognized in Profit & Loss					
Interest income	213	201	45	26	485
Defined benefit cost recognized in Other Comprehensive Income					
Return from plan assets less interest income	(463)	(152)	(49)	(41)	(705)
Cash flow and other changes					
Contributions by plan participants	3	0	0	13	16
Contributions by the employer	367	2	64	51	484
Benefits paid[2]	(383)	(122)	(72)	(47)	(624)
Payments in respect to settlements	0	0	0	0	0
Acquisitions/Divestitures	0	0	0	0	0
Exchange rate changes	0	304	124	49	477
Other[1]	0	0	0	51	51
Plan administration costs	0	(6)	(2)	(1)	(9)
Balance, end of year	**10,371**	**5,322**	**1,182**	**1,210**	**18,085**
Funded status, end of year	**(412)**	**999**	**(325)**	**(131)**	**131**
Change in irrecoverable surplus (asset ceiling)					
Balance, beginning of year	**0**	**0**	**0**	**0**	**0**
Interest cost	0	0	0	0	0
Changes in irrecoverable surplus	0	0	0	0	0
Balance, end of year	**0**	**0**	**0**	**0**	**0**
Net asset (liability) recognized	**(412)**	**999**	**(325)**	**(131)**	**131**[3]

1 Includes the opening balances of a plan in India for which defined contribution plan accounting was applied before.
2 For funded plans only.
3 Thereof € 1,161 million recognized in Other assets and € 1,030 million in Other liabilities.

There are no reimbursement rights for the Group.

Investment Strategy

The Group's investment objective is to protect the Group from adverse impacts of changes in the funding position of its defined benefit pension plans on key financial metrics, with a primary focus on immunizing

the plans' IFRS funded status, while taking into account the plans' impact on other metrics, such as regulatory capital and local profit & loss accounts. Investment managers manage pension assets in line with investment mandates or guidelines as agreed with the pension plans' trustees and investment committees.

To achieve the primary objective of immunizing the IFRS funded status of key defined benefit plans, the Group applies a liability driven investment (LDI) approach. Risks from mismatches between fluctuations in the present value of the defined benefit obligations and plan assets due to capital market movements are minimized, subject to balancing relevant trade-offs. This is achieved by allocating plan assets closely to the market risk factor exposures of the pension liability to interest rates, credit spreads and inflation. Thereby, plan assets broadly reflect the underlying risk profile and currency of the pension obligations. For pension plans where a full LDI approach may impact adversely other key financial metrics important to the Group's overall financial position, the Group may deviate from this primary investment strategy. In 2015, the Group decided to adjust temporarily the investment strategy for the German main pension plan assets by reducing the interest rate and credit spread hedges. The Group closely monitors this divergence from the primary investment strategy and has put in place governance mechanisms to ensure a regular review of the deviation from the LDI approach.

Where the desired hedging level for these risks cannot be achieved with physical instruments (i.e. corporate and government bonds), derivatives are employed. Derivative overlays mainly include interest rate, inflation swaps and credit default swaps. Other instruments are also used, such as interest rate futures and options. In practice, a completely hedged approach is impractical, for instance because of insufficient market depth for ultra-long-term corporate bonds, as well as liquidity and cost considerations. Therefore, plan assets contain further asset categories to create long-term return enhancement and diversification benefits such as equity, real estate, high yield bonds or emerging markets bonds.

Plan asset allocation to key asset classes

The following table shows the asset allocation of the Group's funded defined benefit plans to key asset classes, i.e. exposures include physical securities in discretely managed portfolios and underlying asset allocations of any commingled funds used to invest plan assets.

Asset amounts in the following table include both "quoted" (i.e. Level 1 assets in accordance with IFRS 13 – amounts invested in markets where the fair value can be determined directly from prices which are quoted in active, liquid markets) and "other" (i.e. Level 2 and 3 assets in accordance with IFRS 13) assets.

					Dec 31, 2016					Dec 31, 2015
in € m.	Germany	UK	U.S.	Other	Total	Germany[3]	UK	U.S.	Other	Total
Cash and cash equivalents	1,085	115	45	73	1,318	777	138	27	86	1,028
Equity instruments[1]	1,129	634	116	87	1,966	1,027	648	113	272	2,060
Investment-grade bonds[2]										
Government	2,264	1,898	405	166	4,733	3,697	1,918	524	287	6,426
Non-government bonds	5,627	2,272	521	154	8,574	4,271	2,456	400	346	7,473
Non-investment-grade bonds										
Government	166	0	0	45	211	130	0	0	11	141
Non-government bonds	305	70	15	25	415	310	79	8	19	416
Structured products	38	237	65	22	362	35	259	45	12	351
Insurance	1	0	0	27	28	1	0	0	14	15
Alternatives										
Real estate	222	117	0	37	376	200	137	0	39	376
Commodities	6	13	0	0	19	7	7	0	8	22
Private equity	58	0	0	0	58	51	0	0	0	51
Other	667	34	0	330	1,031	641	38	0	100	779
Derivatives (Market Value)										
Interest rate	(614)	133	51	(2)	(432)	(812)	(60)	65	21	(786)
Credit	80	(1)	1	1	81	(11)	0	0	0	(11)
Inflation	0	(197)	0	7	(190)	0	(245)	0	(8)	(253)
Foreign exchange	(59)	2	0	0	(57)	42	(6)	0	2	38
Other	0	25	0	1	26	5	(47)	0	1	(41)
Total fair value of plan assets	**10,975**	**5,352**	**1,219**	**973**	**18,519**	**10,371**	**5,322**	**1,182**	**1,210**	**18,085**

1 Allocation of equity exposure is broadly in line with the typical index in the respective market, e.g. the equity portfolio's benchmark of the UK retirement benefit plans is the MSCI All Countries World Index.
2 Investment-grade means BBB and above. Average credit rating exposure for the Group's main plans is around A.
3 Prior year numbers have been restated due to a refined classification approach for selected plan asset components in Germany.

The following table sets out the Group's funded defined benefit plan assets only invested in "quoted" assets, i.e. Level 1 assets in accordance with IFRS 13.

					Dec 31, 2016					Dec 31, 2015
in € m.	Germany	UK	U.S.	Other	Total	Germany[1]	UK	U.S.	Other	Total
Cash and cash equivalents	1,145	115	42	39	1,341	1,241	138	29	68	1,476
Equity instruments	1,066	635	115	78	1,894	984	648	113	272	2,017
Investment-grade bonds										
Government	723	1,893	404	78	3,098	1,898	1,917	522	183	4,520
Non-government bonds	0	0	0	3	3	0	0	0	0	0
Non-investment-grade bonds										
Government	0	0	0	32	32	0	0	0	0	0
Non-government bonds	0	0	0	0	0	0	0	0	0	0
Structured products	0	0	0	0	0	0	259	0	11	270
Insurance	0	0	0	0	0	0	0	0	0	0
Alternatives										
Real estate	0	0	0	0	0	0	0	0	0	0
Commodities	4	0	0	0	4	6	0	0	0	6
Private equity	0	0	0	0	0	0	0	0	0	0
Other	8	0	0	0	8	32	0	0	6	38
Derivatives (Market Value)										
Interest rate	(1)	0	11	0	10	0	0	17	(1)	16
Credit	0	(1)	0	1	0	0	0	0	0	0
Inflation	0	0	0	0	0	0	0	0	0	0
Foreign exchange	0	2	0	0	2	42	(6)	0	2	38
Other	1	0	0	0	1	5	0	0	1	6
Total fair value of quoted plan assets	**2,946**	**2,644**	**572**	**231**	**6,393**	**4,208**	**2,956**	**681**	**542**	**8,387**

1 Prior year numbers have been restated due to a refined classification approach for selected plan asset components in Germany.

All the remaining assets are invested in "other" assets, the majority of which are invested in Level 2 assets in accordance with IFRS 13, being primarily investment-grade corporate bonds. A relatively small element overall is in Level 3 assets in accordance with IFRS 13, being primarily real estate, insurance policies and derivative contracts.

The following tables show the asset allocation of the "quoted" and other defined benefit plan assets by key geography in which they are invested.

							Dec 31, 2016
in € m.	Germany	United Kingdom	United States	Other Eurozone	Other developed countries	Emerging markets	Total
Cash and cash equivalents	(54)	112	144	1,062	20	34	1,318
Equity instruments	279	103	847	279	321	137	1,966
Government bonds (investment-grade and above)	738	1,840	447	975	210	523	4,733
Government bonds (non-investment-grade)	1	18	5	13	7	167	211
Non-government bonds (investment-grade and above)	472	1,819	2,458	2,939[1]	763	123	8,574
Non-government bonds (non-investment-grade)	9	50	186	130	28	12	415
Structured products	36	210	66	7	6	37	362
Subtotal	**1,481**	**4,152**	**4,153**	**5,405**	**1,355**	**1,033**	**17,579**
Share (in %)	8	24	24	31	8	6	100
Other asset categories							940
Fair value of plan assets							**18,519**

1 Majority of this amount relates to bonds of French, Italian and Dutch corporate bonds.

in € m.	Germany	United Kingdom	United States	Other Eurozone	Other developed countries	Emerging markets	Total
							Dec 31, 2015[1]
Cash and cash equivalents	(450)	147	81	1,195	26	29	1,028
Equity instruments	270	137	865	282	375	131	2,060
Government bonds (investment-grade and above)	1,842	1,895	549	1,454	225	461	6,426
Government bonds (non-investment-grade)	0	0	0	5	4	132	141
Non-government bonds (investment-grade and above)	427	1,838	2,184	2,081[2]	864	79	7,473
Non-government bonds (non-investment-grade)	19	48	168	140	29	12	416
Structured products	34	219	42	39	16	1	351
Subtotal	**2,142**	**4,284**	**3,889**	**5,196**	**1,539**	**845**	**17,895**
Share (in %)	12	24	22	29	9	5	100
Other asset categories							190
Fair value of plan assets							**18,085**

1 Prior year numbers have been restated due to a refined classification approach for selected plan asset components in Germany.
2 Majority of this amount relates to bonds of French, Italian and Dutch corporate bonds.

Plan assets at December 31, 2016 include derivative transactions with Group entities with a negative market value of around € 550 million. There is neither a material amount of securities issued by the Group nor other claims on Group assets included in the fair value of plan assets. The plan assets do not include any real estate which is used by the Group.

In addition, the Group estimates and allows for uncertain income tax positions which may have an impact on the Group's plan assets. Significant judgment is required in making these estimates and the Group's final liabilities may ultimately be materially different.

Key Risk Sensitivities

The Group's defined benefit obligations are sensitive to changes in capital market conditions and actuarial assumptions. Sensitivities to capital market movements and key assumption changes are presented in the following table. Each market risk factor or assumption is changed in isolation. Sensitivities of the defined benefit obligations are approximated using geometric extrapolation methods based on plan durations for the respective assumption. Duration is a risk measure that indicates the broad sensitivity of the obligations to a change in an underlying assumption and provides a reasonable approximation for small to moderate changes in those assumptions.

For example, the discount rate duration is derived from the change in the defined benefit obligation to a change in the discount rate based on information provided by the local actuaries of the respective plans. The resulting duration is used to estimate the remeasurement liability loss or gain from changes in the discount rate. For other assumptions, a similar approach is used to derive the respective sensitivity results.

For defined benefit pension plans, changes in capital market conditions will impact the plan obligations via actuarial assumptions – mainly discount rate and price inflation rate – as well as the plan assets. Where the Group applies a LDI approach, the Bank's overall exposure to changes is reduced. Consequently, to aid understanding of the Group's risk exposures related to key capital market movements, the net impact of the change in the defined benefit obligations and plan assets due to a change of the related market risk factor or underlying actuarial assumption is shown; for sensitivities to changes in actuarial assumptions that do not impact the plan assets, only the impact on the defined benefit obligations is shown.

Asset-related sensitivities are derived for the Group's major plans by using risk sensitivity factors determined by the Group's Market Risk Management function. These sensitivities are calculated based on information provided by the plans' investment managers and extrapolated linearly to reflect the approximate change of the plan assets' market value in case of a change in the underlying risk factor.

The sensitivities illustrate plausible variations over time in capital market movements and key actuarial assumptions. The Group is not in a position to provide a view on the likelihood of these capital market or assumption changes. While these sensitivities illustrate the overall impact on the funded status of the changes shown, the significance of the impact and the range of reasonable possible alternative

assumptions may differ between the different plans that comprise the aggregated results. Even though plan assets and plan obligations are sensitive to similar risk factors, actual changes in plan assets and obligations may not fully offset each other due to imperfect correlations between market risk factors and actuarial assumptions. Caution should be used when extrapolating these sensitivities due to non-linear effects that changes in capital market conditions and key actuarial assumptions may have on the overall funded status. Any management actions that may be taken to mitigate the inherent risks in the post-employment defined benefit plans are not reflected in these sensitivities.

Sensitivity analyses have been refined for discount rates and credits spreads to 50 basis points (100 basis points used previously) to reflect the low level of several key financial assumptions. For consistency, sensitivities shown for December 31, 2015 have been adjusted accordingly.

	Dec 31, 2016				Dec 31, 2015			
in € m.	**Germany**	**UK**	**U.S.**	**Other**	**Germany**	**UK**	**U.S.**	**Other**
Discount rate (-50 bp):								
(Increase) in DBO	(900)	(500)	(50)	(65)	(775)	(440)	(45)	(105)
Expected increase in plan assets[1]	600	555	35	25	330	515	40	65
Expected net impact on funded status (de-) increase	**(300)**	**55**	**(15)**	**(40)**	**(445)**	**75**	**(5)**	**(40)**
Discount rate (+50 bp):								
Decrease in DBO	835	450	40	60	725	395	35	95
Expected (decrease) in plan assets[1]	(600)	(555)	(35)	(25)	(330)	(515)	(40)	(65)
Expected net impact on funded status (de-) increase	**235**	**(105)**	**5**	**35**	**395**	**(120)**	**(5)**	**30**
Credit spread (-50 bp):								
(Increase) in DBO	(900)	(500)	(100)	(70)	(775)	(440)	(90)	(110)
Expected increase in plan assets[1]	500	115	25	10	230	125	25	20
Expected net impact on funded status (de-) increase	**(400)**	**(385)**	**(75)**	**(60)**	**(545)**	**(315)**	**(65)**	**(90)**
Credit spread (+50 bp):								
Decrease in DBO	835	450	95	65	725	395	85	100
Expected (decrease) in plan assets[1]	(500)	(115)	(25)	(10)	(230)	(125)	(25)	(20)
Expected net impact on funded status (de-) increase	**335**	**335**	**70**	**55**	**495**	**270**	**60**	**80**
Rate of price inflation (-50 bp):[2]								
Decrease in DBO	340	395	0	25	305	340	0	50
Expected (decrease) in plan assets[1]	(220)	(350)	0	(15)	(215)	(355)	0	(10)
Expected net impact on funded status (de-) increase	**120**	**45**	**0**	**10**	**90**	**(15)**	**0**	**40**
Rate of price inflation (+50 bp):[2]								
(Increase) in DBO	(350)	(435)	0	(30)	(315)	(370)	0	(55)
Expected increase in plan assets[1]	220	350	0	15	215	355	0	10
Expected net impact on funded status (de-) increase	**(130)**	**(85)**	**0**	**(15)**	**(100)**	**15**	**0**	**(45)**
Rate of real increase in future compensation levels (-50 bp):								
Decrease in DBO, net impact on funded status	75	25	0	15	70	15	0	15
Rate of real increase in future compensation levels (+50 bp):								
(Increase) in DBO, net impact on funded status	(75)	(25)	0	(15)	(70)	(15)	0	(15)
Longevity improvements by 10 %:[3]								
(Increase) in DBO, net impact on funded status	(305)	(130)	(30)	(15)	(260)	(110)	(25)	(25)

1 Expected changes in the fair value of plan assets contain the simulated impact from the biggest plans in Germany, the UK, the U.S., Channel Islands, Switzerland and Belgium which cover over 99 % of the total fair value of plan assets. The fair value of plan assets for other plans is assumed to be unchanged for this presentation.

2 Incorporates sensitivity to changes in nominal increase for pensions in payment to the extent linked to the price inflation assumption.

3 Estimated to be equivalent to an increase of around 1 year in overall life expectancy.

Expected cash flows

The following table shows expected cash flows for post-employment benefits in 2017, including contributions to the Group's external pension trusts in respect of funded plans, direct payment to beneficiaries in respect of unfunded plans, as well as contributions to defined contribution plans.

in € m.	2017 Total
Expected contributions to	
Defined benefit plan assets	300
BVV	70
Pension fund for Postbank's postal civil servants	90
Other defined contribution plans	310
Expected benefit payments for unfunded defined benefit plans	30
Expected total cash flow related to post-employment benefits	**800**

Expense of employee benefits

The following table presents a breakdown of specific expenses according to the requirements of IAS 19 and IFRS 2 respectively.

in € m.	2016	2015	2014
Expenses for defined benefit plans:			
Service cost	272	326	296
Net interest cost (income)	(11)	(4)	3
Total expenses defined benefit plans	**261**	**322**	**299**
Expenses for defined contribution plans:			
BVV	50	53	51
Pension fund for Postbank's postal civil servants	95	95	97
Other defined contribution plans	284	264	228
Total expenses for defined contribution plans	**429**	**412**	**376**
Total expenses for post-employment benefit plans	**690**	**734**	**675**
Employer contributions to mandatory German social security pension plan	**237**	**231**	**229**
Expenses for share-based payments, equity settled[1]	620	816	860
Expenses for share-based payments, cash settled[1]	3	15	11
Expenses for cash retention plans[1]	487	738	815
Expenses for severance payments[2]	149	184	205

1 Including expenses for new hire awards and the acceleration of expenses not yet amortized due to the discontinuation of employment including those amounts which are recognized as part of the Group's restructuring expenses.

2 Excluding the acceleration of expenses for deferred compensation awards not yet amortized.

37 – Income Taxes

in € m.	2016	2015	2014
Current tax expense (benefit):			
Tax expense (benefit) for current year	881	1,385	764
Adjustments for prior years	(23)	277	(12)
Total current tax expense (benefit)	**858**	**1,662**	**752**
Deferred tax expense (benefit):			
Origination and reversal of temporary difference, unused tax losses and tax credits	(276)	(378)	644
Effect of changes in tax law and/or tax rate	(3)	140	44
Adjustments for prior years	(33)	(749)	(15)
Total deferred tax expense (benefit)	**(312)**	**(987)**	**673**
Total income tax expense (benefit)	**546**	**675**	**1,425**

Income tax expense includes policyholder tax attributable to policyholder earnings, amounting to an income tax expense of € 23 million in 2016, an income tax benefit of € 0.4 million in 2015 and an income tax benefit of € 2 million in 2014.

Total current tax expense includes benefits from previously unrecognized tax losses, tax credits and deductible temporary differences, which reduced the current tax expense by € 7 million in 2016. In 2015 and 2014 these effects reduced the current tax expense by € 3 million and by € 5 million respectively.

Total deferred tax benefit includes benefits from previously unrecognized tax losses (tax credits/deductible temporary differences) and the reversal of previous write-downs of deferred tax assets and expenses arising from write-downs of deferred tax assets, which increased the deferred tax benefit by € 38 million in 2016. In 2015 and 2014 these effects reduced the deferred tax benefit by € 187 million and the deferred tax expense by € 303 million.

Difference between applying German statutory (domestic) income tax rate and actual income tax expense/(benefit)

in € m.	2016	2015	2014
Expected tax expense (benefit) at domestic income tax rate of 31.3 % (31.0 % for 2015 and 2014)	**(254)**	**(1,890)**	**966**
Foreign rate differential	(38)	(157)	88
Tax-exempt gains on securities and other income	(599)	(345)	(371)
Loss (income) on equity method investments	(19)	(21)	(93)
Nondeductible expenses	1,074	1,288	649
Impairments of goodwill	250	1,407	0
Changes in recognition and measurement of deferred tax assets[1]	(45)	184	(308)
Effect of changes in tax law and/or tax rate	(3)	140	44
Effect related to share-based payments	66	(5)	78
Effect of policyholder tax	23	0	(2)
Other[1]	91	74	374
Actual income tax expense (benefit)	**546**	**675**	**1,425**

1 Current and deferred tax expense/(benefit) relating to prior years are mainly reflected in the line items "Changes in recognition and measurement of deferred tax assets" and "Other".

The Group is under continuous examinations by tax authorities in various jurisdictions. In 2015 and 2014 "Other" in the preceding table mainly includes the effects of these examinations by the tax authorities.

The outcome of the recent U.S. federal election may result in significant tax policy changes. Tax reform proposals currently under consideration contemplate a significant reduction of tax rates on business income and significant changes to the overall framework for taxation, the scope as well as the application of which to the financial services industry is currently unclear. A reduction in the corporate tax rate may impact the effective tax rate of the Group in future periods. The Group's deferred tax assets may also be impacted and may need to be re-measured. The specific impact on Deutsche Bank's financial condition cannot be determined at this time.

The domestic income tax rate, including corporate tax, solidarity surcharge, and trade tax, used for calculating deferred tax assets and liabilities was 31.3 % for 2016 and 31 % for the years 2015 and 2014.

Income taxes charged or credited to equity (other comprehensive income/additional paid in capital)

in € m.	2016	2015	2014
Actuarial gains/losses related to defined benefit plans	**344**	**(213)**	**407**
Financial assets available for sale:			
Unrealized net gains/losses arising during the period	20	104	(457)
Net gains/losses reclassified to profit or loss	81	10	5
Derivatives hedging variability of cash flows:			
Unrealized net gains/losses arising during the period	(14)	3	(7)
Net gains/losses reclassified to profit or loss	1	(6)	(146)
Other equity movement:			
Unrealized net gains/losses arising during the period	(71)	(90)	(68)
Net gains/losses reclassified to profit or loss	100	(2)	1
Income taxes (charged) credited to other comprehensive income	**461**	**(194)**	**(265)**
Other income taxes (charged) credited to equity	**93**	**72**	**(21)**

Major components of the Group's gross deferred tax assets and liabilities

in € m.	Dec 31, 2016	Dec 31, 2015
Deferred tax assets:		
Unused tax losses	3,931	3,477
Unused tax credits	358	215
Deductible temporary differences:		
Trading activities	7,248	7,748
Property and equipment	458	468
Other assets	1,606	1,640
Securities valuation	80	92
Allowance for loan losses	1,039	982
Other provisions	1,079	1,310
Other liabilities	1,353	1,028
Total deferred tax assets pre offsetting	**17,152**	**16,960**
Deferred tax liabilities:		
Taxable temporary differences:		
Trading activities	7,128	7,446
Property and equipment	57	64
Other assets	560	954
Securities valuation	381	523
Allowance for loan losses	29	50
Other provisions	355	351
Other liabilities	462	556
Total deferred tax liabilities pre offsetting	**8,972**	**9,944**

Deferred tax assets and liabilities, after offsetting

in € m.	Dec 31, 2016	Dec 31, 2015
Presented as deferred tax assets	8,666	7,762
Presented as deferred tax liabilities	486	746
Net deferred tax assets	**8,180**	**7,016**

The change in the balance of deferred tax assets and deferred tax liabilities does not equal the deferred tax expense/(benefit). This is due to (1) deferred taxes that are booked directly to equity, (2) the effects of exchange rate changes on tax assets and liabilities denominated in currencies other than euro, (3) the acquisition and disposal of entities as part of ordinary activities and (4) the reclassification of deferred tax assets and liabilities which are presented on the face of the balance sheet as components of other assets and liabilities.

Items for which no deferred tax assets were recognized

in € m.	Dec 31, 2016[1]	Dec 31, 2015[1]
Deductible temporary differences	**1**	**(277)**
Not expiring	(4,368)	(4,372)
Expiring in subsequent period	(189)	(2)
Expiring after subsequent period	(746)	(1,067)
Unused tax losses	**(5,303)**	**(5,441)**
Expiring after subsequent period	(13)	(95)
Unused tax credits	**(14)**	**(97)**

1 Amounts in the table refer to deductible temporary differences, unused tax losses and tax credits for federal income tax purposes.

Deferred tax assets were not recognized on these items because it is not probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

As of December 31, 2016 and December 31, 2015, the Group recognized deferred tax assets of € 5.8 billion and € 5.0 billion, respectively, that exceed deferred tax liabilities in entities which have suffered a loss in either the current or preceding period. This is based on management's assessment that it is probable that the respective entities will have taxable profits against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. Generally, in determining the amounts of

deferred tax assets to be recognized, management uses historical profitability information and, if relevant, forecasted operating results, based upon approved business plans, including a review of the eligible carry-forward periods, tax planning opportunities and other relevant considerations.

As of December 31, 2016 and December 31, 2015, the Group had temporary differences associated with the Group's parent company's investments in subsidiaries, branches and associates and interests in joint ventures of € 67 million and € 93 million respectively, in respect of which no deferred tax liabilities were recognized.

38 – Derivatives

Derivative Financial Instruments and Hedging Activities

Derivative contracts used by the Group include swaps, futures, forwards, options and other similar types of contracts. In the normal course of business, the Group enters into a variety of derivative transactions for sales, market-making and risk management purposes. The Group's objectives in using derivative instruments are to meet customers' risk management needs and to manage the Group's exposure to risks.

In accordance with the Group's accounting policy relating to derivatives and hedge accounting as described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates", all derivatives are carried at fair value in the balance sheet regardless of whether they are held for trading or non-trading purposes.

Derivatives held for Sales and Market-Making Purposes

Sales and Market-Making

The majority of the Group's derivatives transactions relate to sales and market-making activities. Sales activities include the structuring and marketing of derivative products to customers to enable them to take, transfer, modify or reduce current or expected risks. Market-making involves quoting bid and offer prices to other market participants, enabling revenue to be generated based on spreads and volume.

Risk Management

The Group uses derivatives in order to reduce its exposure to market risks as part of its asset and liability management. This is achieved by entering into derivatives that hedge specific portfolios of fixed rate financial instruments and forecast transactions as well as strategic hedging against overall balance sheet exposures. The Group actively manages interest rate risk through, among other things, the use of derivative contracts. Utilization of derivative financial instruments is modified from time to time within prescribed limits in response to changing market conditions, as well as to changes in the characteristics and mix of the related assets and liabilities.

Derivatives qualifying for Hedge Accounting

The Group applies hedge accounting if derivatives meet the specific criteria described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates".

Fair Value Hedge Accounting

The Group enters into fair value hedges, using primarily interest rate swaps and options, in order to protect itself against movements in the fair value of fixed-rate financial instruments due to movements in market interest rates.

	Dec 31, 2016		Dec 31, 2015	
in € m.	Assets	Liabilities	Assets	Liabilities
Derivatives held as fair value hedges[1]	6,893	1,749	6,764	2,193

1 In 2016 the Group changed the presentation of the figures from a net presentation (after set-off) to a gross presentation (before set-off). Comparative figures for December 31, 2015 have been adjusted accordingly.

For the years ended December 31, 2016, 2015 and 2014, a loss of € 0.6 billion, a loss of € 1.1 billion and a gain of € 1.0 billion, respectively, were recognized on the hedging instruments. For the same periods, the results on the hedged items, which were attributable to the hedged risk, were a gain of € 1.0 billion, a gain of € 1.0 billion and a loss of € 1.3 billion.

Cash Flow Hedge Accounting

The Group enters into cash flow hedges, using interest rate swaps and equity index swaps, in order to protect itself against exposure to variability in interest rates and equities.

	Dec 31, 2016		Dec 31, 2015	
in € m.	Assets	Liabilities	Assets	Liabilities
Derivatives held as cash flow hedges	242	0	239	0

Periods when hedged cash flows are expected to occur and when they are expected to affect the income statement

in € m.	Within 1 year	1–3 years	3–5 years	Over 5 years
As of December 31, 2016				
Cash inflows from assets	33	34	5	0
Cash outflows from liabilities	0	0	0	0
Net cash flows 2016	**33**	**34**	**5**	**0**
As of December 31, 2015				
Cash inflows from assets	32	49	0	0
Cash outflows from liabilities	(20)	(33)	(26)	(15)
Net cash flows 2015	**12**	**16**	**(26)**	**(15)**

Cash Flow Hedge Balances

in € m.	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Reported in Equity[1]	198	138	118
thereof relates to terminated programs	0	(14)	(15)
Gains (losses) posted to equity for the year ended	62	1	(6)
Gains (losses) removed from equity for the year ended	2	(20)	(339)
Ineffectiveness recorded within P&L	(17)	(1)	(3)

1 Reported in equity refers to accumulated other comprehensive income as presented in the Consolidated Statement of Comprehensive Income.

As of December 31, 2016 the longest term cash flow hedge matures in 2021.

Net Investment Hedge Accounting

Using foreign exchange forwards and swaps, the Group enters into hedges of translation adjustments resulting from translating the financial statements of net investments in foreign operations into the reporting currency of the parent at period end spot rates.

	Dec 31, 2016		Dec 31, 2015	
in € m.	Assets	Liabilities	Assets	Liabilities
Derivatives held as net investment hedges	286	4,076	226	5,379

For the years ended December 31, 2016, 2015 and 2014, losses of € 437 million, € 425 million and € 357 million, respectively, were recognized due to hedge ineffectiveness which includes the forward points element of the hedging instruments.

39 – Related Party Transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group's related parties include:

– key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members,

– subsidiaries, joint ventures and associates and their respective subsidiaries, and

– post-employment benefit plans for the benefit of Deutsche Bank employees.

Transactions with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Deutsche Bank, directly or indirectly. The Group considers the members of the Management Board and of the Supervisory Board of the parent company to constitute key management personnel for purposes of IAS 24.

Compensation expense of key management personnel

in € m.	2016	2015	2014
Short-term employee benefits	40	31	26
Post-employment benefits	9	6	4
Other long-term benefits	7	11	7
Termination benefits	0	20	0
Share-based payment	12	15	5
Total	**68**	**83**	**42**

The above mentioned table does not contain compensation that employee representatives and former board members on the Supervisory Board have received. The aggregated compensation paid to such members for their services as employees of Deutsche Bank or status as former employees (retirement, pension and deferred compensation) amounted to € 1.1 million as of December 31, 2016, € 1.1 million as of December 31, 2015 and € 1.1 million as of December 31, 2014.

Among the Group's transactions with key management personnel as of December 31, 2016 were loans and commitments of € 49 million and deposits of € 7 million. As of December 31, 2015, the Group's transactions with key management personnel were loans and commitments of € 11 million and deposits of € 8 million.

In addition, the Group provides banking services, such as payment and account services as well as investment advice, to key management personnel and their close family members.

Transactions with Subsidiaries, Joint Ventures and Associates

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

Transactions for subsidiaries, joint ventures and associates are presented combined in below table as these are not material individually.

Loans

in € m.	2016	2015
Loans outstanding, beginning of year	**396**	**321**
Movement in loans during the period[1]	(86)	89
Changes in the group of consolidated companies	0	(31)
Exchange rate changes/other	(13)	18
Loans outstanding, end of year[2]	**297**	**396**
Other credit risk related transactions:		
Allowance for loan losses	0	1
Provision for loan losses	0	0
Guarantees and commitments	62	263

1 Net impact of loans issued and loans repayment during the year is shown as "Movement in loans during the period".
2 Loans past due were € 7 million as of December 31, 2016 and € 4 million as of December 31, 2015. For the above loans the Group held collateral of € 22 million and € 69 million as of December 31, 2016 and December 31, 2015, respectively.

Deposits

in € m.	2016	2015
Deposits outstanding, beginning of year	**162**	**128**
Movement in deposits during the period[1]	(74)	31
Changes in the group of consolidated companies	0	(0)
Exchange rate changes/other	(1)	2
Deposits outstanding, end of year	**87**	**162**

1 Net impact of deposits received and deposits repaid during the year is shown as "Movement in deposits during the period".

Other Transactions

Trading assets and positive market values from derivative financial transactions with associated companies amounted to € 8 million as of December 31, 2016 and € 32 million as of December 31, 2015. Trading liabilities and negative market values from derivative financial transactions with associated companies amounted to € 0 million as of December 31, 2016 and € 0 million as of December 31, 2015.

Transactions with Pension Plans

Under IFRS, certain post-employment benefit plans are considered related parties. The Group has business relationships with a number of its pension plans pursuant to which it provides financial services to these plans, including investment management services. The Group's pension funds may hold or trade Deutsche Bank shares or securities.

Transactions with related party pension plans

in € m.	2016	2015
Equity shares issued by the Group held in plan assets	0	0
Other assets	0	0
Fees paid from plan assets to asset managers of the Group	22	41
Market value of derivatives with a counterparty of the Group	(547)	(793)
Notional amount of derivatives with a counterparty of the Group	8,755	10,516

40 – Information on Subsidiaries

Composition of the Group

Deutsche Bank AG is the direct or indirect holding company for the Group's subsidiaries.

The Group consists of 938 (2015: 1,217) consolidated entities, thereof 349 (2015: 545) consolidated structured entities. 678 (2015: 796) of the entities controlled by the Group are directly or indirectly held by the Group at 100 % of the ownership interests (share of capital). Third parties also hold ownership interests in 260 (2015: 421) of the consolidated entities (noncontrolling interests). As of December 31, 2015 and 2016, the noncontrolling interests are neither individually nor cumulatively material to the Group.

Significant restrictions to access or use the Group's assets

Statutory, contractual or regulatory requirements as well as protective rights of noncontrolling interests might restrict the ability of the Group to access and transfer assets freely to or from other entities within the Group and to settle liabilities of the Group.

Since the Group did not have any material noncontrolling interests at the balance sheet date, any protective rights associated with these did not give rise to significant restrictions.

The following restrictions impact the Group's ability to use assets:

- The Group has pledged assets to collateralize its obligations under repurchase agreements, securities financing transactions, collateralized loan obligations and for margining purposes for OTC derivative liabilities.
- The assets of consolidated structured entities are held for the benefit of the parties that have bought the notes issued by these entities.
- Regulatory and central bank requirements or local corporate laws may restrict the Group's ability to transfer assets to or from other entities within the Group in certain jurisdictions.

Restricted assets

in € m.	Dec 31, 2016 Total assets	Dec 31, 2016 Restricted assets	Dec 31, 2015 Total assets	Dec 31, 2015 Restricted assets
Interest-earning deposits with banks	163,292	1,314	78,263	2,190
Financial assets at fair value through profit or loss	743,781	54,711	820,883	79,222
Financial assets available for sale	56,228	19,870	73,583	11,046
Loans	408,909	74,172	427,749	46,352
Other	218,336	7,693	239,441	9,294
Total	**1,590,546**	**157,760**	**1,629,130**	**148,105**

The table above excludes assets that are not encumbered at an individual entity level but which may be subject to restrictions in terms of their transferability within the Group. Such restrictions may be based on local connected lending requirements or similar regulatory restrictions. In this situation, it is not feasible to identify individual balance sheet items that cannot be transferred. This is also the case for regulatory minimum liquidity requirements. The Group identifies the volume of liquidity reserves in excess of local stress liquidity outflows. The aggregate amount of such liquidity reserves that are considered restricted for this purpose is € 37.4 billion as of December 31, 2016 (as of December 31, 2015: € 19.7 billion).

41 – Structured Entities

Nature, purpose and extent of the Group's interests in structured entities

The Group engages in various business activities with structured entities which are designed to achieve a specific business purpose. A structured entity is one that has been set up so that any voting rights or similar rights are not the dominant factor in deciding who controls the entity. An example is when voting rights relate only to administrative tasks and the relevant activities are directed by contractual arrangements.

A structured entity often has some or all of the following features or attributes:

- Restricted activities;
- A narrow and well defined objective;
- Insufficient equity to permit the structured entity to finance its activities without subordinated financial support;
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The principal uses of structured entities are to provide clients with access to specific portfolios of assets and to provide market liquidity for clients through securitizing financial assets. Structured entities may be established as corporations, trusts or partnerships. Structured entities generally finance the purchase of assets by issuing debt and equity securities that are collateralized by and/or indexed to the assets held by the structured entities. The debt and equity securities issued by structured entities may include tranches with varying levels of subordination.

Structured entities are consolidated when the substance of the relationship between the Group and the structured entities indicate that the structured entities are controlled by the Group, as discussed in Note 1 "Significant Accounting Policies and Critical Accounting Estimates".

Consolidated structured entities

The Group has contractual arrangements which may require it to provide financial support to the following types of consolidated structured entities.

Securitization vehicles

The Group uses securitization vehicles for funding purchase of diversified pool of assets. The Group provides financial support to these entities in the form of liquidity facility. As of December 31, 2016 and December 31, 2015, there were outstanding loan commitments to these entities for € 3 million and € 251 million respectively.

Funds
The Group may provide funding and liquidity facility or guarantees to funds consolidated by the group. As of Decem-ber 31, 2016 and December 31, 2015 notional value of the liquidity facilities and guarantees provided by the group to such funds was € 11.3 billion and € 13.4 billion.

Unconsolidated structured entities
These are entities which are not consolidated because the Group does not control them through voting rights, contract, funding agreements, or other means. The extent of the Group's interests to unconsolidated structured entities will vary depending on the type of structured entities.

Below is a description of the Group's involvements in unconsolidated structured entities by type.

Repackaging and investment entities
Repackaging and investment entities are established to meet clients' investment needs through the combination of securities and derivatives. These entities are not consolidated by the Group because the Group does not have power to influence the returns obtained from the entities. These entities are usually set up to provide a certain investment return pre-agreed with the investor, and the Group is not able to change the investment strategy or return during the life of the transaction.

Third party funding entities
The Group provides funding to structured entities that hold a variety of assets. These entities may take the form of funding entities, trusts and private investment companies. The funding is collateralized by the asset in the structured entities. The group's involvement involves predominantly both lending and loan commitments.

The vehicles used in these transactions are controlled by the borrowers where the borrowers have the ability to decide whether to post additional margin or collateral in respect of the financing. In such cases, where borrowers can decide to continue or terminate the financing, the borrowers will consolidate the vehicle.

Securitization Vehicles
The Group establishes securitization vehicles which purchase diversified pools of assets, including fixed income securities, corporate loans, and asset-backed securities (predominantly commercial and residential mortgage-backed securities and credit card receivables). The vehicles fund these purchases by issuing multiple tranches of debt and equity securities, the repayment of which is linked to the performance of the assets in the vehicles.

The Group often transfers assets to these securitization vehicles and provides financial support to these entities in the form of liquidity facilities.

The Group also invests and provides liquidity facilities to third party sponsored securitization vehicles.

The securitization vehicles that are not consolidated into the Group are those where the Group does not hold the power or ability to unilaterally remove the servicer or special servicer who has been delegated power over the activities of the entity.

Funds
The Group establishes structured entities to accommodate client requirements to hold investments in specific assets. The Group also invests in funds that are sponsored by third parties. A group entity may act as fund manager, custodian or some other capacity and provide funding and liquidity facilities to both group sponsored and third party funds. The funding provided is collateralized by the underlying assets held by the fund.

The Group does not consolidate funds when Deutsche Bank is deemed agent or when another third party investor has the ability to direct the activities of the fund.

Other
These are Deutsche Bank sponsored or third party structured entities that do not fall into any criteria above. These entities are not consolidated by the Group when the Group does not hold power over the decision making of these entities.

Income derived from involvement with structured entities
The Group earns management fees and, occasionally, performance-based fees for its investment management service in relation to funds. Interest income is recognized on the funding provided to structured entities. Any trading revenue as a result of derivatives with structured entities and from the movements in the value of notes held in these entities is recognized in 'Net gains/losses on financial assets/liabilities held at fair value through profit and loss'.

Interests in unconsolidated structured entities
The Group's interests in unconsolidated structured entities refer to contractual and non-contractual involvement that exposes the Group to variability of returns from the performance of the structured entities. Examples of interests in unconsolidated structured entities include debt or equity investments, liquidity facilities, guarantees and certain derivative instruments in which the Group is absorbing variability of returns from the structured entities.

Interests in unconsolidated structured entities exclude instruments which introduce variability of returns into the structured entities. For example, when the Group purchases credit protection from an unconsolidated structured entity whose purpose and design is to pass through credit risk to investors, the Group is providing the variability of returns to the entity rather than absorbing variability. The purchased credit protection is therefore not considered as an interest for the purpose of the table below.

Maximum Exposure to unconsolidated structured entities
The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated structured entity. The maximum exposure for loans and trading instruments is reflected by their carrying amounts in the consolidated balance sheet. The maximum exposure for derivatives and off balance sheet commitments such as guarantees, liquidity facilities and loan commitments under IFRS 12, as interpreted by the Group, is reflected by the notional amounts. Such amounts or their development do not reflect the economic risks faced by the Group because they do not take into account the effects of collateral or hedges nor the probability of such losses being incurred. At December 31, 2016, the notional related to the positive and negative replacement values of derivatives and off balance sheet commitments were € 145 billion, € 644 billion and € 27 billion respectively. At December 31, 2015, the notional related to the positive and negative replacement values of derivatives and off balance sheet commitments were € 255 billion, € 606 billion and € 31 billion respectively.

Size of structured entities

The Group provides a different measure for size of structured entities depending on their type. The following measures have been considered as appropriate indicators for evaluating the size of structured entities:

– Funds – Net asset value or asset under management where the Group holds fund units and notional of derivatives when the Group's interest comprises of derivatives.

– Securitizations – notional of notes in issue when the Group derives its interests through notes its holds and notional of derivatives when the Group's interests is in the form of derivatives.

– Third party funding entities –Total assets in entities

– Repackaging and investment entities – Fair value of notes in issue

For Third party funding entities, size information is not publicly available, therefore the Group has disclosed the greater of the collateral the Group has received/pledged or the notional of the exposure the Group has to the entity.

The following table shows, by type of structured entity, the carrying amounts of the Group's interests recognized in the consolidated statement of financial position as well as the maximum exposure to loss resulting from these interests. It also provides an indication of the size of the structured entities. The carrying amounts presented below do not reflect the true variability of returns faced by the Group because they do not take into account the effects of collateral or hedges.

Carrying amounts and size relating to Deutsche Bank's interests

					Dec 31, 2016
in € m.	**Repackaging and Investment Entities**	**Third Party Funding Entities**	**Securitizations**	**Funds**	**Total**
Assets					
Cash and central bank balances	0	0	0	0	0
Interbank balances (w/o central banks)	(15)	0	0	345	331
Central bank funds sold and securities purchased under resale agreements	68	87	18	3,113	3,286
Securities Borrowed	0	0	0	11,643	11,643
Total financial assets at fair value through profit or loss	1,231	3,068	6,332	54,943	65,576
Trading assets	659	2,309	6,211	15,031	24,210
Positive market values (derivative financial instruments)	538	262	111	7,587	8,499
Financial assets designated at fair value through profit or loss	34	497	10	32,326	32,867
Financial assets available for sale	62	599	271	1,008	1,940
Loans	157	36,710	20,219	19,604	76,690
Other assets	50	40	181	20,454	20,726
Total assets	**1,554**	**40,504**	**27,022**	**111,111**	**180,192**
Liabilities					
Total financial liabilities at fair value through profit or loss	354	36	27	11,036	11,453
Negative market values (derivative financial instruments)	354	36	27	11,036	11,453
Total liabilities	**354**	**36**	**27**	**11,036**	**11,453**
Off-balance sheet exposure	0	5,150	10,591	11,448	27,189
Total	**1,200**	**45,619**	**37,586**	**111,523**	**195,928**
Size of structured entity	9,487	65,234	454,950	1,888,491	

in € m.	Repackaging and Investment Entities	Third Party Funding Entities	Securitizations	Funds	Total
					Dec 31, 2015
Assets					
Cash and central bank balances[1]	0	0	0	0	0
Interbank balances (w/o central banks)[1]	18	0	110	422	550
Central bank funds sold and securities purchased under resale agreements	0	0	20	1,445	1,465
Securities Borrowed	0	0	66	23,045	23,111
Total financial assets at fair value through profit or loss	1,924	3,106	14,203	66,109	85,455
Trading assets	1,256	1,339	13,886	18,709	35,303[2]
Positive market values (derivative financial instruments)	619	114	94	6,525	7,352
Financial assets designated at fair value through profit or loss	48	1,653	223	40,876	42,800
Financial assets available for sale	0	421	568	1,722	2,711
Loans	135	34,340	25,026	20,958	80,459
Other assets	103	2,150	565	18,365	21,182
Total assets	**2,179**	**40,017**	**40,558**	**132,065**	**214,932**[2]
Liabilities					
Total financial liabilities at fair value through profit or loss	319	150	669	9,961	11,099
Negative market values (derivative financial instruments)	319	150	669	9,961	11,099
Total liabilities	**319**	**150**	**669**	**9,961**	**11,099**
Off-balance sheet exposure	2	7,724	9,408	13,459	30,710[2]
Total	**1,863**	**47,591**	**49,297**	**135,563**	**234,544**
Size of structured entity	10,607	63,187	896,028[3]	2,694,148	

1 From December 31, 2015 onwards Cash and due from banks changed to Cash and central bank balances and Interest-earning deposits with banks changed to Interbank balances (w/o central banks).
2 Includes 113 million for total assets and 116 million for off-balance sheet exposure for entity type Others.
3 2015 size information has been adjusted to eliminate double counting in underlying data.

Trading assets – Total trading assets as of December 31, 2016 and December 31, 2015 of € 24.2 billion and € 35.3 billion are comprised primarily of € 6.2 billion and € 13.8 billion in Securitizations and € 15 billion and € 18.7 billion in Funds structured entities respectively. The Group's interests in securitizations are collateralized by the assets contained in these entities. Where the Group holds fund units these are typically in regards to market making in funds or otherwise serve as hedges for notes issued to clients. Moreover the credit risk arising from loans made to Third party funding structured entities is mitigated by the collateral received.

Financial assets designated at fair value through profit or loss – Reverse repurchase agreements to Funds comprise the majority of the interests in this category and are collateralized by the underlying securities.

Loans – Loans as of December 31, 2016 and December 31, 2015 consists of € 76.7 billion and € 80.4 billion investment in securitization tranches and financing to Third party funding entities. The Group's financing to Third party funding entities is collateralized by the assets in those structured entities.

Other assets – Other assets as of December 31, 2016 and December 31, 2015 of € 20.7 billion and € 21.2 billion, respectively, consists primarily of prime brokerage receivables and cash margin balances.

Pending Receivables – Pending Receivable balances are not included in this disclosure note due to the fact that these balances arise from typical customer supplier relationships out of e.g. brokerage type activities and their inherent volatility would not provide users of the financial statements with effective information about Deutsche Bank's exposures to structured entities.

Financial Support

Deutsche Bank did not provide non-contractual support during the year to unconsolidated structured entities.

Sponsored Unconsolidated Structured Entities where the Group has no interest as of December 31, 2016 and December 31, 2015.

As a sponsor, the Group is involved in the legal set up and marketing of the entity and supports the entity in different ways, namely:

– transferring assets to the entities

– providing seed capital to the entities

– providing operational support to ensure the entity's continued operation

– providing guarantees of performance to the structured entities.

The Group is also deemed a sponsor for a structured entity if market participants would reasonably associate the entity with the Group. Additionally, the use of the Deutsche Bank name for the structured entity indicates that the Group has acted as a sponsor.

The gross revenues from sponsored entities where the Group did not hold an interest as of December 31, 2016 and December 31, 2015 were € (145) million and € 20.2 million respectively. Instances where the Group does not hold an interest in an unconsolidated sponsored structured entity include cases where any seed capital or funding to the structured entity has already been repaid in full to the Group during the year. This amount does not take into account the impacts of hedges and is recognized in Net gains/losses on financial assets/liabilities at fair value through profit and loss. The aggregated carrying amounts of assets transferred to sponsored unconsolidated structured entities in 2016 were 894 million for securitization and € 20 million for repackaging and investment entities. In 2015, they were € 981 million for securitization and € 281 million for repackaging and investment entities.

42 – Insurance and Investment Contracts

On the December 30, 2016 the sale of 100 % of the equity of Abbey Life Assurance Company was completed to Phoenix Group Ltd. As a consequence of this sale all of the Group's insurance contracts business and the majority of the investment contract business were disposed of leaving only € 592 million in a remaining program.

The impact of the transfer of Abbey Life to the held-for-sale category, impairment of VOBA and sale of Abbey Life is discussed in the Note 27 "Non-Current Assets and Disposal Groups Held for Sale".

Liabilities arising from Insurance and Investment Contracts

		Dec 31, 2015	
in € m.	Gross	Reinsurance	Net
Insurance contracts	4,921	(78)	4,843
Investment contracts	8,522	0	8,522
Total	**13,443**	**(78)**	**13,365**

Carrying Amount

The following table presents an analysis of the change in insurance and investment contracts liabilities in 2015.

	2015	
in € m.	Insurance contracts	Investment contracts
Balance, beginning of year	**4,750**	**8,523**
New business	120	48
Claims/withdrawals paid	(426)	(708)
Other changes in existing business	195	191
Exchange rate changes	282	468
Balance, end of year	**4,921**	**8,522**

As of December 31, 2016 the Group had no insurance contract liabilities. As of December 31, 2015 the Group had insurance contract liabilities of € 4.9 billion. Of this, € 2.8 billion represents traditional annuities in payment, € 1.7 billion universal life contracts and € 431 million unit linked pension contracts with guaranteed annuity rates (made up of a unit linked liability of € 283 million and a best estimate reserve of € 148 million for the guaranteed annuity rates).

43 – Current and Non-Current Assets and Liabilities

Asset and liability line items by amounts recovered or settled within or after one year

Asset items as of December 31, 2016

	Amounts recovered or settled		Total
in € m.	within one year	after one year	Dec 31, 2016
Cash and central bank balances	181,364	0	181,364
Interbank balances (w/o central banks)	10,996	610	11,606
Central bank funds sold and securities purchased under resale agreements	15,756	531	16,287
Securities borrowed	20,081	0	20,081
Financial assets at fair value through profit or loss	725,099	18,682	743,781
Financial assets available for sale	9,211	47,016	56,228
Equity method investments	0	1,027	1,027
Loans	115,673	293,236	408,909
Securities held to maturity	0	3,206	3,206
Property and equipment	0	2,804	2,804
Goodwill and other intangible assets	0	8,982	8,982
Other assets	118,246	7,799	126,045
Assets for current tax	1,329	230	1,559
Total assets before deferred tax assets	**1,197,755**	**384,124**	**1,581,880**
Deferred tax assets			8,666
Total assets			**1,590,546**

Liability items as of December 31, 2016

	Amounts recovered or settled		Total
in € m.	within one year	after one year	Dec 31, 2016
Deposits	522,885	27,319	550,204
Central bank funds purchased and securities sold under repurchase agreements	25,035	705	25,740
Securities loaned	3,598	0	3,598
Financial liabilities at fair value through profit or loss	576,336	5,635	581,971
Other short-term borrowings	17,295	0	17,295
Other liabilities	150,253	5,187	155,440
Provisions	10,973	0	10,973
Liabilities for current tax	723	606	1,329
Long-term debt	28,758	143,558	172,316
Trust preferred securities	2,197	4,176	6,373
Total liabilities before deferred tax liabilities	**1,338,054**	**187,186**	**1,525,240**
Deferred tax liabilities			486
Total liabilities			**1,525,727**

Asset items as of December 31, 2015

in € m.	Amounts recovered or settled within one year	after one year	Total Dec 31, 2015
Cash and central bank balances	96,940	0	96,940
Interbank balances (w/o central banks)	12,620	223	12,842
Central bank funds sold and securities purchased under resale agreements	21,240	1,216	22,456
Securities borrowed	33,556	1	33,557
Financial assets at fair value through profit or loss	783,383	37,499	820,883
Financial assets available for sale	7,359	66,225	73,583
Equity method investments	0	1,013	1,013
Loans	130,483	297,266	427,749
Securities held to maturity	0	0	0
Property and equipment	0	2,846	2,846
Goodwill and other intangible assets	0	10,078	10,078
Other assets	111,653	6,484	118,137
Assets for current tax	997	288	1,285
Total assets before deferred tax assets	**1,198,231**	**423,139**	**1,621,368**
Deferred tax assets			7,762
Total assets			**1,629,130**

Liability items as of December 31, 2015

in € m.	Amounts recovered or settled within one year	after one year	Total Dec 31, 2015
Deposits	541,557	25,417	566,974
Central bank funds purchased and securities sold under repurchase agreements	9,803	0	9,803
Securities loaned	2,857	414	3,270
Financial liabilities at fair value through profit or loss	584,474	15,280	599,754
Other short-term borrowings	28,010	0	28,010
Other liabilities	168,205	6,800	175,005
Provisions	9,207	0	9,207
Liabilities for current tax	1,086	613	1,699
Long-term debt	26,129	133,887	160,016
Trust preferred securities	995	6,025	7,020
Total liabilities before deferred tax liabilities	**1,372,324**	**188,436**	**1,560,760**
Deferred tax liabilities			746
Total liabilities			**1,561,506**

44 – Events after the Reporting Period

On January 13, 2017 Deutsche Bank signed an agreement to dispose of its non-strategic participation of 16.8 % in the German payment service provider Concardis GmbH. The transaction is expected to be completed in the first half of 2017 subject to regulatory approvals. The transaction is expected to have a positive effect on half year results.

As announced on March 5, 2017, Deutsche Bank expects to issue new shares with an expected volume in proceeds of around € 8 billion. The Group plans to complete this capital raise in the first half of April and plans a series of additional measures and sets new financial targets that replace the former targets. These measures include a revision of the Group's segmental structure which is expected to be implemented over the course of 2017 that, once further specified, will trigger a restatement of our segmental disclosures and an impairment review of related goodwill balances. Furthermore, the Management Board has revisited its dividend strategy and will propose to pay a dividend of € 0.19 per share taking into account expected shares following the aforementioned capital increase to the Annual General Meeting in May 2017. The bank expects to pay a total amount of approximately € 400 million in May 2017.

45 – Supplementary Information to the Consolidated Financial Statements according to Sections 297 (1a) / 315a HGB and the return on assets according to Article 26a of the German Banking Act

Staff Costs

in € m.	2016	2015
Staff costs:		
Wages and salaries	9,819	11,163
Social security costs	2,055	2,130
thereof: those relating to pensions	671	724
Total	**11,874**	**13,292**

Staff

The average number of effective staff employed in 2016 was 101,182 (2015: 99,423) of whom 44,660 (2015: 44,071) were women. Part-time staff is included in these figures proportionately. An average of 55,557 (2015: 53,623) staff members worked outside Germany.

Management Board and Supervisory Board Remuneration

The total compensation of the Management Board (in accordance with the German Accounting Standard No. 17) was € 26,691,178 and € 23,913,876 for the years ended December 31, 2016 and 2015, respectively, thereof € 0 for variable components in each of both years.

Former members of the Management Board of Deutsche Bank AG or their surviving dependents received € 35,305,889 and € 17,429,709 for the years ended December 31, 2016 and 2015, respectively.

The compensation principles for Supervisory Board members are set forth in our Articles of Association. The compensation provisions were last amended by resolution of the Annual General Meeting on May 22, 2014 which became effective on July 17, 2014. The members of the Supervisory Board receive fixed annual compensation. The annual base compensation amounts to € 100,000 for each Supervisory Board member. The Supervisory Board Chairman receives twice that amount and the Deputy Chairperson one and a half times that amount. Members and chairs of the committees of the Supervisory Board are paid additional fixed annual compensation. 75 % of the compensation determined is disbursed to each Supervisory Board member after submitting invoices in February of the following year. The other 25 % is converted by the company at the same time into company shares (notional shares) according to the provisions of the Articles of Association. The share value of this number of shares is paid to the respective Supervisory Board member in February of the year following his departure from the Supervisory Board or the expiration of his term of office according to the provisions of the Articles of Association, provided that the member does not leave the Supervisory Board due to important cause which would have justified dismissal. In case of a change in Supervisory Board membership during the year, compensation for the financial year will be paid on a pro rata basis, rounded up/down to full months. For the year of departure, the entire compensation is paid in cash; a forfeiture regulation applies to 25 % of the compensation for that financial year. The members of the Supervisory Board received for the financial year 2016 a total remuneration of € 5,016,667 (2015: € 4,850,000), of which € 3,904,167 were paid out in February 2017 (February 2016: € 3,710,417) according to the provisions of the Articles of Association.

Provisions for pension obligations to former members of the Management Board and their surviving dependents amounted to € 222,953,147 and € 210,146,088 at December 31, 2016 and 2015, respectively.

Loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 8,433,662 and € 8,914,864 and for members of the Supervisory Board of Deutsche Bank AG to € 40,005,403 and € 712,861 for the years ended December 31, 2016 and 2015, respectively. Members of the Supervisory Board repaid € 160,944 loans in 2016.

Return on Assets

Article 26a of the German Banking Act defines the return on assets as net profit divided by average total assets. According to this definition the return on assets was -0.08 % and –0.38 % for the years ended December 31, 2016 and 2015, respectively.

Information on the parent company

Deutsche Bank Aktiengesellschaft is the parent company of Deutsche Bank Group. It is incorporated in Frankfurt am Main and is registered in the Commercial Register of the District Court Frankfurt am Main under registration number HRB 30000.

Corporate Governance

Deutsche Bank AG has approved the Declaration of Conformity in accordance with section 161 of the German Corporation Act (AktG). The declaration is published on Deutsche Bank's website (www.db.com/ir/en/documents.htm).

Principal Accountant Fees and Services

Breakdown of the fees charged by the Group's auditor

Fee category in € m.	**2016**	**2015**
Audit fees	49	51
thereof to KPMG AG	18	24
Audit-related fees	26	19
thereof to KPMG AG	16	12
Tax-related fees	6	5
thereof to KPMG AG	3	2
All other fees	1	1
thereof to KPMG AG	1	0
Total fees	**82**	**76**

46 – Country by Country Reporting

§ 26a KWG requires annual disclosure of certain information by country. The disclosed information is derived from the IFRS Group accounts of Deutsche Bank. It is however not reconcilable to other financial information in this report because of specific requirements published by Bundesbank on December 16, 2014 which include the requirement to present the country information prior to elimination of cross-border intra group transactions. In line with these Bundesbank requirements, intra group transactions within the same country are eliminated. These eliminations are identical to the eliminations applied for internal management reporting on countries and consist mostly of dividends paid.

The geographical location of subsidiaries and branches considers the country of incorporation or residence as well as the relevant tax jurisdiction. For the names, nature of activity and geographical location of subsidiaries and branches, please refer to Note 47 “Shareholdings”. In addition, Deutsche Bank AG and its subsidiaries have German and foreign branches, for example in London, New York and Singapore. The net revenues are composed of net interest revenues and non-interest revenues.

				Dec 31, 2016
in € m. (unless stated otherwise)	**Net revenues (Turnover)**	**Employees (full-time equivalent)**	**Income (loss) before income taxes**	**Income tax (expense)/ benefit**
Argentina	57	71	39	(14)
Australia	382	528	56	(35)
Austria	20	111	(3)	(0)
Barbados	0	0	(0)	0
Belgium	192	666	16	(6)
Brazil	181	226	92	(2)
Canada	22	22	13	(3)
Cayman Islands	18	32	1	0
Chile	74	11	61	(23)
China	218	511	109	(27)
Colombia	(1)	0	(1)	0
Czech Republic	9	44	3	(1)
Finland	(0)	0	1	(0)
France	65	224	13	1
Germany	11,790	44,708	1,941	(171)
Great Britain	5,038	8,575	(1,548)	185
Greece	(0)	9	0	(0)
Guernsey	14	32	7	0
Hong Kong	635	1,303	(3)	15
Hungary	18	54	5	(1)
India	660	11,569	464	(221)
Indonesia	158	306	97	(32)
Ireland	38	645	8	(1)
Israel	6	11	(1)	(0)
Italy	1,007	3,880	(4)	(36)
Japan	600	661	245	(93)
Jersey	23	90	3	(1)
Latvia	1	0	0	0
Luxembourg	1,953	512	1,605	(148)
Malaysia	82	226	45	(11)
Malta	39	0	37	9
Mauritius	147	217	132	(3)
Mexico	30	65	(7)	2
Netherlands	446	752	126	0
New Zealand	34	0	26	(2)
Norway	(0)	0	(0)	0
Pakistan	15	74	6	(3)
Peru	1	0	(5)	(1)
Philippines	29	1,965	12	(3)
Poland	259	2,142	43	(14)
Portugal	54	392	(6)	1

in € m. (unless stated otherwise)	Net revenues (Turnover)	Employees (full-time equivalent)	Income (loss) before income taxes	Income tax (expense)/ benefit
				Dec 31, 2016
Qatar	(0)	3	0	(0)
Romania	5	681	9	(2)
Russian Fed.	81	1,246	30	(7)
Saudi Arabia	30	74	0	(8)
Singapore	1,115	2,089	276	14
South Africa	50	113	23	(5)
South Korea	110	288	31	(9)
Spain	513	2,542	(92)	26
Sri Lanka	20	68	9	(3)
Sweden	2	35	3	(1)
Switzerland	324	697	45	(9)
Taiwan	68	178	31	(6)
Thailand	42	122	15	(3)
Turkey	49	136	22	(5)
UAE	28	180	(8)	(1)
Ukraine	8	31	5	(1)
Uruguay	(0)	0	(0)	0
USA	6,617	10,558	(1,498)	88
Venezuela	0	0	0	0
Vietnam	18	69	9	(2)

47 – Shareholdings

150 Subsidiaries
160 Consolidated Structured Entities
166 Companies accounted for at equity
168 Other Companies, where the holding exceeds 20 %
172 Holdings in large corporations, where the holding exceeds 5 % of the voting rights

The following pages show the Shareholdings of Deutsche Bank Group pursuant to Section 313 (2) of the German Commercial Code ("HGB").

Footnotes:

1 Status as shareholder with unlimited liability pursuant to Section 313 Paragraph 2 Number 6 HGB.
2 Controlled.
3 The company made use of the exemption offered by Section 264b HGB.
4 General Partnership (Cayman Islands).
5 Special Fund.
6 Limited Partnership (China).
7 Only specified assets and related liabilities (silos) of this entity were consolidated.
8 Not controlled.
9 Accounted for at equity due to significant influence.
10 Classified as Structured Entity not to be accounted for at equity under IFRS.
11 Classified as Structured Entity not to be consolidated under IFRS.
12 Preliminary Own funds € 6,963.4m / Preliminary Result € 487.1m (Business Year 2016).
13 Not consolidated or accounted for at equity as classified as securities available for sale.
14 Preliminary Own funds € 8,946.3m / Preliminary Result € 175.6m (Business Year 2016).
15 Own funds € 3.0m / Result € (12.9)m (Business Year 2015).
16 Own funds € 103.7m / Result € 10.2m (Business Year 2015).
17 No significant influence.
18 Own funds € 13.7m / Result € 2.9m (Business Year 2015).
19 Own funds € 20.1m / Result € 1.9m (Business Year 2016).
20 Own funds € 0.0m / Result € 20.5m (Business Year 2015).

Subsidiaries

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1	Deutsche Bank Aktiengesellschaft	Frankfurt am Main		Deposit-taking Credit Institution	
2	ABFS I Incorporated	Baltimore		Financial Enterprise	100.0
3	ABS Leasing Services Company	Chicago		Provider of Supporting Services	100.0
4	ABS MB Ltd.	Baltimore		Financial Enterprise	100.0
5	Acacia (Luxembourg) S.à r.l.	Luxembourg		Other Enterprise	100.0
6	Accounting Solutions Holding Company, Inc.	Wilmington		Other Enterprise	100.0
7	Alex. Brown Financial Services Incorporated	Baltimore		Financial Enterprise	100.0
8	Alex. Brown Investments Incorporated	Baltimore		Financial Enterprise	100.0
9	Alfred Herrhausen Gesellschaft – Das internationale Forum der Deutschen Bank – mbH	Berlin		Other Enterprise	100.0
10	Americas Trust Servicios de Consultoria, S.A.	Madrid		Other Enterprise	100.0
11	Argent Incorporated	Baltimore		Credit Institution	100.0
12	Atrium 99. Europäische VV SE	Frankfurt		Other Enterprise	100.0
13	B.T.I. Investments (in members' voluntary liquidation)	London		Financial Enterprise	100.0
14	Baincor Nominees Pty Limited	Sydney		Other Enterprise	100.0
15	Bainpro Nominees Pty Ltd	Sydney		Other Enterprise	100.0
16	Bankers Trust International Finance (Jersey) Limited	St. Helier		Financial Enterprise	100.0
17	Bankers Trust International Limited (in members' voluntary liquidation)	London		Provider of Supporting Services	100.0
18	Bankers Trust Investments Limited	London		Other Enterprise	100.0
19	Barkly Investments Ltd.	St. Helier		Financial Enterprise	100.0
20	Bayan Delinquent Loan Recovery 1 (SPV-AMC), Inc.	Makati City		Financial Enterprise	100.0
21	Bebek Varlik Yönetym A.S.	Istanbul		Financial Enterprise	100.0
22	Betriebs-Center für Banken AG	Frankfurt		Provider of Supporting Services	100.0
23	BHW – Gesellschaft für Wohnungswirtschaft mbH	Hameln		Financial Enterprise	100.0
24	BHW Bausparkasse Aktiengesellschaft	Hameln		Deposit-taking Credit Institution	100.0
25	BHW Gesellschaft für Vorsorge mbH	Hameln		Financial Enterprise	100.0
26	BHW Holding AG	Hameln		Finance Holding Company	100.0
27	BHW Invest, Société à responsabilité limitée	Luxembourg		Other Enterprise	100.0
28	BHW Kreditservice GmbH	Hameln		Provider of Supporting Services	100.0
29	Biomass Holdings S.à r.l.	Luxembourg		Financial Enterprise	100.0
30	Birch (Luxembourg) S.à r.l.	Luxembourg		Other Enterprise	100.0
31	Blue Cork, Inc.	Wilmington		Provider of Supporting Services	100.0
32	BNA Nominees Pty Limited	Sydney		Other Enterprise	100.0
33	Borfield Sociedad Anonima	Montevideo		Other Enterprise	100.0
34	BRIMCO, S. de R.L. de C.V.	Mexico City		Other Enterprise	100.0
35	BT Commercial Corporation	Wilmington		Credit Institution	100.0
36	BT Globenet Nominees Limited	London		Other Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
37	BT Maulbronn GmbH	Eschborn		Financial Enterprise	100.0
38	BT Milford (Cayman) Limited	George Town		Provider of Supporting Services	100.0
39	BT Muritz GmbH	Eschborn		Provider of Supporting Services	100.0
40	BT Vordertaunus Verwaltungs- und Beteiligungsgesellschaft mbH	Eschborn		Provider of Supporting Services	100.0
41	BTAS Cayman GP	George Town	1	Financial Enterprise	100.0
42	BTD Nominees Pty Limited	Sydney		Other Enterprise	100.0
43	Buxtal Pty. Limited	Sydney		Financial Enterprise	100.0
44	CAM Initiator Treuhand GmbH & Co. KG	Cologne	1	Financial Enterprise	100.0
45	CAM PE Verwaltungs GmbH & Co. KG	Cologne	1	Financial Enterprise	100.0
46	CAM Private Equity Nominee GmbH & Co. KG	Cologne	1	Financial Enterprise	100.0
47	CAM Private Equity Verwaltungs-GmbH	Cologne		Financial Enterprise	100.0
48	Caneel Bay Holding Corp.	Chicago	2	Financial Enterprise	0.0
49	Cape Acquisition Corp.	Wilmington		Financial Enterprise	100.0
50	CapeSuccess Inc.	Wilmington		Provider of Supporting Services	100.0
51	CapeSuccess LLC	Wilmington		Financial Enterprise	82.6
52	Cardales Management Limited	St. Peter Port		Securities Trading Firm	100.0
53	Cardales UK Limited	London		Financial Enterprise	100.0
54	Career Blazers Consulting Services, Inc.	Albany		Other Enterprise	100.0
55	Career Blazers Contingency Professionals, Inc.	Albany		Other Enterprise	100.0
56	Career Blazers Learning Center of Los Angeles, Inc.	Los Angeles		Other Enterprise	100.0
57	Career Blazers LLC	Wilmington		Financial Enterprise	100.0
58	Career Blazers Management Company, Inc.	Albany		Other Enterprise	100.0
59	Career Blazers New York, Inc.	Albany		Other Enterprise	100.0
60	Career Blazers of Ontario Inc.	London, Ontario		Other Enterprise	100.0
61	Career Blazers Personnel Services of Washington, D.C., Inc.	Washington D.C.		Other Enterprise	100.0
62	Career Blazers Personnel Services, Inc.	Albany		Financial Enterprise	100.0
63	Career Blazers Service Company, Inc.	Wilmington		Other Enterprise	100.0
64	Caribbean Resort Holdings, Inc.	New York	2	Financial Enterprise	0.0
65	Cathay Advisory (Beijing) Co., Ltd.	Beijing		Other Enterprise	100.0
66	Cathay Asset Management Company Limited	Port Louis		Financial Enterprise	100.0
67	Cathay Capital Company (No 2) Limited	Port Louis		Financial Enterprise	67.6
68	CBI NY Training, Inc.	Albany		Other Enterprise	100.0
69	Cedar (Luxembourg) S.à r.l.	Luxembourg		Other Enterprise	100.0
70	Centennial River 1 Inc.	Denver		Other Enterprise	100.0
71	Centennial River 2 Inc.	Austin		Other Enterprise	100.0
72	Centennial River Acquisition I Corporation	Wilmington		Other Enterprise	100.0
73	Centennial River Acquisition II Corporation	Wilmington		Other Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
74	Centennial River Corporation	Wilmington		Financial Enterprise	100.0
75	Cinda – DB NPL Securitization Trust 2003-1	Wilmington	2	Financial Enterprise	0.0
76	Consumo Finance S.p.A.	Milan		Credit Institution	100.0
77	CREDA Objektanlage- und verwaltungsgesellschaft mbH	Bonn		Provider of Supporting Services	100.0
78	CTXL Achtzehnte Vermögensverwaltung GmbH i.L.	Munich		Financial Enterprise	100.0
79	Cyrus J. Lawrence Capital Holdings, Inc.	Wilmington		Credit Institution	100.0
80	D&M Turnaround Partners Godo Kaisha	Tokyo		Financial Services Institution	100.0
81	D.B. International Delaware, Inc.	Wilmington		Financial Enterprise	100.0
82	DAHOC (UK) Limited	London		Financial Enterprise	100.0
83	DAHOC Beteiligungsgesellschaft mbH	Frankfurt		Financial Enterprise	100.0
84	DB (Malaysia) Nominee (Asing) Sdn. Bhd.	Kuala Lumpur		Other Enterprise	100.0
85	DB (Malaysia) Nominee (Tempatan) Sdn. Bhd.	Kuala Lumpur		Other Enterprise	100.0
86	DB (Pacific) Limited	Wilmington		Financial Enterprise	100.0
87	DB (Pacific) Limited, New York	New York		Financial Enterprise	100.0
88	DB Abalone LLC	Wilmington		Financial Enterprise	100.0
89	DB Alex. Brown Holdings Incorporated	Wilmington		Financial Enterprise	100.0
90	DB Alps Corporation	Wilmington		Financial Enterprise	100.0
91	DB Alternative Trading Inc.	Wilmington		Financial Enterprise	100.0
92	DB Alternatives and Fund Solutions Shanghai Investment Company Ltd	Shanghai		Securities Trading Firm	100.0
93	DB Aotearoa Investments Limited	George Town		Provider of Supporting Services	100.0
94	DB Beteiligungs-Holding GmbH	Frankfurt		Financial Enterprise	100.0
95	DB Boracay LLC	Wilmington		Financial Enterprise	100.0
96	DB Capital Markets (Deutschland) GmbH	Frankfurt		Finance Holding Company	100.0
97	DB Capital Partners Asia G.P. Limited (in voluntary liquidation)	George Town		Financial Enterprise	100.0
98	DB Capital Partners General Partner Limited	London		Financial Enterprise	100.0
99	DB Capital Partners Latin America, G.P. Limited (in voluntary liquidation)	George Town		Financial Enterprise	100.0
100	DB Capital Partners, Inc.	Wilmington		Financial Enterprise	100.0
101	DB Cartera de Inmuebles 1, S.A.U.	Pozuelo de Alarcón		Provider of Supporting Services	100.0
102	DB Chestnut Holdings Limited	George Town		Provider of Supporting Services	100.0
103	DB Commodity Services LLC	Wilmington		Securities Trading Firm	100.0
104	DB Consorzio S. Cons. a r. l.	Milan		Provider of Supporting Services	100.0
105	DB Corporate Advisory (Malaysia) Sdn. Bhd.	Kuala Lumpur		Financial Enterprise	100.0
106	DB Delaware Holdings (Europe) Limited	George Town		Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
107	DB Delaware Holdings (UK) Limited (in members' voluntary liquidation)	London		Financial Enterprise	100.0
108	DB Direkt GmbH	Frankfurt		Provider of Supporting Services	100.0
109	DB Energy Commodities Limited	London		Provider of Supporting Services	100.0
110	DB Energy Trading LLC	Wilmington		Provider of Supporting Services	100.0
111	DB Enfield Infrastructure Holdings Limited	St. Helier		Financial Enterprise	100.0
112	DB Enfield Infrastructure Investments Limited (in liquidation)	St. Helier		Provider of Supporting Services	100.0
113	DB Equipment Leasing, Inc.	New York		Financial Enterprise	100.0
114	DB Equity Limited	London		Financial Enterprise	100.0
115	DB Finance (Delaware), LLC	Wilmington		Financial Enterprise	100.0
116	DB Finanz-Holding GmbH	Frankfurt		Finance Holding Company	100.0
117	DB Fund Services LLC	Wilmington		Other Enterprise	100.0
118	DB Funding LLC #5	Wilmington		Credit Institution	100.0
119	DB Global Technology SRL	Bucharest		Provider of Supporting Services	100.0
120	DB Global Technology, Inc.	Wilmington		Provider of Supporting Services	100.0
121	DB Group Services (UK) Limited	London		Provider of Supporting Services	100.0
122	DB Holdings (New York), Inc.	New York		Financial Enterprise	100.0
123	DB Holdings (South America) Limited	Wilmington		Financial Enterprise	100.0
124	DB HR Solutions GmbH	Eschborn		Provider of Supporting Services	100.0
125	DB iCON Investments Limited (in members' voluntary liquidation)	London		Financial Enterprise	100.0
126	DB Impact Investment Fund I, L.P.	Edinburgh	1	Financial Enterprise	100.0
127	DB Industrial Holdings Beteiligungs GmbH & Co. KG	Luetzen	1, 3	Financial Enterprise	100.0
128	DB Industrial Holdings GmbH	Luetzen		Financial Enterprise	100.0
129	DB Infrastructure Holdings (UK) No.3 Limited	London		Financial Enterprise	100.0
130	DB Intermezzo LLC	Wilmington		Financial Enterprise	100.0
131	DB International (Asia) Limited	Singapore		Deposit-taking Credit Institution	100.0
132	DB International Investments Limited	London		Financial Enterprise	100.0
133	DB International Trust (Singapore) Limited	Singapore		Other Enterprise	100.0
134	DB Investment Managers, Inc.	Wilmington		Securities Trading Firm	100.0
135	DB Investment Partners, Inc.	Wilmington		Financial Enterprise	100.0
136	DB Investment Services GmbH	Frankfurt		Deposit-taking Credit Institution	100.0
137	DB Investments (GB) Limited	London		Finance Holding Company	100.0
138	DB IROC Leasing Corp.	New York		Financial Enterprise	100.0
139	DB Like-Kind Exchange Services Corp.	Wilmington		Financial Enterprise	100.0
140	DB London (Investor Services) Nominees Limited	London		Credit Institution	100.0
141	DB Management Support GmbH	Frankfurt		Provider of Supporting Services	100.0
142	DB Managers, LLC	West Trenton		Securities Trading Firm	100.0
143	DB Mortgage Investment Inc.	Baltimore		Financial Enterprise	100.0
144	DB Nexus American Investments (UK) Limited	London		Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
145	DB Nexus Iberian Investments (UK) Limited	London		Financial Enterprise	100.0
146	DB Nexus Investments (UK) Limited	London		Financial Enterprise	100.0
147	DB Nominees (Hong Kong) Limited	Hong Kong		Provider of Supporting Services	100.0
148	DB Nominees (Singapore) Pte Ltd	Singapore		Other Enterprise	100.0
149	DB Omega BTV S.C.S.	Luxembourg	1	Financial Enterprise	100.0
150	DB Omega Holdings LLC	Wilmington		Financial Enterprise	100.0
151	DB Omega Ltd.	George Town		Financial Enterprise	100.0
152	DB Omega S.C.S.	Luxembourg	1	Financial Enterprise	100.0
153	DB Operaciones y Servicios Interactivos Agrupación de Interés Económico	Barcelona		Provider of Supporting Services	99.9
154	DB Overseas Finance Delaware, Inc.	Wilmington		Financial Enterprise	100.0
155	DB Overseas Holdings Limited	London		Financial Enterprise	100.0
156	DB Portfolio Southwest, Inc.	Austin		Provider of Supporting Services	100.0
157	DB Print GmbH	Frankfurt		Provider of Supporting Services	100.0
158	DB Private Clients Corp.	Wilmington		Credit Institution	100.0
159	DB Private Equity GmbH	Cologne		Investment Management Company	100.0
160	DB Private Equity International S.à r.l.	Luxembourg		Financial Enterprise	100.0
161	DB Private Equity Treuhand GmbH	Cologne		Financial Enterprise	100.0
162	DB Private Wealth Mortgage Ltd.	New York		Credit Institution	100.0
163	DB PWM Private Markets I GP	Luxembourg		Financial Enterprise	100.0
164	DB Re S.A.	Luxembourg		Reinsurance Company	100.0
165	DB RMS Leasing (Cayman) L.P.	George Town	1	Financial Enterprise	100.0
166	DB Samay Finance No. 2, Inc.	Wilmington		Financial Enterprise	100.0
167	DB Securities S.A.	Warsaw		Securities Trading Firm	100.0
168	DB Service Centre Limited	Dublin		Provider of Supporting Services	100.0
169	DB Service Uruguay S.A.	Montevideo		Credit Institution	100.0
170	DB Services Americas, Inc.	Wilmington		Provider of Supporting Services	100.0
171	DB Services New Jersey, Inc.	West Trenton		Provider of Supporting Services	100.0
172	DB Servicios México, Sociedad Anónima de Capital Variable	Mexico City		Provider of Supporting Services	100.0
173	DB Servizi Amministrativi S.r.l.	Milan		Provider of Supporting Services	100.0
174	DB Strategic Advisors, Inc.	Makati City		Provider of Supporting Services	100.0
175	DB Structured Derivative Products, LLC	Wilmington		Provider of Supporting Services	100.0
176	DB Structured Products, Inc.	Wilmington		Financial Enterprise	100.0
177	DB Trips Investments Limited	George Town	2	Financial Enterprise	0.0
178	DB Trustee Services Limited	London		Other Enterprise	100.0
179	DB Trustees (Hong Kong) Limited	Hong Kong		Other Enterprise	100.0
180	DB U.S. Financial Markets Holding Corporation	Wilmington		Financial Enterprise	100.0
181	DB UK Australia Finance Limited (in voluntary liquidation)	George Town		Financial Enterprise	100.0
182	DB UK Australia Holdings Limited (in members' voluntary liquidation)	London		Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
183	DB UK Bank Limited	London		Deposit-taking Credit Institution	100.0
184	DB UK Holdings Limited	London		Financial Enterprise	100.0
185	DB UK PCAM Holdings Limited	London		Financial Enterprise	100.0
186	DB USA Corporation	Wilmington		Finance Holding Company	100.0
187	DB Valoren S.à r.l.	Luxembourg		Finance Holding Company	100.0
188	DB Value S.à r.l.	Luxembourg		Finance Holding Company	100.0
189	DB Vanquish (UK) Limited (in members' voluntary liquidation)	London		Credit Institution	100.0
190	DB Vantage (UK) Limited (in members' voluntary liquidation)	London		Credit Institution	100.0
191	DB Vantage No.2 (UK) Limited (in members' voluntary liquidation)	London		Credit Institution	100.0
192	DB Vita S.A.	Luxembourg		Insurance Company	75.0
193	db x-trackers (Proprietary) Limited	Johannesburg		Securities Trading Firm	100.0
194	DBAB Wall Street, LLC	Wilmington		Provider of Supporting Services	100.0
195	DBAH Capital, LLC	Wilmington		Financial Enterprise	100.0
196	DBCIBZ1	George Town		Financial Enterprise	100.0
197	DBCIBZ2	George Town		Financial Enterprise	100.0
198	DBFIC, Inc.	Wilmington		Financial Enterprise	100.0
199	DBNZ Overseas Investments (No.1) Limited	George Town		Financial Enterprise	100.0
200	DBOI Global Services (UK) Limited	London		Provider of Supporting Services	100.0
201	DBOI Global Services Private Limited	Mumbai		Provider of Supporting Services	100.0
202	DBR Investments Co. Limited	George Town		Financial Enterprise	100.0
203	DBRE Global Real Estate Management IA, Ltd.	George Town		Financial Enterprise	100.0
204	DBRE Global Real Estate Management IB, Ltd.	George Town		Financial Enterprise	100.0
205	DBRMSGP1	George Town	1, 4	Financial Enterprise	100.0
206	DBRMSGP2	George Town	1, 4	Financial Enterprise	100.0
207	DBUK PCAM Limited	London		Finance Holding Company	100.0
208	DBUKH No. 2 Limited	London	2	Financial Enterprise	0.0
209	DBUSBZ1, LLC	Wilmington		Other Enterprise	100.0
210	DBUSBZ2, S.à r.l.	Luxembourg		Financial Enterprise	100.0
211	DBX Advisors LLC	Wilmington		Securities Trading Firm	100.0
212	DBX Strategic Advisors LLC	Wilmington		Securities Trading Firm	100.0
213	dbX-Commodity 1 Fund	St. Helier	5	Financial Enterprise	100.0
214	dbX-Convertible Arbitrage 14 Fund	St. Helier	5	Financial Enterprise	87.0
215	dbX-Credit 2 Fund	St. Helier	5	Financial Enterprise	100.0
216	dbX-Credit 4 Fund	St. Helier	5	Financial Enterprise	87.4
217	dbX-CTA 11 Fund	St. Helier	5	Financial Enterprise	100.0
218	dbX-CTA 16 Fund	St. Helier	5	Financial Enterprise	100.0
219	dbX-CTA 18 Fund	St. Helier	5	Financial Enterprise	75.6
220	dbX-CTA 2 Fund	St. Helier	5	Financial Enterprise	100.0
221	dbX-CTA 9 Fund	St. Helier	5	Financial Enterprise	100.0
222	dbX-Emerging Markets Macro 1 Fund	St. Helier	5	Financial Enterprise	100.0
223	dbX-Event Driven 2 Fund	St. Helier	5	Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
224	dbX-Global Long/Short Equity 10 Fund	St. Helier	5	Financial Enterprise	89.0
225	dbX-Global Macro 4 Fund	St. Helier	5	Financial Enterprise	100.0
226	dbX-Global Macro 7 Fund	St. Helier	5	Financial Enterprise	100.0
227	dbX-Global Macro 9 Fund	St. Helier	5	Financial Enterprise	100.0
228	dbX-Risk Arbitrage 1 Fund	St. Helier	5	Financial Enterprise	100.0
229	dbX-US Long/Short Equity 13 Fund	St. Helier	5	Financial Enterprise	100.0
230	dbX-US Long/Short Equity 15 Fund	St. Helier	5	Financial Enterprise	100.0
231	De Meng Innovative (Beijing) Consulting Company Limited	Beijing		Provider of Supporting Services	100.0
232	DeAM Infrastructure Limited	London		Financial Enterprise	100.0
233	DEBEKO Immobilien GmbH & Co Grundbesitz OHG	Eschborn	1	Provider of Supporting Services	100.0
234	DEE Deutsche Erneuerbare Energien GmbH	Duesseldorf		Financial Enterprise	100.0
235	Delowrezham de México S. de R.L. de C.V.	Mexico City		Financial Enterprise	100.0
236	DEUFRAN Beteiligungs GmbH	Frankfurt		Financial Enterprise	100.0
237	DEUKONA Versicherungs-Vermittlungs-GmbH	Frankfurt		Provider of Supporting Services	100.0
238	Deutsche (Aotearoa) Capital Holdings New Zealand	Auckland		Credit Institution	100.0
239	Deutsche (Aotearoa) Foreign Investments New Zealand	Auckland		Credit Institution	100.0
240	Deutsche (New Munster) Holdings New Zealand Limited	Auckland		Credit Institution	100.0
241	Deutsche Aeolia Power Production Société Anonyme	Paiania		Other Enterprise	80.0
242	Deutsche Alt-A Securities, Inc.	Wilmington		Financial Enterprise	100.0
243	Deutsche Alternative Asset Management (France) SAS	Paris		Other Enterprise	100.0
244	Deutsche Alternative Asset Management (Global) Limited	London		Financial Enterprise	100.0
245	Deutsche Alternative Asset Management (UK) Limited	London		Financial Services Institution	100.0
246	Deutsche AM Distributors, Inc.	Wilmington		Securities Trading Firm	100.0
247	Deutsche AM Service Company	Wilmington		Provider of Supporting Services	100.0
248	Deutsche AM Trust Company	Salem		Securities Trading Firm	100.0
249	Deutsche Asia Pacific Finance, Inc.	Wilmington		Provider of Supporting Services	100.0
250	Deutsche Asia Pacific Holdings Pte Ltd	Singapore		Finance Holding Company	100.0
251	Deutsche Asset Management (Asia) Limited	Singapore		Securities Trading Firm	100.0
252	Deutsche Asset Management (Hong Kong) Limited	Hong Kong		Securities Trading Firm	100.0
253	Deutsche Asset Management (India) Private Limited	Mumbai		Securities Trading Firm	100.0
254	Deutsche Asset Management (Japan) Limited	Tokyo		Securities Trading Firm	100.0
255	Deutsche Asset Management (Korea) Company Limited	Seoul		Securities Trading Firm	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
256	Deutsche Asset Management (UK) Limited	London		Financial Enterprise	100.0
257	Deutsche Asset Management Group Limited	London		Finance Holding Company	100.0
258	Deutsche Asset Management International GmbH	Frankfurt		Securities Trading Firm	100.0
259	Deutsche Asset Management Investment GmbH	Frankfurt		Investment Management Company	100.0
260	Deutsche Asset Management S.A.	Luxembourg		Investment Management Company	100.0
261	Deutsche Asset Management S.G.I.I.C., S.A.	Madrid		Investment Management Company	100.0
262	Deutsche Asset Management USA Corporation	Wilmington		Finance Holding Company	100.0
263	Deutsche Australia Limited	Sydney		Credit Institution	100.0
264	Deutsche Bank (Cayman) Limited	George Town		Deposit-taking Credit Institution	100.0
265	Deutsche Bank (Chile)	Santiago		Other Enterprise	100.0
266	Deutsche Bank (China) Co., Ltd.	Beijing		Deposit-taking Credit Institution	100.0
267	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur		Deposit-taking Credit Institution	100.0
268	Deutsche Bank (Mauritius) Limited	Port Louis		Deposit-taking Credit Institution	100.0
269	Deutsche Bank (Perú) S.A.	Lima		Deposit-taking Credit Institution	100.0
270	Deutsche Bank (Suisse) SA	Geneva		Deposit-taking Credit Institution	100.0
271	Deutsche Bank (Uruguay) Sociedad Anónima Institución Financiera Externa	Montevideo		Deposit-taking Credit Institution	100.0
272	DEUTSCHE BANK A.S.	Istanbul		Deposit-taking Credit Institution	100.0
273	Deutsche Bank Americas Holding Corp.	Wilmington		Finance Holding Company	100.0
274	Deutsche Bank Bauspar-Aktiengesellschaft	Frankfurt		Deposit-taking Credit Institution	100.0
275	Deutsche Bank Corretora de Valores S.A.	Sao Paulo		Securities Trading Firm	100.0
276	Deutsche Bank Europe GmbH	Frankfurt		Deposit-taking Credit Institution	100.0
277	Deutsche Bank Financial Company	George Town		Financial Enterprise	100.0
278	Deutsche Bank Financial Inc.	Wilmington		Credit Institution	100.0
279	Deutsche Bank Holdings, Inc.	Wilmington		Financial Enterprise	100.0
280	Deutsche Bank Insurance Agency Incorporated	Baltimore		Other Enterprise	100.0
281	Deutsche Bank Insurance Agency of Delaware	Wilmington		Financial Enterprise	100.0
282	Deutsche Bank International Limited	St. Helier		Deposit-taking Credit Institution	100.0
283	Deutsche Bank International Trust Co. (Cayman) Limited	George Town		Other Enterprise	100.0
284	Deutsche Bank International Trust Co. Limited	St. Peter Port		Other Enterprise	100.0
285	Deutsche Bank Investments (Guernsey) Limited	St. Peter Port		Financial Enterprise	100.0
286	Deutsche Bank Luxembourg S.A.	Luxembourg		Deposit-taking Credit Institution	100.0
287	Deutsche Bank Mutui S.p.A.	Milan		Credit Institution	100.0
288	Deutsche Bank México, S.A., Institución de Banca Múltiple	Mexico City		Deposit-taking Credit Institution	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
289	Deutsche Bank National Trust Company	Los Angeles		Credit Institution	100.0
290	Deutsche Bank Nominees (Jersey) Limited	St. Helier		Other Enterprise	100.0
291	Deutsche Bank Polska Spólka Akcyjna	Warsaw		Deposit-taking Credit Institution	100.0
292	Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft	Frankfurt		Deposit-taking Credit Institution	100.0
293	Deutsche Bank Representative Office Nigeria Limited	Lagos		Provider of Supporting Services	100.0
294	Deutsche Bank S.A.	Buenos Aires		Deposit-taking Credit Institution	100.0
295	Deutsche Bank S.A. – Banco Alemão	Sao Paulo		Deposit-taking Credit Institution	100.0
296	Deutsche Bank Securities Inc.	Wilmington		Securities Trading Firm	100.0
297	Deutsche Bank Securities Limited	Toronto		Securities Trading Firm	100.0
298	Deutsche Bank Services (Jersey) Limited	St. Helier		Provider of Supporting Services	100.0
299	Deutsche Bank Società per Azioni	Milan		Deposit-taking Credit Institution	99.9
300	Deutsche Bank Trust Company Americas	New York		Deposit-taking Credit Institution	100.0
301	Deutsche Bank Trust Company Delaware	Wilmington		Deposit-taking Credit Institution	100.0
302	Deutsche Bank Trust Company, National Association	New York		Credit Institution	100.0
303	Deutsche Bank Trust Corporation	New York		Finance Holding Company	100.0
304	Deutsche Bank Trustee Services (Guernsey) Limited	St. Peter Port		Provider of Supporting Services	100.0
305	Deutsche Bank Österreich AG	Vienna		Deposit-taking Credit Institution	100.0
306	Deutsche Bank, Sociedad Anónima Española	Madrid		Deposit-taking Credit Institution	99.8
307	Deutsche Capital Finance (2000) Limited	George Town		Credit Institution	100.0
308	Deutsche Capital Hong Kong Limited	Hong Kong		Financial Enterprise	100.0
309	Deutsche Capital Markets Australia Limited	Sydney		Securities Trading Firm	100.0
310	Deutsche Capital Partners China Limited	George Town		Financial Enterprise	100.0
311	Deutsche Cayman Ltd.	George Town		Other Enterprise	100.0
312	Deutsche CIB Centre Private Limited	Mumbai		Provider of Supporting Services	100.0
313	Deutsche Commodities Trading Co., Ltd.	Shanghai		Securities Trading Firm	100.0
314	Deutsche Custody N.V.	Amsterdam		Credit Institution	100.0
315	Deutsche Domus New Zealand Limited	Auckland		Credit Institution	100.0
316	Deutsche Emerging Markets Investments (Netherlands) B.V.	Amsterdam		Provider of Supporting Services	99.9
317	Deutsche Equities India Private Limited	Mumbai		Securities Trading Firm	100.0
318	Deutsche Far Eastern Asset Management Company Limited	Taipei		Financial Services Institution	60.0
319	Deutsche Fiduciary Services (Suisse) SA	Geneva		Other Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
320	Deutsche Finance Co 1 Pty Limited	Sydney		Financial Enterprise	100.0
321	Deutsche Finance Co 2 Pty Limited	Sydney		Financial Enterprise	100.0
322	Deutsche Finance Co 3 Pty Limited	Sydney		Financial Enterprise	100.0
323	Deutsche Finance Co 4 Pty Limited	Sydney		Financial Enterprise	100.0
324	Deutsche Finance No. 2 (UK) Limited (in members' voluntary liquidation)	London		Credit Institution	100.0
325	Deutsche Finance No. 2 Limited	George Town		Financial Enterprise	100.0
326	Deutsche Foras New Zealand Limited	Auckland		Credit Institution	100.0
327	Deutsche Futures Singapore Pte Ltd	Singapore		Securities Trading Firm	100.0
328	Deutsche Gesellschaft für Immobilien-Leasing mit beschränkter Haftung	Duesseldorf		Financial Enterprise	100.0
329	Deutsche Global Markets Limited	Tel Aviv		Provider of Supporting Services	100.0
330	Deutsche Group Holdings (SA) Proprietary Limited	Johannesburg		Financial Enterprise	100.0
331	Deutsche Group Services Pty Limited	Sydney		Provider of Supporting Services	100.0
332	Deutsche Grundbesitz Beteiligungsgesellschaft mbH	Eschborn		Financial Enterprise	100.0
333	Deutsche Grundbesitz-Anlagegesellschaft mit beschränkter Haftung	Frankfurt		Other Enterprise	99.8
334	Deutsche Haussmann S.à r.l.	Luxembourg		Securities Trading Firm	100.0
335	Deutsche Holdings (BTI) Limited	London		Financial Enterprise	100.0
336	Deutsche Holdings (Luxembourg) S.à r.l.	Luxembourg		Finance Holding Company	100.0
337	Deutsche Holdings (Malta) Ltd.	Floriana		Finance Holding Company	100.0
338	Deutsche Holdings (SA) (Proprietary) Limited	Johannesburg		Financial Enterprise	100.0
339	Deutsche Holdings Limited	London		Finance Holding Company	100.0
340	Deutsche Holdings No. 2 Limited	London		Financial Enterprise	100.0
341	Deutsche Holdings No. 3 Limited	London		Financial Enterprise	100.0
342	Deutsche Holdings No. 4 Limited	London		Financial Enterprise	100.0
343	Deutsche Immobilien Leasing GmbH	Duesseldorf		Financial Services Institution	100.0
344	Deutsche India Holdings Private Limited	Mumbai		Finance Holding Company	100.0
345	Deutsche International Corporate Services (Delaware) LLC	Wilmington		Provider of Supporting Services	100.0
346	Deutsche International Corporate Services (Ireland) Limited	Dublin		Financial Enterprise	100.0
347	Deutsche International Corporate Services Limited	St. Helier		Other Enterprise	100.0
348	Deutsche International Custodial Services Limited	St. Helier		Other Enterprise	100.0
349	Deutsche International Finance (Ireland) Limited	Dublin		Securities Trading Firm	100.0
350	Deutsche International Trust Company N.V.	Amsterdam		Other Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
351	Deutsche International Trust Corporation (Mauritius) Limited	Port Louis		Other Enterprise	100.0
352	Deutsche Inversiones Dos S.A.	Santiago		Finance Holding Company	100.0
353	Deutsche Inversiones Limitada	Santiago		Financial Enterprise	100.0
354	Deutsche Investment Management Americas Inc.	Wilmington		Financial Services Institution	100.0
355	Deutsche Investments (Netherlands) N.V.	Amsterdam		Financial Enterprise	100.0
356	Deutsche Investments Australia Limited	Sydney		Securities Trading Firm	100.0
357	Deutsche Investments India Private Limited	Mumbai		Credit Institution	100.0
358	Deutsche Investor Services Private Limited	Mumbai		Other Enterprise	100.0
359	Deutsche IT License GmbH	Eschborn		Provider of Supporting Services	100.0
360	Deutsche Knowledge Services Pte. Ltd.	Singapore		Provider of Supporting Services	100.0
361	Deutsche Malta Company Ltd	Floriana		Provider of Supporting Services	100.0
362	Deutsche Managed Investments Limited	Sydney		Credit Institution	100.0
363	Deutsche Mandatos S.A.	Buenos Aires		Financial Enterprise	100.0
364	Deutsche Master Funding Corporation	Wilmington		Financial Enterprise	100.0
365	Deutsche Mexico Holdings S.à r.l.	Luxembourg		Finance Holding Company	100.0
366	Deutsche Morgan Grenfell Group Public Limited Company	London		Credit Institution	100.0
367	Deutsche Mortgage & Asset Receiving Corporation	Wilmington		Provider of Supporting Services	100.0
368	Deutsche Mortgage Securities, Inc.	Wilmington		Financial Enterprise	100.0
369	Deutsche Nederland N.V.	Amsterdam		Provider of Supporting Services	100.0
370	Deutsche New Zealand Limited	Auckland		Credit Institution	100.0
371	Deutsche Nominees Limited	London		Credit Institution	100.0
372	Deutsche Oppenheim Family Office AG	Grasbrunn		Securities Trading Firm	100.0
373	Deutsche Overseas Issuance New Zealand Limited	Auckland		Provider of Supporting Services	100.0
374	Deutsche Postbank AG	Bonn		Deposit-taking Credit Institution	100.0
375	Deutsche Postbank Finance Center Objekt GmbH	Schuettringen		Provider of Supporting Services	100.0
376	Deutsche Private Asset Management Limited	London		Other Enterprise	100.0
377	Deutsche Securities (India) Private Limited	New Delhi		Securities Trading Bank	100.0
378	Deutsche Securities (Proprietary) Limited	Johannesburg		Securities Trading Firm	100.0
379	Deutsche Securities (SA) (Proprietary) Limited	Johannesburg		Financial Enterprise	100.0
380	Deutsche Securities Asia Limited	Hong Kong		Securities Trading Firm	100.0
381	Deutsche Securities Australia Limited	Sydney		Securities Trading Bank	100.0
382	Deutsche Securities Inc.	Tokyo		Securities Trading Bank	100.0
383	Deutsche Securities Israel Ltd.	Tel Aviv		Financial Enterprise	100.0
384	Deutsche Securities Korea Co.	Seoul		Securities Trading Firm	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
385	Deutsche Securities Mauritius Limited	Port Louis		Securities Trading Firm	100.0
386	Deutsche Securities Menkul Degerler A.S.	Istanbul		Securities Trading Firm	100.0
387	Deutsche Securities New Zealand Limited	Auckland		Securities Trading Firm	100.0
388	Deutsche Securities S.A.	Buenos Aires		Securities Trading Firm	100.0
389	Deutsche Securities Saudi Arabia LLC	Riyadh		Securities Trading Bank	100.0
390	Deutsche Securities SpA	Santiago		Financial Enterprise	100.0
391	Deutsche Securities Venezuela S.A.	Caracas		Financial Enterprise	100.0
392	Deutsche Securities, S.A. de C.V., Casa de Bolsa	Mexico City		Securities Trading Firm	100.0
393	Deutsche Securitisation Australia Pty Limited	Sydney		Securities Trading Firm	100.0
394	Deutsche StiftungsTrust GmbH	Frankfurt		Other Enterprise	100.0
395	Deutsche Strategic Investment Holdings Yugen Kaisha	Tokyo		Financial Enterprise	100.0
396	Deutsche Transnational Trustee Corporation Inc	Charlottetown		Other Enterprise	100.0
397	Deutsche Trust Company Limited Japan	Tokyo		Other Enterprise	100.0
398	Deutsche Trustee Company Limited	London		Other Enterprise	100.0
399	Deutsche Trustee Services (India) Private Limited	Mumbai		Other Enterprise	100.0
400	Deutsche Trustees Malaysia Berhad	Kuala Lumpur		Other Enterprise	100.0
401	Deutsches Institut für Altersvorsorge GmbH	Frankfurt		Other Enterprise	78.0
402	DFC Residual Corp.	Carson City		Financial Enterprise	100.0
403	DG China Clean Tech Partners	Tianjin	1, 2, 6	Financial Enterprise	49.9
404	DI Deutsche Immobilien Baugesellschaft mbH	Frankfurt		Other Enterprise	100.0
405	DI Deutsche Immobilien Treuhandgesellschaft mbH	Frankfurt		Other Enterprise	100.0
406	DIB-Consult Deutsche Immobilien- und Beteiligungs-Beratungsgesellschaft mbH i.L.	Duesseldorf		Other Enterprise	100.0
407	DIL Financial Services GmbH & Co. KG	Duesseldorf		Other Enterprise	100.0
408	DISCA Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	100.0
409	DNU Nominees Pty Limited	Sydney		Other Enterprise	100.0
410	DSL Portfolio GmbH & Co. KG	Bonn	1	Provider of Supporting Services	100.0
411	DSL Portfolio Verwaltungs GmbH	Bonn		Financial Enterprise	100.0
412	DTS Nominees Pty Limited	Sydney		Other Enterprise	100.0
413	Durian (Luxembourg) S.à r.l.	Luxembourg		Other Enterprise	100.0
414	DWS Holding & Service GmbH	Frankfurt		Financial Enterprise	99.2
415	EC EUROPA IMMOBILIEN FONDS NR. 3 GmbH & CO. KG i.l.	Hamburg		Other Enterprise	65.2
416	Elba Finance GmbH	Eschborn		Financial Enterprise	100.0
417	Elizabethan Holdings Limited	George Town		Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
418	Elizabethan Management Limited	George Town		Other Enterprise	100.0
419	Estate Holdings, Inc.	St. Thomas	2	Other Enterprise	0.0
420	European Value Added I (Alternate G.P.) LLP	London	1	Financial Enterprise	100.0
421	Exinor SA (dissolution volontaire)	Bastogne		Other Enterprise	100.0
422	EXTOREL Private Equity Advisers GmbH i.L.	Cologne		Financial Enterprise	100.0
423	FARAMIR Beteiligungs- und Verwaltungs GmbH	Cologne		Financial Enterprise	100.0
424	Farezco I, S. de R.L. de C.V.	Mexico City		Financial Enterprise	100.0
425	Farezco II, S. de R.L. de C.V.	Mexico City		Financial Enterprise	100.0
426	Fenix Administración de Activos S. de R.L. de C.V.	Mexico City		Financial Enterprise	100.0
427	Fiduciaria Sant' Andrea S.r.L.	Milan		Securities Trading Firm	100.0
428	Finanza & Futuro Banca SpA	Milan		Credit Institution	100.0
429	Franz Urbig- und Oscar Schlitter-Stiftung Gesellschaft mit beschränkter Haftung	Frankfurt		Provider of Supporting Services	100.0
430	Fünfte SAB Treuhand und Verwaltung GmbH & Co. Suhl "Rimbachzentrum" KG	Bad Homburg		Other Enterprise	74.9
431	G Finance Holding Corp.	Wilmington		Financial Enterprise	100.0
432	Gemini Technology Services Inc.	Wilmington		Provider of Supporting Services	100.0
433	German American Capital Corporation	Baltimore		Credit Institution	100.0
434	Greenwood Properties Corp.	New York	2	Financial Enterprise	0.0
435	Grundstücksgesellschaft Frankfurt Bockenheimer Landstraße GbR	Troisdorf	1	Other Enterprise	94.9
436	Grundstücksgesellschaft Kerpen-Sindorf Vogelrutherfeld GbR	Troisdorf	1, 2	Other Enterprise	0.0
437	Grundstücksgesellschaft Köln-Ossendorf VI mbH	Cologne		Financial Enterprise	100.0
438	Grundstücksgesellschaft Leipzig Petersstraße GbR	Troisdorf	1, 2	Other Enterprise	36.1
439	Grundstücksgesellschaft Wiesbaden Luisenstraße/ Kirchgasse GbR	Troisdorf	1	Other Enterprise	64.7
440	Hac Investments Ltd.	Wilmington		Financial Enterprise	100.0
441	Hakkeijima Godo Kaisha	Tokyo		Financial Enterprise	95.0
442	Herengracht Financial Services B.V.	Amsterdam		Other Enterprise	100.0
443	HTB Spezial GmbH & Co. KG	Cologne	1	Industrial Holding	100.0
444	IKARIA Beteiligungs- und Verwaltungsgesellschaft mbH	Cologne		Financial Enterprise	100.0
445	Immobilienfonds Büro-Center Erfurt am Flughafen Bindersleben I GbR	Troisdorf	1, 2	Other Enterprise	0.0
446	Immobilienfonds Büro-Center Erfurt am Flughafen Bindersleben II GbR	Troisdorf	1, 2	Other Enterprise	50.0
447	Immobilienfonds Mietwohnhäuser Quadrath-Ichendorf GbR	Troisdorf	1, 2	Other Enterprise	0.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
448	Immobilienfonds Wohn- und Geschäftshaus Köln-Blumenberg V GbR	Troisdorf	1, 2	Other Enterprise	0.0
449	IOS Finance E F C S.A.	Barcelona		Financial Enterprise	100.0
450	ISTRON Beteiligungs- und Verwaltungs-GmbH	Cologne		Financial Enterprise	100.0
451	IVAF I Manager, S.à r.l.	Luxembourg		Financial Enterprise	100.0
452	J R Nominees (Pty) Ltd	Johannesburg		Other Enterprise	100.0
453	Jyogashima Godo Kaisha	Tokyo		Financial Enterprise	100.0
454	KEBA Gesellschaft für interne Services mbH	Frankfurt		Provider of Supporting Services	100.0
455	Kidson Pte Ltd	Singapore		Financial Enterprise	100.0
456	Kingfisher Nominees Limited	Auckland		Provider of Supporting Services	100.0
457	Konsul Inkasso GmbH	Essen		Provider of Supporting Services	100.0
458	Kradavimd UK Lease Holdings Limited	London		Financial Enterprise	100.0
459	LA Water Holdings Limited	George Town		Financial Enterprise	75.0
460	Lammermuir Leasing Limited (in members' voluntary liquidation)	London		Financial Enterprise	100.0
461	LAWL Pte. Ltd.	Singapore		Financial Enterprise	100.0
462	Leasing Verwaltungsgesellschaft Waltersdorf mbH	Schoenefeld		Financial Services Institution	100.0
463	Leonardo III Initial GP Limited	London		Financial Enterprise	100.0
464	Long-Tail Risk Insurers, Ltd.	Hamilton		Insurance Company	100.0
465	LWC Nominees Limited	Auckland		Provider of Supporting Services	100.0
466	MAC Investments Ltd. (in voluntary liquidation)	George Town		Financial Enterprise	100.0
467	Maher Terminals Holdings (Toronto) Limited	Vancouver		Financial Enterprise	100.0
468	Maxblue Americas Holdings, S.A.	Madrid		Financial Enterprise	100.0
469	MEF I Manager, S. à r.l.	Luxembourg		Financial Enterprise	100.0
470	MEFIS Beteiligungsgesellschaft mbH	Frankfurt		Financial Enterprise	62.0
471	MHL Reinsurance Ltd.	Burlington		Insurance Company	100.0
472	MIT Holdings, Inc.	Baltimore		Financial Enterprise	100.0
473	Mortgage Trading (UK) Limited (in members' voluntary liquidation)	London		Financial Enterprise	100.0
474	MortgageIT Securities Corp.	Wilmington		Provider of Supporting Services	100.0
475	MortgageIT, Inc.	New York		Credit Institution	100.0
476	Navegator – SGFTC, S.A.	Lisbon		Provider of Supporting Services	100.0
477	NCKR, LLC	Wilmington		Provider of Supporting Services	100.0
478	NEPTUNO Verwaltungs- und Treuhand-Gesellschaft mit beschränkter Haftung	Cologne		Financial Enterprise	100.0
479	Nevada Mezz 1 LLC	Wilmington		Financial Enterprise	100.0
480	Nevada Parent 1 LLC	Wilmington		Financial Enterprise	100.0
481	Nordwestdeutscher Wohnungsbauträger Gesellschaft mit beschränkter Haftung	Frankfurt		Financial Enterprise	100.0
482	norisbank GmbH	Bonn		Deposit-taking Credit Institution	100.0
483	North American Income Fund PLC	Dublin		Financial Enterprise	67.3
484	North Las Vegas Property LLC	Wilmington		Provider of Supporting Services	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
485	OOO "Deutsche Bank TechCentre"	Moscow		Provider of Supporting Services	100.0
486	OOO "Deutsche Bank"	Moscow		Deposit-taking Credit Institution	100.0
487	Opal Funds (Ireland) Public Limited Company	Dublin		Provider of Supporting Services	100.0
488	OPB Verwaltungs- und Beteiligungs-GmbH	Cologne		Financial Enterprise	100.0
489	OPB Verwaltungs- und Treuhand GmbH	Cologne		Financial Enterprise	100.0
490	OPB-Holding GmbH	Cologne		Financial Enterprise	100.0
491	OPB-Nona GmbH	Frankfurt		Financial Enterprise	100.0
492	OPB-Oktava GmbH	Cologne		Financial Enterprise	100.0
493	OPB-Quarta GmbH	Cologne		Financial Enterprise	100.0
494	OPB-Quinta GmbH	Cologne		Financial Enterprise	100.0
495	OPB-Septima GmbH	Cologne		Financial Enterprise	100.0
496	Oppenheim Asset Management Services S.à r.l.	Luxembourg		Investment Management Company	100.0
497	OPPENHEIM Capital Advisory GmbH	Cologne		Financial Enterprise	100.0
498	Oppenheim Eunomia GmbH	Cologne		Financial Enterprise	100.0
499	OPPENHEIM Flottenfonds V GmbH & Co. KG	Cologne	1	Financial Enterprise	83.3
500	Oppenheim Fonds Trust GmbH	Cologne		Provider of Supporting Services	100.0
501	OPPENHEIM PRIVATE EQUITY Manager GmbH	Cologne		Financial Enterprise	100.0
502	OPPENHEIM PRIVATE EQUITY Verwaltungsgesellschaft mbH	Cologne		Financial Enterprise	100.0
503	OPS Nominees Pty Limited	Sydney		Other Enterprise	100.0
504	OVT Trust 1 GmbH	Cologne		Other Enterprise	100.0
505	OVV Beteiligungs GmbH	Cologne		Financial Enterprise	100.0
506	PADUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		Financial Enterprise	100.0
507	Pan Australian Nominees Pty Ltd	Sydney		Other Enterprise	100.0
508	PB Factoring GmbH	Bonn		Financial Services Institution	100.0
509	PB Firmenkunden AG	Bonn		Provider of Supporting Services	100.0
510	PB International S.A.	Schuettringen		Financial Enterprise	100.0
511	PB Spezial-Investmentaktiengesellschaft mit Teilgesellschaftsvermögen	Bonn		Provider of Supporting Services	98.4
512	PBC Banking Services GmbH	Frankfurt		Financial Enterprise	100.0
513	PCC Services GmbH der Deutschen Bank	Essen		Provider of Supporting Services	100.0
514	Pelleport Investors, Inc.	New York		Provider of Supporting Services	100.0
515	Plantation Bay, Inc.	St. Thomas		Other Enterprise	100.0
516	Polydeuce LLC	Wilmington		Provider of Supporting Services	100.0
517	Postbank Akademie und Service GmbH	Hameln		Other Enterprise	100.0
518	Postbank Beteiligungen GmbH	Bonn		Financial Enterprise	100.0
519	Postbank Direkt GmbH	Bonn		Financial Enterprise	100.0
520	Postbank Filialvertrieb AG	Bonn		Financial Enterprise	100.0
521	Postbank Finanzberatung AG	Hameln		Other Enterprise	100.0
522	Postbank Immobilien GmbH	Hameln		Other Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
523	Postbank Immobilien und Baumanagement GmbH	Bonn		Financial Enterprise	100.0
524	Postbank Immobilien und Baumanagement GmbH & Co. Objekt Leipzig KG	Bonn	1	Provider of Supporting Services	90.0
525	Postbank Leasing GmbH	Bonn		Financial Services Institution	100.0
526	Postbank Service GmbH	Essen		Provider of Supporting Services	100.0
527	Postbank Systems AG	Bonn		Provider of Supporting Services	100.0
528	Private Equity Asia Select Company III S.à r.l.	Luxembourg		Provider of Supporting Services	100.0
529	Private Equity Global Select Company IV S.à r.l.	Luxembourg		Provider of Supporting Services	100.0
530	Private Equity Global Select Company V S.à r.l.	Luxembourg		Provider of Supporting Services	100.0
531	Private Equity Select Company S.à r.l.	Luxembourg		Provider of Supporting Services	100.0
532	Private Financing Initiatives, S.L.	Barcelona		Financial Enterprise	51.0
533	PS plus Portfolio Software + Consulting GmbH	Roedermark		Other Enterprise	80.2
534	PT Deutsche Securities Indonesia	Jakarta		Securities Trading Bank	99.0
535	PT. Deutsche Verdhana Indonesia	Jakarta	2	Securities Trading Firm	40.0
536	Public joint-stock company "Deutsche Bank DBU"	Kiev		Deposit-taking Credit Institution	100.0
537	R.B.M. Nominees Pty Ltd	Sydney		Other Enterprise	100.0
538	Real Estate Secondary Opportunities Fund, LP	London	1	Financial Enterprise	100.0
539	Regula Limited	Road Town		Other Enterprise	100.0
540	RoPro U.S. Holding, Inc.	Wilmington		Financial Enterprise	100.0
541	Route 28 Receivables, LLC	Wilmington		Financial Enterprise	100.0
542	Royster Fund Management S.à r.l.	Luxembourg		Provider of Supporting Services	100.0
543	RREEF America L.L.C.	Wilmington		Financial Enterprise	100.0
544	RREEF China REIT Management Limited	Hong Kong		Other Enterprise	100.0
545	RREEF European Value Added I (G.P.) Limited	London		Financial Enterprise	100.0
546	RREEF India Advisors Private Limited	Mumbai		Other Enterprise	100.0
547	RREEF Investment GmbH	Frankfurt		Investment Management Company	99.9
548	RREEF Management GmbH	Frankfurt		Financial Enterprise	100.0
549	RREEF Management L.L.C.	Wilmington		Other Enterprise	100.0
550	RREEF Spezial Invest GmbH	Frankfurt		Investment Management Company	100.0
551	RTS Nominees Pty Limited	Sydney		Other Enterprise	100.0
552	SAB Real Estate Verwaltungs GmbH	Hameln		Financial Enterprise	100.0
553	Sagamore Limited (in members' voluntary liquidation)	London		Financial Enterprise	100.0
554	SAGITA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		Financial Enterprise	100.0
555	Sal. Oppenheim Alternative Investments GmbH	Cologne		Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
556	Sal. Oppenheim jr. & Cie. AG & Co. Kommanditgesellschaft auf Aktien	Cologne		Deposit-taking Credit Institution	100.0
557	Sal. Oppenheim jr. & Cie. Beteiligungs GmbH	Cologne		Financial Enterprise	100.0
558	Sal. Oppenheim jr. & Cie. Komplementär AG	Cologne		Financial Enterprise	100.0
559	Sal. Oppenheim jr. & Cie. Luxembourg S.A.	Luxembourg		Deposit-taking Credit Institution	100.0
560	SAPIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		Financial Enterprise	100.0
561	Sechste Salomon Beteiligungs- und Verwaltungsgesellschaft mbH	Cologne	2	Financial Enterprise	0.0
562	Service Company Four Limited	Hong Kong		Other Enterprise	100.0
563	Sharps SP I LLC	Wilmington		Financial Enterprise	100.0
564	Structured Finance Americas, LLC	Wilmington		Securities Trading Firm	100.0
565	Süddeutsche Vermögensverwaltung Gesellschaft mit beschränkter Haftung	Frankfurt		Financial Enterprise	100.0
566	TELO Beteiligungsgesellschaft mbH	Schoenefeld		Financial Enterprise	100.0
567	Tempurrite Leasing Limited	London		Financial Enterprise	100.0
568	Thai Asset Enforcement and Recovery Asset Management Company Limited	Bangkok		Financial Enterprise	100.0
569	Tianjin Deutsche AM Fund Management Co., Ltd.	Tianjin		Provider of Supporting Services	100.0
570	Treuinvest Service GmbH	Frankfurt		Other Enterprise	100.0
571	Trevona Limited	Road Town		Other Enterprise	100.0
572	Triplereason Limited	London		Financial Enterprise	100.0
573	UKE Grundstücksgesellschaft mbH	Troisdorf	2	Financial Enterprise	0.0
574	UKE, s.r.o.	Belá		Other Enterprise	100.0
575	Ullmann – Esch Grundstücksgesellschaft Kirchnerstraße GbR	Troisdorf	1, 2	Other Enterprise	0.0
576	Ullmann – Esch Grundstücksverwaltungsgesellschaft Disternich GbR	Troisdorf	1, 2	Other Enterprise	0.0
577	Ullmann Ullmann Krockow Krockow Esch GbR	Troisdorf	1, 2	Other Enterprise	0.0
578	VCM MIP 2002 GmbH & Co. KG i.L.	Cologne	1	Financial Enterprise	90.0
579	VCM MIP II GmbH & Co. KG i.L.	Cologne	1	Financial Enterprise	90.0
580	VCM Treuhand Beteiligungsverwaltung GmbH	Cologne		Financial Enterprise	100.0
581	VCP Treuhand Beteiligungsgesellschaft mbH	Cologne		Financial Enterprise	100.0
582	VCP Verwaltungsgesellschaft mbH i.L.	Cologne		Financial Enterprise	100.0
583	Vertriebsgesellschaft mbH der Deutschen Bank Privat- und Geschäftskunden	Berlin		Provider of Supporting Services	100.0
584	Vesta Real Estate S.r.l.	Milan		Provider of Supporting Services	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
585	VÖB-ZVD Processing GmbH	Frankfurt		Payment Institution	100.0
586	Wealthspur Investment Company Limited	Labuan		Financial Enterprise	100.0
587	WEPLA Beteiligungsgesellschaft mbH	Frankfurt		Financial Enterprise	100.0
588	Whale Holdings S.à r.l.	Luxembourg		Financial Enterprise	100.0
589	5000 Yonge Street Toronto Inc.	Toronto		Financial Enterprise	100.0

Consolidated Structured Entities

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
590	Amber Investments S.à r.l.	Luxembourg		Financial Enterprise	100.0
591	Aqueduct Capital S.à r.l.	Luxembourg		Provider of Supporting Services	100.0
592	Argentina Capital Protected Investments Limited	George Town	7	Other Enterprise	
593	Asset Repackaging Trust Five B.V.	Amsterdam	7	Financial Enterprise	
594	Atena SPV S.r.l	Conegliano		Financial Enterprise	60.0
595	Atlas Investment Company 1 S.à r.l.	Luxembourg		Financial Enterprise	
596	Atlas Investment Company 2 S.à r.l.	Luxembourg		Financial Enterprise	
597	Atlas Investment Company 3 S.à r.l.	Luxembourg		Financial Enterprise	
598	Atlas Investment Company 4 S.à r.l.	Luxembourg		Financial Enterprise	
599	Atlas Portfolio Select SPC	George Town		Financial Enterprise	0.0
600	Atlas SICAV – FIS	Luxembourg	7	Other Enterprise	
601	Axia Insurance, Ltd.	Hamilton	7	Reinsurance Company	
602	Axiom Shelter Island LLC	San Diego		Provider of Supporting Services	100.0
603	Azurix AGOSBA S.R.L.	Buenos Aires		Financial Enterprise	100.0
604	Azurix Argentina Holding, Inc.	Wilmington		Financial Enterprise	100.0
605	Azurix Buenos Aires S.A. (en liquidacion)	Buenos Aires		Provider of Supporting Services	100.0
606	Azurix Cono Sur, Inc.	Wilmington		Financial Enterprise	100.0
607	Azurix Corp.	Wilmington		Financial Enterprise	100.0
608	Azurix Latin America, Inc.	Wilmington		Financial Enterprise	100.0
609	Baltics Credit Solutions Latvia SIA	Riga		Financial Enterprise	
610	BC Mumbai Shipping Limited	St. John's		Other Enterprise	
611	BC San Francisco Shipping Limited	St. John's		Other Enterprise	
612	Block 1949, LLC	Wilmington	2	Provider of Supporting Services	0.0
613	Bürohaus Hauptstraße Gewerbeimmobilien Limited & Co. KG	Frankfurt		Other Enterprise	
614	Büropark Heimstetten Vermögensverwaltungs Limited & Co. KG	Frankfurt		Other Enterprise	
615	Castlebay Asia Flexible Fund SICAV-FIS – Taiwan Bond Fund	Luxembourg		Other Enterprise	
616	Cathay Capital (Labuan) Company Limited	Labuan		Other Enterprise	
617	Cathay Capital Company Limited	Port Louis		Financial Enterprise	9.5
618	Cathay Strategic Investment Company Limited	Hong Kong		Financial Enterprise	
619	Cathay Strategic Investment Company No. 2 Limited	George Town		Financial Enterprise	
620	Cayman Reference Fund Holdings Limited	George Town		Provider of Supporting Services	
621	Charitable Luxembourg Four S.à r.l.	Luxembourg		Financial Enterprise	
622	Charitable Luxembourg Three S.à r.l.	Luxembourg		Financial Enterprise	
623	Charitable Luxembourg Two S.à r.l.	Luxembourg		Financial Enterprise	
624	Charlton (Delaware), Inc.	Wilmington		Financial Enterprise	100.0
625	China Recovery Fund LLC	Wilmington		Financial Enterprise	85.0
626	CITAN Beteiligungsgesellschaft mbH	Frankfurt		Financial Enterprise	100.0
627	CLASS Limited	St. Helier	7	Other Enterprise	
628	Collins Capital Low Volatility Performance II Special Investments, Ltd.	Road Town		Financial Enterprise	

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
629	Concept Fund Solutions Public Limited Company	Dublin	7	Other Enterprise	0.2
630	Crofton Invest, S.L.	Madrid		Other Enterprise	
631	Danube Properties S.à r.l., en faillite	Luxembourg		Other Enterprise	25.0
632	Dariconic Limited	Dublin		Financial Enterprise	
633	Dawn-BV II LLC	Wilmington		Provider of Supporting Services	100.0
634	Dawn-BV LLC	Wilmington		Provider of Supporting Services	100.0
635	DB (Barbados) SRL	Christ Church		Provider of Supporting Services	100.0
636	DB Aircraft Leasing Master Trust	Wilmington	2	Financial Enterprise	0.0
637	DB Alternative Strategies Limited	George Town		Securities Trading Firm	100.0
638	DB Apex (Luxembourg) S.à r.l.	Luxembourg		Financial Enterprise	100.0
639	DB Apex Management Limited	George Town		Financial Enterprise	100.0
640	DB Asia Pacific Holdings Limited	George Town		Financial Enterprise	100.0
641	DB Aster II, LLC	Wilmington		Provider of Supporting Services	100.0
642	DB Aster III, LLC	Wilmington		Provider of Supporting Services	100.0
643	DB Aster, Inc.	Wilmington		Financial Enterprise	100.0
644	DB Aster, LLC	Wilmington		Provider of Supporting Services	100.0
645	DB Avila Ltd.	George Town		Provider of Supporting Services	100.0
646	DB Capital Investments Sàrl	Luxembourg		Credit Institution	100.0
647	DB Chambers Limited	George Town		Provider of Supporting Services	100.0
648	DB Covered Bond S.r.l.	Conegliano		Financial Enterprise	90.0
649	DB Credit Investments S.à r.l.	Luxembourg		Credit Institution	100.0
650	DB Dawn, Inc.	Wilmington		Financial Enterprise	100.0
651	DB Elara LLC	Wilmington		Financial Enterprise	100.0
652	db ETC Index plc	St. Helier	7	Provider of Supporting Services	
653	db ETC plc	St. Helier	7	Provider of Supporting Services	
654	DB Finance International GmbH	Eschborn		Financial Enterprise	100.0
655	DB Ganymede 2006 L.P.	Camana Bay	1	Credit Institution	100.0
656	DB Global Markets Multi-Strategy Fund I Ltd.	George Town		Financial Enterprise	100.0
657	DB Global Masters Multi-Strategy Trust	George Town		Financial Enterprise	100.0
658	DB Global Masters Trust	George Town	7	Securities Trading Firm	
659	DB Green Holdings Corp.	Wilmington		Financial Enterprise	100.0
660	DB Green, Inc.	New York		Credit Institution	100.0
661	DB Hypernova LLC	Wilmington		Credit Institution	100.0
662	DB Immobilienfonds 1 Wieland KG	Frankfurt		Other Enterprise	
663	DB Immobilienfonds 2 GmbH & Co. KG	Frankfurt		Financial Enterprise	74.0
664	DB Immobilienfonds 4 GmbH & Co. KG i.L.	Frankfurt		Other Enterprise	0.2
665	DB Immobilienfonds 5 Wieland KG	Frankfurt		Other Enterprise	
666	DB Impact Investment (GP) Limited	London		Financial Enterprise	100.0
667	DB Infrastructure Holdings (UK) No.1 Limited	London		Financial Enterprise	100.0
668	DB Investment Resources (US) Corporation	Wilmington		Financial Enterprise	100.0
669	DB Investment Resources Holdings Corp.	Wilmington		Financial Enterprise	100.0
670	DB Io LP	Wilmington	1	Financial Enterprise	100.0
671	DB Litigation Fee LLC	Wilmington		Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
672	DB Master Fundo de Investimento em Direitos Creditórios Não-Padronizados de Precatórios Federais	Rio de Janeiro		Financial Enterprise	29.3
673	DB Munico Ltd.	George Town		Provider of Supporting Services	100.0
674	DB Platinum II	Luxembourg	7	Other Enterprise	1.5
675	DB PWM	Luxembourg	7	Other Enterprise	
676	DB PWM – Active Asset Allocation Growth II	Luxembourg		Provider of Supporting Services	100.0
677	DB PWM II – LiquidAlts UCITS (Euro)	Luxembourg		Other Enterprise	69.5
678	DB RC Holdings, LLC	Wilmington		Financial Enterprise	100.0
679	DB Real Estate Canadainvest 1 Inc.	Toronto		Financial Enterprise	100.0
680	DB Safe Harbour Investment Projects Limited	London		Financial Enterprise	100.0
681	DB STG Lux 10 S.à r.l.	Luxembourg		Other Enterprise	100.0
682	DB STG Lux 11 S.à r.l.	Luxembourg		Other Enterprise	100.0
683	DB STG Lux 12 S.à r.l.	Luxembourg		Other Enterprise	100.0
684	DB STG Lux 9 S.à r.l.	Luxembourg		Other Enterprise	100.0
685	db x-trackers	Luxembourg	7	Other Enterprise	0.7
686	db x-trackers II	Luxembourg	7	Other Enterprise	1.3
687	dbInvestor Solutions Public Limited Company	Dublin	7	Financial Enterprise	
688	DBRE Global Real Estate Management US IA, L.L.C.	Wilmington		Financial Enterprise	100.0
689	DBRE Global Real Estate Management US IB, L.L.C.	Wilmington		Financial Enterprise	100.0
690	DBRMS4	George Town	1, 4	Financial Enterprise	100.0
691	DBX ETF Trust	Wilmington	7	Other Enterprise	
692	De Heng Asset Management Company Limited	Beijing		Financial Enterprise	
693	DeAM Capital Protect 2014	Frankfurt		Other Enterprise	
694	DeAM Capital Protect 2019	Frankfurt		Other Enterprise	
695	DeAM Capital Protect 2024	Frankfurt		Other Enterprise	
696	DeAM Capital Protect 2029	Frankfurt		Other Enterprise	
697	DeAM Capital Protect 2034	Frankfurt		Other Enterprise	
698	DeAM Capital Protect 2039	Frankfurt		Other Enterprise	
699	DeAM Capital Protect 2044	Frankfurt		Other Enterprise	
700	DeAM Capital Protect 2049	Frankfurt		Other Enterprise	
701	Deloraine Spain SL	Madrid		Financial Enterprise	
702	Deutsche Bank Best Allocation – Protect 80	Luxembourg		Other Enterprise	
703	Deutsche Bank Best Allocation – Protect 90	Luxembourg		Other Enterprise	
704	Deutsche Bank Capital Finance LLC I	Wilmington		Credit Institution	100.0
705	Deutsche Bank Capital Finance Trust I	Wilmington	2	Financial Enterprise	0.0
706	Deutsche Bank Capital LLC I	Wilmington		Credit Institution	100.0
707	Deutsche Bank Capital Trust I	Wilmington	2	Financial Enterprise	0.0
708	Deutsche Bank Contingent Capital LLC II	Wilmington		Credit Institution	100.0
709	Deutsche Bank Contingent Capital LLC III	Wilmington		Credit Institution	100.0
710	Deutsche Bank Contingent Capital LLC IV	Wilmington		Credit Institution	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
711	Deutsche Bank Contingent Capital LLC V	Wilmington		Credit Institution	100.0
712	Deutsche Bank Contingent Capital Trust II	Wilmington	2	Financial Enterprise	0.0
713	Deutsche Bank Contingent Capital Trust III	Wilmington	2	Financial Enterprise	0.0
714	Deutsche Bank Contingent Capital Trust IV	Wilmington	2	Financial Enterprise	0.0
715	Deutsche Bank Contingent Capital Trust V	Wilmington	2	Financial Enterprise	0.0
716	Deutsche Bank Luxembourg S.A. – Fiduciary Deposits	Luxembourg	7	Other Enterprise	
717	Deutsche Bank Luxembourg S.A. – Fiduciary Note Programme	Luxembourg	7	Other Enterprise	
718	Deutsche Colombia S.A.S.	Bogotá		Securities Trading Firm	100.0
719	Deutsche Income Trust – Deutsche Limited Maturity Quality Income Fund	Boston		Other Enterprise	100.0
720	Deutsche Income Trust – Deutsche Ultra-Short Investment Grade Fund	Boston		Other Enterprise	100.0
721	Deutsche Institutional Money plus	Luxembourg		Other Enterprise	
722	Deutsche Institutional USD Money plus	Luxembourg		Other Enterprise	
723	Deutsche International Fund, Inc. – Deutsche Emerging Markets Frontier Fund	Baltimore		Other Enterprise	100.0
724	Deutsche Invest I	Luxembourg	7	Other Enterprise	
725	Deutsche Investment Trust – Deutsche CROCI U.S. Fund	Boston		Other Enterprise	100.0
726	Deutsche Leasing New York Corp.	New York		Financial Enterprise	100.0
727	Deutsche Postbank Funding LLC I	Wilmington		Credit Institution	100.0
728	Deutsche Postbank Funding LLC II	Wilmington		Credit Institution	100.0
729	Deutsche Postbank Funding LLC III	Wilmington		Credit Institution	100.0
730	Deutsche Postbank Funding LLC IV	Wilmington		Credit Institution	100.0
731	Deutsche Postbank Funding Trust I	Wilmington	2	Financial Enterprise	0.0
732	Deutsche Postbank Funding Trust II	Wilmington	2	Financial Enterprise	0.0
733	Deutsche Postbank Funding Trust III	Wilmington	2	Financial Enterprise	0.0
734	Deutsche Postbank Funding Trust IV	Wilmington	2	Financial Enterprise	0.0
735	Deutsche Services Polska Sp. z o.o.	Warsaw		Provider of Supporting Services	100.0
736	Drehscheibe Bochum GmbH & Co. KG	Frankfurt		Other Enterprise	100.0
737	Dusk LLC	Wilmington		Provider of Supporting Services	100.0
738	DWS (CH) – Pension Garant 2017	Zurich		Other Enterprise	
739	DWS Garant 80 FPI	Luxembourg		Financial Enterprise	
740	DWS Garant Top Dividende 2018	Luxembourg		Other Enterprise	
741	DWS Vorsorge – Premium Balance Plus	Luxembourg		Other Enterprise	
742	DWS World Protect 90	Luxembourg		Other Enterprise	
743	DWS Zeitwert Protect	Luxembourg		Financial Enterprise	
744	Dynamic Infrastructure Securities Fund LP	Wilmington		Financial Enterprise	
745	Earls Eight Limited	George Town	7	Other Enterprise	
746	Earls Four Limited	George Town	7	Other Enterprise	
747	EARLS Trading Limited	George Town		Financial Enterprise	

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
748	ECT Holdings Corp.	Wilmington		Credit Institution	100.0
749	Einkaufszentrum "HVD Dresden" S.à.r.l & Co. KG	Cologne		Other Enterprise	
750	Eirles Three Designated Activity Company	Dublin	7	Financial Enterprise	
751	Eirles Two Designated Activity Company	Dublin	7	Financial Enterprise	
752	Elmo Funding GmbH	Eschborn		Financial Enterprise	100.0
753	Elmo Leasing Vierzehnte GmbH	Eschborn		Provider of Supporting Services	100.0
754	Emerald Asset Repackaging Designated Activity Company	Dublin		Credit Institution	100.0
755	Emerging Markets Capital Protected Investments Limited	George Town	7	Other Enterprise	
756	Emeris	George Town		Securities Trading Firm	
757	Epicuro SPV S.r.l.	Conegliano		Financial Enterprise	
758	Equinox Credit Funding Public Limited Company	Dublin	7	Financial Enterprise	
759	Erste Frankfurter Hoist GmbH	Eschborn		Financial Enterprise	100.0
760	Eurohome (Italy) Mortgages S.r.l.	Conegliano		Financial Enterprise	
761	European Strategic Real Estate Fund ICAV	Dublin		Other Enterprise	
762	Feale Sp. z o.o.	Wolica		Other Enterprise	
763	Finaqua Limited	London		Financial Enterprise	
764	Fondo Privado de Titulizacion Activos Reales 1 B.V.	Amsterdam		Other Enterprise	
765	Fondo Privado de Titulización PYMES I Limited	Dublin		Financial Enterprise	
766	Fortis Flexi IV – Bond Medium Term RMB	Luxembourg		Financial Services Institution	100.0
767	FRANKFURT CONSULT GmbH	Frankfurt		Financial Enterprise	100.0
768	Fullgoal China Access RQFII Fund SPC – Fullgoal RQFII Bond Sub-Fund	George Town		Other Enterprise	
769	Fundo de Investimento em Direitos Creditórios Não-Padronizados – Precatório Federal 4870-1	Rio de Janeiro		Financial Enterprise	100.0
770	Fundo de Investimento em Direitos Creditórios Não-Padronizados – Precatórios Federais DB I	Rio de Janeiro		Financial Enterprise	100.0
771	Fundo de Investimento em Quotas de Fundos de Investimento em Direitos Creditórios Não-Padronizados Global Markets	Rio de Janeiro		Financial Enterprise	100.0
772	GAC-HEL II, Inc.	Wilmington		Provider of Supporting Services	100.0
773	GAC-HEL, Inc.	Wilmington		Provider of Supporting Services	100.0
774	Gladyr Spain, S.L.	Madrid		Financial Enterprise	
775	Glamour Bulk 1 Maritime Limited	Monrovia		Other Enterprise	
776	Global Markets Fundo de Investimento Multimercado	Rio de Janeiro		Financial Enterprise	100.0
777	Global Markets III Fundo de Investimento Multimercado – Crédito Privado e Investimento No Exterior	Rio de Janeiro		Financial Enterprise	100.0
778	Global Opportunities Co-Investment Feeder, LLC	Wilmington		Financial Enterprise	
779	Global Opportunities Co-Investment, LLC	Wilmington		Financial Enterprise	

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
780	Grundstücksverwaltung Martin-Behaim-Strasse Gewerbeimmobilien Limited & Co. KG	Frankfurt	1	Other Enterprise	
781	GWC-GAC Corp.	Wilmington		Provider of Supporting Services	100.0
782	Hamildak Limited	Dublin		Financial Enterprise	
783	Harbour Finance Limited	Dublin	2	Credit Institution	0.0
784	Harvest Select Funds – Harvest China Fixed Income Fund II	Hong Kong		Other Enterprise	
785	Iberia Inversiones II Limited	Dublin		Financial Enterprise	
786	Iberia Inversiones Limited	Dublin		Financial Enterprise	
787	India Debt Opportunities Fund	Mumbai		Provider of Supporting Services	
788	Infrastructure Holdings (Cayman) SPC	George Town		Financial Enterprise	
789	Inn Properties S.à r.l., en faillite	Luxembourg		Other Enterprise	25.0
790	Investor Solutions Limited	St. Helier	7	Other Enterprise	
791	Isar Properties S.à r.l., en faillite	Luxembourg		Other Enterprise	25.0
792	iShares Edge MSCI Australia Minimum Volatility ETF	Melbourne		Other Enterprise	99.2
793	iShares Edge MSCI Australia Multifactor ETF	Melbourne		Other Enterprise	97.3
794	iShares Edge MSCI World Minimum Volatility ETF	Melbourne		Other Enterprise	99.5
795	iShares Edge MSCI World Multifactor ETF	Melbourne		Other Enterprise	97.3
796	IVAF (Jersey) Limited	St. Helier		Provider of Supporting Services	
797	JB Hotel Private Placement Real Estate Trust No. 1	Seoul		Other Enterprise	100.0
798	Kelsey Street LLC	Wilmington		Provider of Supporting Services	100.0
799	Kingfisher Canada Holdings LLC	Wilmington		Financial Enterprise	100.0
800	Kingfisher Holdings LLC	Wilmington		Financial Enterprise	100.0
801	KOMPASS 3 Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
802	KOMPASS 3 Erste Beteiligungsgesellschaft mbH & Co. Euro KG i.L.	Duesseldorf	1	Provider of Supporting Services	96.1
803	KOMPASS 3 Zweite Beteiligungsgesellschaft mbH & Co. USD KG i.L.	Duesseldorf	1	Provider of Supporting Services	97.0
804	Kratus Inversiones Designated Activity Company	Dublin		Financial Enterprise	
805	La Fayette Dedicated Basket Ltd.	Road Town		Securities Trading Firm	
806	Lagoon Finance Designated Activity Company	Dublin	7	Financial Enterprise	
807	Leo Consumo 1 S.r.l.	Conegliano		Financial Enterprise	
808	Leo Consumo 2 S.r.l.	Conegliano		Financial Enterprise	70.0
809	87 Leonard Development LLC	Wilmington		Provider of Supporting Services	100.0
810	Leonardo Charitable 1 Limited	George Town		Provider of Supporting Services	
811	Leonardo Secondary Opportunities Fund III (Alternate GP of GP), LP	Wilmington	1	Financial Enterprise	
812	Leonardo Secondary Opportunities Fund III (Alternate GP), LP	Wilmington	1	Financial Enterprise	
813	Leonardo Secondary Opportunities Fund III (GP) Limited	George Town		Financial Enterprise	
814	Leonardo Secondary Opportunities Fund III (Limited Partner) Limited	George Town		Financial Enterprise	

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
815	Leonardo Secondary Opportunities III (SLP GP) Limited	Edinburgh		Financial Enterprise	
816	Leonardo Secondary Opportunities III SLP, LP	Edinburgh	1	Financial Enterprise	0.3
817	Life Mortgage S.r.l.	Rome		Financial Enterprise	
818	Macondo Spain SL	Madrid		Other Enterprise	100.0
819	Manta Acquisition LLC	Wilmington		Financial Enterprise	100.0
820	Manta Group LLC	Wilmington		Financial Enterprise	100.0
821	Mars Investment Trust II	New York		Financial Enterprise	100.0
822	Mars Investment Trust III	New York		Financial Enterprise	100.0
823	Master Aggregation Trust	Wilmington		Other Enterprise	
824	Maxima Alpha Bomaral Limited (in liquidation)	St. Helier		Securities Trading Firm	
825	Merlin I	George Town		Securities Trading Firm	
826	Merlin II	George Town		Securities Trading Firm	
827	Merlin XI	George Town		Securities Trading Firm	
828	Meseta Inversiones Designated Activity Company	Dublin		Financial Enterprise	
829	Mexico Capital Protected Investments Limited	George Town	7	Other Enterprise	
830	Micro-E Finance S.r.l.	Rome		Financial Enterprise	
831	Midsel Limited	London		Other Enterprise	100.0
832	Mira GmbH & Co. KG	Frankfurt	1	Provider of Supporting Services	100.0
833	Moon Leasing Limited	London		Financial Enterprise	100.0
834	Motion Picture Productions One GmbH & Co. KG	Frankfurt	1	Financial Enterprise	100.0
835	MPP Beteiligungsgesellschaft mbH	Frankfurt		Financial Enterprise	100.0
836	MS "JPO TUCANA" Schiffahrtsgesellschaft mbH & Co. KG i.I.	Stade		Other Enterprise	
837	NCW Holding Inc.	Vancouver		Financial Enterprise	100.0
838	New 87 Leonard, LLC	Wilmington		Financial Enterprise	100.0
839	Nineco Leasing Limited	London		Financial Enterprise	100.0
840	Oasis Securitisation S.r.l.	Conegliano	2	Financial Enterprise	0.0
841	Oder Properties S.à r.l., en faillite	Luxembourg		Other Enterprise	25.0
842	Odin Mortgages Limited	London		Financial Enterprise	
843	Oona Solutions, Fonds Commun de Placement	Luxembourg	7	Other Enterprise	
844	OPAL, en liquidation volontaire	Luxembourg	7	Other Enterprise	
845	Operadora de Buenos Aires S.R.L.	Buenos Aires		Financial Enterprise	100.0
846	Opus Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamkniety	Warsaw		Financial Enterprise	
847	Oran Limited	George Town		Financial Enterprise	
848	Orchid Pubs & Restaurants Limited	London		Other Enterprise	
849	OTTAM Mexican Capital Trust Designated Activity Company	Dublin	7	Financial Enterprise	
850	Palladium Securities 1 S.A.	Luxembourg	7	Financial Enterprise	
851	PanAsia Funds Investments Ltd.	George Town	7	Financial Enterprise	
852	PARTS Funding, LLC	Wilmington		Financial Enterprise	100.0
853	PARTS Student Loan Trust 2007-CT1	Wilmington		Financial Enterprise	100.0
854	PD Germany Funding Company II, Ltd.	George Town		Financial Enterprise	

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
855	PD Germany Funding Company IV, Ltd.	George Town		Financial Enterprise	
856	PD Germany Funding Company V, Ltd.	George Town		Financial Enterprise	
857	PEIF II SLP Feeder, L.P.	Edinburgh		Financial Enterprise	0.7
858	Peruda Leasing Limited	London		Financial Enterprise	100.0
859	Perus 1 S.à r.l.	Luxembourg		Financial Enterprise	
860	Philippine Opportunities for Growth and Income (SPV-AMC), INC.	Manila		Financial Services Institution	95.0
861	PIMCO PARS I – Poste Vite	George Town		Other Enterprise	
862	PIMCO PARS V – Poste Vite	George Town		Other Enterprise	
863	Pinehurst Securities SA	Luxembourg	7	Financial Enterprise	
864	Port Elizabeth Holdings LLC	Wilmington		Financial Enterprise	100.0
865	Private Markets ICAV	Dublin		Other Enterprise	
866	Pyxis Nautica S.A.	Luxembourg		Provider of Supporting Services	
867	Quantum 13 LLC	Wilmington		Provider of Supporting Services	100.0
868	Quartz No. 1 S.A.	Luxembourg	2	Financial Enterprise	0.0
869	Reference Capital Investments Limited	London		Credit Institution	100.0
870	Regal Limited	George Town	7	Other Enterprise	
871	REO Properties Corporation	Wilmington		Provider of Supporting Services	100.0
872	REO Properties Corporation II	Wilmington	2	Provider of Supporting Services	0.0
873	Residential Mortgage Funding Trust	Toronto		Financial Enterprise	
874	Rhine Properties S.à r.l., en faillite	Luxembourg		Other Enterprise	25.0
875	RM Ayr Limited (in liquidation)	Dublin		Financial Enterprise	
876	RM Chestnut Limited (in liquidation)	Dublin		Financial Enterprise	
877	RM Fife Limited (in liquidation)	Dublin		Financial Enterprise	
878	RM Multi-Asset Limited (in liquidation)	Dublin		Financial Enterprise	
879	RM Sussex Limited (in liquidation)	Dublin		Financial Enterprise	
880	RM Triple-A Limited (in liquidation)	Dublin		Financial Enterprise	
881	RREEF Global Opportunities Fund III, LLC	Wilmington		Financial Enterprise	
882	RREEF North American Infrastructure Fund A, L.P.	Wilmington		Financial Enterprise	99.9
883	RREEF North American Infrastructure Fund B, L.P.	Wilmington		Financial Enterprise	99.9
884	SABRE Securitisation Limited	Sydney		Other Enterprise	
885	SCB Alpspitze UG (haftungsbeschränkt)	Frankfurt		Financial Enterprise	
886	Schiffahrts-Gesellschaft "HS DEBUSSY" mbH & Co. KG i.I.	Hamburg		Other Enterprise	
887	Schiffahrts-Gesellschaft "HS WAGNER" mbH & Co. KG i.I.	Hamburg		Other Enterprise	
888	Select Access Investments Limited	Sydney	7	Other Enterprise	
889	Silrendel, S. de R. L. de C. V.	Mexico City		Financial Enterprise	100.0
890	Singer Island Tower Suite LLC	Wilmington		Provider of Supporting Services	100.0
891	Sixco Leasing Limited	London		Financial Enterprise	100.0
892	SMART SME CLO 2006-1, Ltd.	George Town		Financial Enterprise	
893	SOLIDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		Financial Enterprise	100.0
894	SP Mortgage Trust	Wilmington		Other Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
895	Strategic Global Opportunities Limited – Class A Main USD	Nassau		Financial Enterprise	
896	STTN, Inc.	Wilmington		Provider of Supporting Services	100.0
897	Swabia 1 Limited	Dublin		Financial Enterprise	
898	Swabia 1. Vermögensbesitz-GmbH	Eschborn		Financial Enterprise	100.0
899	Tagus – Sociedade de Titularização de Creditos, S.A.	Lisbon		Financial Enterprise	100.0
900	The Canary Star Trust	George Town		Provider of Supporting Services	100.0
901	The GIII Accumulation Trust	Wilmington		Other Enterprise	
902	The India Debt Opportunities Fund Limited	Ebène City		Provider of Supporting Services	
903	The PEB Accumulation Trust	Wilmington		Other Enterprise	
904	The SLA Accumulation Trust	Wilmington		Other Enterprise	
905	Threadneedle Lending Limited	London		Financial Enterprise	
906	Tintin III SPC	George Town		Securities Trading Firm	
907	Trave Properties S.à r.l., en faillite	Luxembourg		Other Enterprise	25.0
908	TRS Aria LLC	Wilmington		Credit Institution	100.0
909	TRS Birch II LTD	George Town		Credit Institution	100.0
910	TRS Birch LLC	Wilmington		Other Enterprise	100.0
911	TRS Cypress II LTD	George Town		Credit Institution	100.0
912	TRS Elm II LTD	George Town		Credit Institution	100.0
913	TRS Leda LLC	Wilmington		Credit Institution	100.0
914	TRS Maple II LTD	George Town		Credit Institution	100.0
915	TRS Oak II LTD	George Town		Credit Institution	100.0
916	TRS Oak LLC	Wilmington		Other Enterprise	100.0
917	TRS Poplar II LTD	George Town		Credit Institution	100.0
918	TRS Scorpio LLC	Wilmington		Credit Institution	100.0
919	TRS Spruce II LTD	George Town		Credit Institution	100.0
920	TRS SVCO LLC	Wilmington		Credit Institution	100.0
921	TRS Sycamore II LTD	George Town		Credit Institution	100.0
922	TRS Tupelo II LTD	George Town		Credit Institution	100.0
923	TRS Tupelo LLC	Wilmington		Credit Institution	100.0
924	TRS Venor LLC	Wilmington		Credit Institution	100.0
925	TRS Walnut II LTD	George Town		Credit Institution	100.0
926	TRS Walnut LLC	Wilmington		Other Enterprise	100.0
927	VCM Golding Mezzanine GmbH & Co. KG	Munich	1	Financial Enterprise	0.0
928	Vermögensfondmandat Flexible (80 % teilgeschützt)	Luxembourg		Other Enterprise	
929	Wendelstein 2015-1 UG (haftungsbeschränkt)	Frankfurt		Financial Enterprise	
930	World Trading (Delaware) Inc.	Wilmington		Financial Enterprise	100.0
931	ZALLUS Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
932	ZARAT Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
933	ZARAT Beteiligungsgesellschaft mbH & Co. Leben II KG i.L.	Duesseldorf	1	Provider of Supporting Services	98.1
934	ZELAS Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
935	ZELAS Beteiligungsgesellschaft mbH & Co. Leben I KG i.L.	Duesseldorf	1	Provider of Supporting Services	98.2
936	Zumirez Drive LLC	Wilmington		Provider of Supporting Services	100.0
937	ZURET Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
938	Zurich – DWS Life Cycle Balance II	Luxembourg		Other Enterprise	

Companies accounted for at equity

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
939	AcadiaSoft, Inc.	Wilmington		Other Enterprise	4.5
940	AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung	Frankfurt		Credit Institution	26.9
941	Argantis GmbH i.L.	Cologne		Industrial Holding	50.0
942	Baigo Capital Partners Fund 1 Parallel 1 GmbH & Co. KG	Bad Soden am Taunus		Industrial Holding	49.8
943	BANKPOWER GmbH Personaldienstleistungen	Frankfurt		Other Enterprise	30.0
944	Bestra Gesellschaft für Vermögensverwaltung mit beschränkter Haftung	Duesseldorf		Financial Enterprise	49.0
945	BFDB Tax Credit Fund 2011, Limited Partnership	New York	8	Industrial Holding	99.9
946	BHS tabletop Aktiengesellschaft	Selb		Other Enterprise	28.9
947	BVT-CAM Private Equity Beteiligungs GmbH	Gruenwald		Financial Enterprise	50.0
948	BVT-CAM Private Equity Management & Beteiligungs GmbH	Gruenwald		Financial Enterprise	50.0
949	Comfund Consulting Limited	Bangalore		Other Enterprise	30.0
950	Craigs Investment Partners Limited	Tauranga		Securities Trading Bank	49.9
951	Cyber Defence Alliance Limited	London	9	Provider of Supporting Services	0.0
952	DB Real Estate Global Opportunities IB (Offshore), L.P.	Camana Bay		Financial Enterprise	34.6
953	DBG Eastern Europe II Limited Partnership	St. Helier		Financial Enterprise	25.9
954	DD Finansman Anonim Sirketi	Sisli		Credit Institution	49.0
955	Deutsche Börse Commodities GmbH	Eschborn		Other Enterprise	16.2
956	Deutsche Financial Capital I Corp.	Greensboro		Financial Enterprise	50.0
957	Deutsche Financial Capital Limited Liability Company	Greensboro		Credit Institution	50.0
958	Deutsche Gulf Finance	Riyadh		Credit Institution	29.1
959	Deutsche Regis Partners Inc	Makati City		Securities Trading Firm	49.0
960	Deutsche TISCO Investment Advisory Company Limited	Bangkok		Securities Trading Firm	49.0
961	Deutsche Zurich Pensiones Entidad Gestora de Fondos de Pensiones, S.A.	Barcelona		Other Enterprise	50.0
962	Deutscher Pensionsfonds Aktiengesellschaft	Bonn		Other Enterprise	25.1
963	DIL Internationale Leasinggesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
964	Domus Beteiligungsgesellschaft der Privaten Bausparkassen mbH	Berlin		Finance Holding Company	21.1
965	Elbe Properties S.à r.l.	Luxembourg		Other Enterprise	25.0
966	EOL2 Holding B.V.	Amsterdam		Financial Enterprise	45.0
967	eolec	Issy-les-Moulineaux		Other Enterprise	33.3
968	equiNotes Management GmbH	Duesseldorf		Other Enterprise	50.0
969	EVROENERGIAKI S.A.	Athens		Other Enterprise	40.0

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970	Finance in Motion GmbH	Frankfurt		Securities Trading Firm	19.9
971	Fünfte SAB Treuhand und Verwaltung GmbH & Co. "Leipzig-Magdeburg" KG	Bad Homburg		Other Enterprise	41.2
972	Fünfte SAB Treuhand und Verwaltung GmbH & Co. Dresden "Louisenstraße" KG	Bad Homburg		Other Enterprise	30.6
973	G.O. IB-SIV Feeder, L.L.C.	Wilmington		Financial Enterprise	15.7
974	GALLOP, LLC	Lexington	9	Other Enterprise	0.0
975	German Public Sector Finance B.V.	Amsterdam		Credit Institution	50.0
976	Gesellschaft für Kreditsicherung mit beschränkter Haftung	Berlin		Industrial Holding	36.7
977	giropay GmbH	Frankfurt		Other Enterprise	33.3
978	Gordian Knot Limited	London		Securities Trading Firm	32.4
979	Graphite Resources (Knightsbridge) Limited	London		Other Enterprise	45.0
980	Graphite Resources Holdings Limited	London	8	Industrial Holding	70.0
981	Great Future International Limited	Road Town		Financial Enterprise	43.0
982	Grundstücksgesellschaft Bürohäuser Köln Rheinhallen GbR	Troisdorf	1	Other Enterprise	15.6
983	Grundstücksgesellschaft Karlsruhe Kaiserstraße GbR	Troisdorf	1	Other Enterprise	3.4
984	Grundstücksgesellschaft Köln Messe 15-18 GbR	Troisdorf	1	Other Enterprise	10.5
985	Grundstücksgesellschaft Köln Oppenheimstraße GbR	Troisdorf	1, 9	Other Enterprise	0.0
986	Grundstücksgesellschaft Köln-Merheim Winterberger Straße GbR	Troisdorf	1, 9	Other Enterprise	0.0
987	Grundstücksgesellschaft Köln-Ossendorf VI GbR	Troisdorf	1	Other Enterprise	44.9
988	Grundstücksgesellschaft München Synagogenplatz GbR	Troisdorf	1, 9	Other Enterprise	0.0
989	Grundstücksgesellschaft Schillingsrotter Weg GbR	Troisdorf	1, 9	Other Enterprise	0.0
990	Harvest Fund Management Co., Ltd.	Shanghai		Securities Trading Firm	30.0
991	Huarong Rongde Asset Management Company Limited	Beijing		Financial Enterprise	40.7
992	ILV Immobilien-Leasing Verwaltungsgesellschaft Düsseldorf mbH	Duesseldorf		Financial Enterprise	50.0
993	Immobilienfonds Bürohaus Düsseldorf Grafenberg GbR	Troisdorf	1	Other Enterprise	10.0
994	Immobilienfonds Bürohaus Düsseldorf Parsevalstraße GbR	Cologne	1	Other Enterprise	7.0
995	Immobilienfonds Köln-Deutz Arena und Mantelbebauung GbR	Troisdorf	1	Other Enterprise	7.7
996	Immobilienfonds Köln-Ossendorf II GbR	Troisdorf	1	Other Enterprise	9.7
997	Immobilienfonds Troisdorf Hannoversche Straße / Frieslandring GbR	Troisdorf	1, 9	Other Enterprise	0.0
998	ISWAP Limited	London		Securities Trading Firm	13.3
999	IZI Düsseldorf Informations-Zentrum Immobilien Gesellschaft mit beschränkter Haftung	Duesseldorf		Financial Enterprise	21.1
1000	IZI Düsseldorf Informations-Zentrum Immobilien GmbH & Co. Kommanditgesellschaft	Duesseldorf		Other Enterprise	21.6

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1001	Kenanga Deutsche Futures Sdn Bhd	Kuala Lumpur		Securities Trading Firm	27.0
1002	KVD Singapore Pte. Ltd.	Singapore		Financial Enterprise	30.0
1003	KölnArena Beteiligungsgesellschaft mbH i.L.	Cologne		Financial Enterprise	20.8
1004	Lion Residential Holdings S.à r.l.	Luxembourg		Financial Enterprise	17.4
1005	MidOcean (Europe) 2003 LP	St. Helier		Financial Enterprise	20.0
1006	MidOcean Partners, LP	New York		Financial Enterprise	20.0
1007	North Coast Wind Energy Corp.	Vancouver	8	Other Enterprise	96.7
1008	P.F.A.B. Passage Frankfurter Allee Betriebsgesellschaft mbH	Berlin		Other Enterprise	22.2
1009	Parkhaus an der Börse GbR	Cologne	1	Other Enterprise	37.7
1010	PERILLA Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
1011	Private Equity Gesellschaft bürgerlichen Rechts	Cologne	1, 9	Financial Enterprise	0.0
1012	Raymond James New York Housing Opportunities Fund I-A L.L.C.	New York		Industrial Holding	33.0
1013	Raymond James New York Housing Opportunities Fund I-B L.L.C.	New York		Industrial Holding	33.3
1014	Raymond James New York Housing Opportunities Fund II L.L.C.	New York		Industrial Holding	19.5
1015	Raymond James New York Upstate Housing Opportunities Fund I L.L.C.	New York		Industrial Holding	24.9
1016	Relax Holding S.à r.l.	Luxembourg		Other Enterprise	20.0
1017	REON – Park Wiatrowy I Sp. z o.o.	Warsaw		Other Enterprise	50.0
1018	REON-Park Wiatrowy II Sp. z o.o.	Warsaw		Other Enterprise	50.0
1019	REON-Park Wiatrowy IV Sp. z o.o.	Warsaw		Other Enterprise	50.0
1020	Robuterra AG	Zurich	9	Financial Enterprise	0.0
1021	Sakaras Holding Limited	Birkirkara	9	Financial Enterprise	0.0
1022	Schiffahrts UG (haftungsbeschränkt) & Co. KG MS "DYCKBURG" i.l.	Hamburg		Other Enterprise	41.3
1023	Shunfeng Catering & Hotel Management Co., Ltd.	Beijing		Other Enterprise	6.4
1024	SRC Security Research & Consulting GmbH	Bonn		Other Enterprise	22.5
1025	Starpool Finanz GmbH	Berlin		Provider of Supporting Services	49.9
1026	Teesside Gas Transportation Limited	London		Other Enterprise	45.0
1027	TradeWeb Markets LLC	Wilmington		Securities Trading Firm	5.0
1028	Triton Beteiligungs GmbH	Frankfurt		Industrial Holding	33.1
1029	Turquoise Global Holdings Limited	London		Financial Enterprise	7.1
1030	U.S.A. Institutional Tax Credit Fund C L.P.	Dover		Industrial Holding	18.9
1031	U.S.A. Institutional Tax Credit Fund CVI L.P.	Dover		Industrial Holding	13.8
1032	U.S.A. Institutional Tax Credit Fund XCV L.P.	Wilmington		Industrial Holding	23.5
1033	U.S.A. ITCF XCI L.P.	New York	8	Industrial Holding	99.9
1034	UKE Beteiligungs-GmbH	Troisdorf	9	Financial Enterprise	0.0
1035	UKEM Motoryacht Medici Mangusta GbR	Troisdorf	1, 9	Other Enterprise	0.0
1036	Ullmann Krockow Esch GbR	Troisdorf	1, 9	Other Enterprise	0.0
1037	Ullmann, Krockow, Esch Luftverkehrsgesellschaft bürgerlichen Rechts	Troisdorf	1, 9	Other Enterprise	0.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1038	Volbroker.com Limited	London		Financial Enterprise	22.5
1039	Weser Properties S.à r.l.	Luxembourg		Other Enterprise	25.0
1040	zeitinvest-Service GmbH	Eschborn		Provider of Supporting Services	25.0
1041	Zhong De Securities Co., Ltd	Beijing		Securities Trading Bank	33.3
1042	ZINDUS Beteiligungsgesellschaft mbH	Duesseldorf		Financial Enterprise	50.0
1043	ZYRUS Beteiligungsgesellschaft mbH	Schoenefeld		Financial Enterprise	25.0
1044	ZYRUS Beteiligungsgesellschaft mbH & Co. Patente I KG i.L.	Schoenefeld		Other Enterprise	20.4

Other Companies, where the holding exceeds 20 %

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1045	ABATE Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1046	ABRI Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1047	AC VI Initiatoren GmbH & Co. KG	Munich	10	Financial Enterprise	25.0
1048	Acamar Holding S.A.	Luxembourg	8, 10	Other Enterprise	95.0
1049	ACHTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1050	ACHTUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1051	ACHTZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1052	ACIS Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1053	ACTIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1054	Adara S.A.	Luxembourg	8, 10	Other Enterprise	95.0
1055	ADEO Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1056	ADLAT Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1057	ADMANU Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1058	Agena S.A.	Luxembourg	8, 10	Other Enterprise	95.0
1059	AGLOM Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1060	AGUM Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1061	ALANUM Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1062	ALMO Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1063	ALTA Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1064	ANDOT Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1065	APUR Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1066	ATAUT Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1067	AVOC Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1068	BAKTU Beteiligungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1069	BAL Servicing Corporation	Wilmington	11	Other Enterprise	100.0
1070	BALIT Beteiligungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1071	BAMAR Beteiligungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1072	Banks Island General Partner Inc.	Toronto	10	Financial Enterprise	50.0
1073	Belzen Pty. Limited	Sydney	11	Financial Enterprise	100.0
1074	Benefit Trust GmbH	Luetzen	11, 12	Financial Enterprise	100.0
1075	BIMES Beteiligungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1076	BLI Beteiligungsgesellschaft für Leasinginvestitionen mbH	Duesseldorf	10	Financial Enterprise	33.2
1077	BLI Internationale Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	32.0
1078	BrisConnections Holding Trust	Kedron	13	Other Enterprise	35.6
1079	BrisConnections Investment Trust	Kedron	13	Other Enterprise	35.6
1080	Cabarez S.A.	Luxembourg	8, 10	Other Enterprise	95.0
1081	City Leasing (Thameside) Limited	London	11	Financial Enterprise	100.0
1082	City Leasing Limited	London	11	Financial Enterprise	100.0
1083	DB Advisors SICAV	Luxembourg	11, 14	Other Enterprise	96.4
1084	DB Petri LLC	Wilmington	11	Credit Institution	100.0
1085	Deutsche River Investment Management Company S.à r.l.	Luxembourg	10	Financial Enterprise	49.0
1086	Deutz-Mülheim Grundstücksgesellschaft mbH	Duesseldorf	10	Other Enterprise	40.2
1087	DIL Fonds-Beteiligungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1088	DONARUM Holding GmbH	Duesseldorf	10	Financial Enterprise	50.0
1089	Donlen Exchange Services Inc.	Boston	11	Other Enterprise	100.0
1090	DREIUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1091	DREIZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1092	DRITTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1093	DRITTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1094	EINUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1095	ELC Logistik-Centrum Verwaltungs-GmbH	Erfurt	10	Financial Enterprise	50.0
1096	ELFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1097	FÜNFTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1098	FÜNFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1099	FÜNFUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1100	FÜNFZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1101	Glor Music Production GmbH & Co. KG	Valley-Oberlaindern	13	Other Enterprise	21.2
1102	Grundstücksvermietungsgesellschaft Wilhelmstr. mbH i.L.	Gruenwald	11	Financial Enterprise	100.0
1103	Hertz Car Exchange Inc.	Wilmington	11	Other Enterprise	100.0
1104	Immobilien-Vermietungsgesellschaft Schumacher GmbH & Co. Objekt Rolandufer KG	Berlin	10	Financial Enterprise	20.5
1105	Intermodal Finance I Ltd.	George Town	10, 15	Other Enterprise	49.0
1106	IOG Denali Upton, LLC	Dover	13	Other Enterprise	23.0
1107	IOG NOD I, LLC	Dover	13	Other Enterprise	22.5
1108	Isaac Newton S.A.	Luxembourg	8, 10	Other Enterprise	95.0
1109	Kinneil Leasing Company	London	10	Financial Enterprise	35.0
1110	Lindsell Finance Limited	St. Julian's	11	Provider of Supporting Services	100.0
1111	London Industrial Leasing Limited	London	11	Financial Enterprise	100.0
1112	M Cap Finance Mittelstandsfonds GmbH & Co. KG	Frankfurt	8, 13, 16	Financial Enterprise	77.1
1113	Maestrale Projects (Holding) S.A.	Luxembourg	10	Financial Enterprise	49.7
1114	Magalhaes S.A.	Luxembourg	8, 10	Other Enterprise	95.0
1115	Manuseamento de Cargas – Manicargas, S.A.	Matosinhos	17, 18	Other Enterprise	38.3
1116	MCT Südafrika 3 GmbH & Co. KG	Hamburg	13	Other Enterprise	35.3
1117	Memax Pty. Limited	Sydney	11	Financial Enterprise	100.0
1118	Metro plus Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	40.0
1119	MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. BETA KG i.L.	Gruenwald	13	Other Enterprise	29.6
1120	Mountaintop Energy Holdings LLC	Wilmington	10	Financial Enterprise	38.7
1121	MT "CAPE BEALE" Tankschiffahrts GmbH & Co. KG	Hamburg	13	Other Enterprise	22.3
1122	MT "KING EDWARD" Tankschiffahrts GmbH & Co. KG	Hamburg	13	Other Enterprise	25.6

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1123	MT "KING ERIC" Tankschiffahrts GmbH & Co. KG	Hamburg	13	Other Enterprise	25.6
1124	NBG Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1125	NEUNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1126	NEUNZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1127	New Energy Biomasse Hellas GmbH i.L.	Duesseldorf	10	Other Enterprise	50.0
1128	Nexus Infrastruktur Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1129	NOFA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1130	Nortfol Pty. Limited	Sydney	11	Financial Enterprise	100.0
1131	NV Profit Share Limited	George Town	10	Other Enterprise	42.9
1132	OPPENHEIM Buy Out GmbH & Co. KG i.L.	Cologne	1, 2, 11	Financial Enterprise	27.7
1133	PADEM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1134	PAGUS Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1135	PALDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1136	PANIS Grundstücks-Vermietungsgesellschaft mbH i.I.	Duesseldorf	10	Financial Enterprise	50.0
1137	PANTUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1138	PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1139	PEDIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1140	PEDUM Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1141	PENDIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1142	PENTUM Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1143	PERGOS Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1144	PERGUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1145	PERLIT Mobilien-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1146	PERLU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1147	PERNIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1148	PERXIS Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1149	PETA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1150	PONTUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1151	PPCenter, Inc.	Wilmington	11	Other Enterprise	100.0
1152	PRADUM Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1153	PRASEM Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1154	PRATES Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1155	PRISON Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1156	Private Equity Invest Beteiligungs GmbH	Duesseldorf	10	Financial Enterprise	50.0
1157	Private Equity Life Sciences Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1158	PTL Fleet Sales, Inc.	Wilmington	11	Other Enterprise	100.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1159	PUDU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1160	PUKU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1161	PURIM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1162	QI Exchange, LLC	Wilmington	11	Other Enterprise	100.0
1163	QUANTIS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1164	QUELLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1165	QUOTAS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1166	SABIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1167	Safron NetOne Partners, L.P.	George Town	13	Financial Enterprise	21.7
1168	SALIX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1169	SALUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1170	SALUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dresden KG	Duesseldorf	11	Financial Enterprise	58.5
1171	SANCTOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1172	SANDIX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1173	SANO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1174	SARIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1175	SATINA Mobilien-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1176	SCANDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1177	SCHEDA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1178	Schumacher Beteiligungsgesellschaft mbH	Cologne	10	Financial Enterprise	33.2
1179	SCITOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1180	SCITOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heiligenstadt KG	Duesseldorf	11	Financial Enterprise	71.1
1181	SCUDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1182	SCUDO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kleine Alexanderstraße KG	Duesseldorf	11	Other Enterprise	95.0
1183	SECHSTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1184	SECHSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1185	SECHZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1186	SEDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1187	SEGES Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1188	SEGU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1189	SELEKTA Grundstücksverwaltungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1190	SENA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1191	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fehrenbach KG i.L.	Duesseldorf	11	Other Enterprise	94.7
1192	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Halle II KG i.L.	Duesseldorf	11	Other Enterprise	100.0
1193	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kamenz KG	Duesseldorf	8, 10	Financial Enterprise	100.0
1194	SERICA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1195	SIDA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1196	SIEBTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1197	SIEBZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1198	SIFA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1199	SILANUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1200	SILEX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1201	SILEX Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Duesseldorf	11	Financial Enterprise	83.8
1202	SILIGO Mobilien-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1203	SILUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1204	SIMILA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1205	SOLATOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1206	SOLON Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1207	SOLON Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heizkraftwerk Halle KG i.L.	Halle/Saale	10	Other Enterprise	30.5
1208	SOLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1209	SOMA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1210	SOREX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1211	SOSPITA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1212	SPhinX, Ltd. (in voluntary liquidation)	George Town	10	Other Enterprise	43.6
1213	SPINO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Other Enterprise	100.0
1214	SPLENDOR Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1215	STABLON Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1216	STAGIRA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1217	STATOR Heizkraftwerk Frankfurt (Oder) Beteiligungsgesellschaft mbH	Schoenefeld	11	Financial Enterprise	100.0
1218	SUBLICA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1219	SUBU Mobilien-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1220	SULPUR Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1221	Sunbelt Rentals Exchange Inc.	Wilmington	11	Other Enterprise	100.0
1222	SUPERA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1223	SUPLION Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1224	SUSA Mobilien-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1225	SUSIK Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1226	TABA Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1227	TACET Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1228	TAGO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1229	TAGUS Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1230	TAKIR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1231	TEBOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1232	TEMATIS Grundstücks-Vermietungsgesellschaft mbH i.L.	Duesseldorf	11	Financial Enterprise	100.0
1233	TERRUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1234	TESATUR Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1235	TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Halle I KG	Duesseldorf	11	Financial Enterprise	100.0
1236	TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Nordhausen I KG	Duesseldorf	11	Financial Enterprise	100.0
1237	TIEDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1238	TIEDO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lager Nord KG	Duesseldorf	10	Financial Enterprise	25.0
1239	TIQI Exchange, LLC	Wilmington	11	Other Enterprise	100.0
1240	TOSSA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1241	TRAGO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1242	TREMA Grundstücks-Vermietungsgesellschaft mbH	Berlin	10	Financial Enterprise	50.0
1243	TRENTO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1244	TRINTO Beteiligungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1245	TRIPLA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	11	Financial Enterprise	100.0
1246	Triton Fund III G L.P.	St. Helier	8, 10, 19	Financial Enterprise	62.5
1247	TUDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1248	TUGA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1249	TYRAS Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1250	VARIS Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1251	VCJ Lease S.à r.l.	Luxembourg	8, 10	Other Enterprise	95.0
1252	VCL Lease S.à r.l.	Luxembourg	8, 10, 20	Other Enterprise	95.0
1253	VCM Initiatoren III GmbH & Co. KG	Munich	10	Financial Enterprise	24.9
1254	VCM Partners GmbH & Co. KG	Munich	10	Financial Enterprise	25.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1255	VEXCO, LLC	Wilmington	11	Other Enterprise	100.0
1256	VIERTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1257	VIERTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1258	VIERUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1259	VIERZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1260	Wohnungs-Verwaltungsgesellschaft Moers mbH	Duesseldorf	10	Financial Enterprise	50.0
1261	Wohnungsgesellschaft HEGEMAG GmbH	Darmstadt	10	Financial Enterprise	50.0
1262	XARUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1263	XELLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1264	XENTIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1265	XERA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1266	XERIS Grundstücks-Vermietungsgesellschaft mbH i.l.	Duesseldorf	10	Financial Enterprise	50.0
1267	ZABATUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1268	ZAKATUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1269	ZARGUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1270	ZEA Beteiligungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	25.0
1271	ZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1272	ZENO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1273	Zenwix Pty. Limited	Sydney	11	Financial Enterprise	100.0
1274	ZEPTOS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1275	ZEREVIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1276	ZERGUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1277	ZIDES Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1278	ZIMBEL Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1279	ZINUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1280	ZIRAS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1281	ZITON Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1282	ZITUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	50.0
1283	ZONTUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1284	ZORUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0
1285	ZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1286	ZWEITE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf	10	Financial Enterprise	50.0

Serial No.	Name of company	Domicile of company	Footnote	Nature of activity	Share of Capital in %
1287	ZWEITE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1288	ZWEIUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1289	ZWÖLFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf	10	Other Enterprise	50.0
1290	ZYLUM Beteiligungsgesellschaft mbH	Schoenefeld	10	Financial Enterprise	25.0

Holdings in large corporations, where the holding exceeds 5 % of the voting rights

Serial No.	Name of company	Domicile of company	Foot-note	Nature of activity	Share of Capital in %
1291	ABRAAJ Holdings	George Town		Financial Enterprise	8.8
1292	Accunia A/S	Copenhagen		Securities Trading Firm	9.9
1293	BBB Bürgschaftsbank zu Berlin-Brandenburg GmbH	Berlin		Credit Institution	5.6
1294	Bürgschaftsbank Brandenburg GmbH	Potsdam		Credit Institution	8.5
1295	Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin		Credit Institution	8.4
1296	Bürgschaftsbank Sachsen GmbH	Dresden		Credit Institution	6.3
1297	Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg		Credit Institution	8.2
1298	Bürgschaftsbank Schleswig-Holstein Gesellschaft mit beschränkter Haftung	Kiel		Credit Institution	5.6
1299	Bürgschaftsbank Thüringen GmbH	Erfurt		Credit Institution	8.7
1300	Bürgschaftsgemeinschaft Hamburg GmbH	Hamburg		Credit Institution	8.7
1301	Cecon ASA	Arendal		Other Enterprise	9.6
1302	China Polymetallic Mining Limited	George Town		Other Enterprise	5.7
1303	Concardis GmbH	Eschborn		Payment Institution	16.8
1304	Damovo Group Holdings Limited	Camana Bay		Financial Enterprise	16.0
1305	K.K. D&M Holdings	Kawasaki		Other Enterprise	14.8
1306	Kenanga Investment Bank Berhad	Kuala Lumpur		Deposit-taking Credit Institution	8.3
1307	Landgesellschaft Mecklenburg-Vorpommern mit beschränkter Haftung	Leezen		Other Enterprise	11.0
1308	MTS S.p.A.	Rome		Other Enterprise	5.0
1309	Philipp Holzmann Aktiengesellschaft i.I.	Frankfurt		Other Enterprise	19.5
1310	Prader Bank S.p.A.	Bolzano		Deposit-taking Credit Institution	9.0
1311	Private Export Funding Corporation	Wilmington		Credit Institution	6.0
1312	PT Buana Listya Tama Tbk	Jakarta		Other Enterprise	14.6
1313	Reorganized RFS Corporation	Wilmington		Holding for Insurance Companies	6.2
1314	RREEF America REIT III, Inc.	Baltimore		Financial Enterprise	7.9
1315	Saarländische Investitionskreditbank Aktiengesellschaft	Saarbruecken		Deposit-taking Credit Institution	11.8
1316	Sterling Resources Ltd.	Calgary		Financial Enterprise	13.7
1317	The Ottoman Fund Limited	St. Helier		Other Enterprise	13.6
1318	The Topiary Fund II Public Limited Company	Dublin		Securities Trading Firm	10.5
1319	TRIUVA Kapitalverwaltungsgesellschaft mbH	Frankfurt		Investment Management Company	6.0
1320	United Information Technology Co. Ltd.	George Town		Industrial Holding	12.2
1321	Yensai.com Co., Ltd.	Tokyo		Securities Trading Firm	7.1

Excerpt from Deutsche Bank Group's Management Report

Pursuant to Note 1 to the consolidated financial statements of Deutsche Bank for the fiscal year 2016, the information marked by a bracket in the margins in the sections "Operating and Financial Review" and "Risk Report" of Deutsche Bank Group's management report for 2016 was incorporated by reference into the notes to Deutsche Bank's consolidated financial statements for the fiscal year 2016. These disclosures identified by brackets in the margin of the management report therefore form an integral part of the audited notes to Deutsche Bank's consolidated financial statements for 2016. In addition, with respect to the table entitled "Transitional template for regulatory capital, RWA and capital ratios" set forth in the section "Risk Report: Risk and Capital Performance: Capital and Leverage Ratio: Development of regulatory capital" of Deutsche Bank Group's management report for 2016, reproduced on pages F-204 and F-205, the columns captioned "CRR/CRD 4" for each of December 31, 2016 and December 31, 2015 (but not the columns captioned "CRR/CRD 4 fully loaded") are also an integral part of the consolidated financial statements for the fiscal year 2016, notwithstanding that they are not identified by brackets in the margins.

Reproduced on the following pages, as an excerpt from Deutsche Bank Group's management report for 2016, are the disclosures in the sections "Operating and Financial Review" and "Risk Report" of Deutsche Bank Group's management report that are part of the audited notes to Deutsche Bank's consolidated financial statements for 2016. Those parts of Deutsche Bank Group's management report for 2016 that are not marked by brackets in the margins, other than with respect to the columns captioned "CRR/CRD 4" for each of December 31, 2016 and December 31, 2015 in the table entitled "Transitional template for regulatory capital, RWA and capital ratios", do not form part of this Prospectus.

Omissions from the sections "Operating and Financial Review" and "Risk Report" of Deutsche Bank Group's management report for 2016 are indicated by "(. . .)."

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Segment Results of Operations

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2016 in € m. (unless stated otherwise)	Global Markets	Corporate & Investment Banking	Private, Wealth and Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
Net revenues[1]	9,290	7,483	7,717	3,020	3,366	(382)	(479)	30,014
Provision for credit losses	142	672	255	1	184	128	1	1,383
Noninterest expenses								
Compensation and benefits	1,787	1,711	2,438	611	1,397	68	3,861	11,874
General and administrative expenses	6,885	3,243	3,815	1,171	1,418	2,678	(3,756)	15,454
Policyholder benefits and claims	0	0	0	374	0	0	0	374
Impairment of goodwill and other intangible assets	285	0	0	1,021	0	(49)	(0)	1,256
Restructuring activities	127	165	141	47	0	4	(0)	484
Total noninterest expenses	9,084	5,119	6,394	3,223	2,815	2,701	106	29,442
Noncontrolling interests	47	1	0	0	0	(4)	(46)	0
Income (loss) before income taxes	16	1,691	1,068	(204)	367	(3,207)	(541)	(810)
Cost/income ratio	98%	68%	83%	107%	84%	N/M	N/M	98%
Assets[2]	1,012,627	189,910	189,444	12,340	139,743	5,523	40,959	1,590,546
Expenditures for additions to long-lived assets	2	1	13	0	121	(0)	773	909
Risk-weighted assets[3]	157,913	79,698	43,855	8,961	42,209	9,174	15,706	357,518
CRD 4 leverage exposure measure (spot value at reporting date)	682,346	271,925	195,373	3,131	146,978	7,882	40,018	1,347,653
Average shareholders' equity	24,695	12,076	9,008	6,221	6,006	4,037	38	62,082
Post-tax return on average tangible shareholders' equity[4]	0%	10%	9%	(8)%	4%	N/M	N/M	(3)%
Post-tax return on average shareholders' equity[4]	0%	9%	8%	(2)%	4%	N/M	N/M	(2)%
1 Includes:								
Net interest income	4,765	2,092	3,678	326	2,154	188	1,504	14,707
Net income (loss) from equity method investments	124	14	5	44	0	269	(1)	455
2 Includes:								
Equity method investments	517	112	23	203	0	98	73	1,027

N/M – Not meaningful

3 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.

4 The post-tax return on average tangible shareholders' equity and average shareholders' equity at the Group level reflects the reported effective tax rate for the Group, which was (67) % for the year ended December 31, 2016. For the post-tax return on average tangible shareholders' equity and average shareholders' 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, 2016.

2015 in € m. (unless stated otherwise)	Global Markets	Corporate & Investment Banking	Private, Wealth and Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consoli-dation & Adjustments and Other	Total
Net revenues[1]	10,857	8,047	7,510	3,021	3,112	794	184	33,525
Provision for credit losses	50	342	300	1	211	51	1	956
Noninterest expenses								
Compensation and benefits	2,320	2,115	2,517	778	1,425	86	4,052	13,293
General and administrative expenses	8,622	3,512	3,869	1,304	1,475	2,921	(3,073)	18,632
Policyholder benefits and claims	0	0	0	256	0	0	0	256
Impairment of goodwill and other intangible assets	1,568	600	1,011	0	2,597	0	0	5,776
Restructuring activities	89	39	585	(2)	0	(1)	0	710
Total noninterest expenses	12,599	6,266	7,983	2,336	5,497	3,006	980	38,667
Noncontrolling interests	26	0	(0)	(0)	1	1	(27)	0
Income (loss) before income taxes	(1,817)	1,439	(774)	684	(2,596)	(2,264)	(770)	(6,097)
Cost/income ratio	116%	78%	106%	77%	177%	N/M	N/M	115%
Assets[2]	1,113,771	123,809	176,038	30,352	136,061	23,007	26,092	1,629,130
Expenditures for additions to long-lived assets	1	1	0	1	112	(0)	643	758
Risk-weighted assets[3]	161,347	86,087	49,603	10,759	43,242	32,896	12,780	396,714
CRD 4 leverage exposure measure (spot value at reporting date)	731,197	276,732	188,467	5,358	141,370	36,553	15,511	1,395,188
Average shareholders' equity	24,675	12,483	10,265	5,719	7,798	6,755	1,361	69,055
Post-tax return on average tangible shareholders' equity[4]	(5)%	8%	(6)%	48%	(30)%	N/M	N/M	(12)%
Post-tax return on average shareholders' equity[4]	(5)%	7%	(5)%	8%	(22)%	N/M	N/M	(10)%
1 Includes:								
Net interest income	5,807	2,299	3,868	449	2,153	282	1,024	15,881
Net income (loss) from equity method investments	55	12	40	34	0	20	3	164
2 Includes:								
Equity method investments	466	111	19	182	3	166	68	1,013

N/M – Not meaningful

3 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.

4 The post-tax return on average tangible shareholders' equity and average shareholders' equity at the Group level reflects the reported effective tax rate for the Group, which was (11 %) for the year ended December 31, 2015. For the post-tax return on average tangible shareholders' equity and average shareholders' 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, 2015.

2014 in € m. (unless stated otherwise)	Global Markets	Corporate & Investment Banking	Private, Wealth and Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consoli-dation & Adjustments and Other	Total
Net revenues[1]	10,069	7,667	7,868	2,643	3,238	489	(26)	31,949
Provision for credit losses	27	232	349	(0)	274	251	1	1,134
Noninterest expenses								
Compensation and benefits	2,286	2,067	2,568	631	1,344	94	3,522	12,512
General and administrative expenses	5,796	3,033	3,872	1,132	1,743	2,366	(3,287)	14,654
Policyholder benefits and claims	0	0	0	289	0	0	0	289
Impairment of goodwill and other intangible assets	0	0	0	(83)	0	194	0	111
Restructuring activities	92	29	9	(3)	0	4	1	133
Total noninterest expenses	8,174	5,129	6,449	1,965	3,087	2,658	237	27,699
Noncontrolling interests	25	1	(0)	4	1	(2)	(28)	0
Income (loss) before income taxes	1,843	2,306	1,070	674	(123)	(2,419)	(236)	3,116
Cost/income ratio	81%	67%	82%	74%	95%	N/M	N/M	87%
Assets[2]	1,186,046	130,634	164,928	29,840	141,157	33,936	22,163	1,708,703
Expenditures for additions to long-lived assets	0	0	0	1	108	(0)	517	626
Risk-weighted assets[3]	147,063	73,692	46,564	5,402	42,843	56,899	21,506	393,969
CRD 4 leverage exposure measure (spot value at reporting date)	754,648	248,828	172,212	4,367	144,051	85,673	35,401	1,445,181
Average shareholders' equity	20,569	10,512	9,183	5,144	8,134	7,724	143	61,410
Post-tax return on average tangible shareholders' equity[4]	6%	16%	10%	67%	(2)%	N/M	N/M	4%
Post-tax return on average shareholders' equity[4]	6%	14%	8%	9%	(1)%	N/M	N/M	3%
1 Includes:								
Net interest income	5,390	2,114	3,720	398	2,152	381	117	14,272
Net income (loss) from equity method investments	125	5	440	22	(9)	34	2	619
2 Includes:								
Equity method investments	472	99	3,151	163	3	170	85	4,143

N/M – Not meaningful

3 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.

4 The post-tax return on average tangible shareholders' equity and average shareholders' 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 tangible shareholders' equity and average shareholders' 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, 2014.

Global Markets Corporate Division

in € m. (unless stated otherwise)	2016	2015	2014	2016 increase (decrease) from 2015 in € m.	2016 increase (decrease) from 2015 in %	2015 increase (decrease) from 2014 in € m.	2015 increase (decrease) from 2014 in %
Net revenues							
Sales & Trading (equity)	2,502	3,337	3,117	(835)	(25)	220	7
Sales & Trading (debt and other products)	7,339	8,215	7,595	(876)	(11)	620	8
Sales & Trading	**9,841**	11,552	10,712	(1,711)	(15)	840	8
Other	(551)	(695)	(643)	144	(21)	(52)	8
Total net revenues	**9,290**	10,857	10,069	(1,567)	(14)	788	8
Provision for credit losses	**142**	50	27	92	185	23	85
Noninterest expenses							
Compensation and benefits	1,787	2,320	2,286	(533)	(23)	34	1
General and administrative expenses	6,885	8,622	5,796	(1,737)	(20)	2,826	49
Policyholder benefits and claims	0	0	0	0	N/M	0	N/M
Impairment of goodwill and other intangible assets	285	1,568	0	(1,283)	(82)	1,568	N/M
Restructuring activities	127	89	92	38	43	(3)	(4)
Total noninterest expenses	**9,084**	12,599	8,174	(3,515)	(28)	4,424	54
Noncontrolling interests	**47**	26	25	22	85	1	3
Income (loss) before income taxes	**16**	(1,817)	1,843	1,833	N/M	(3,660)	N/M
Cost/income ratio	98%	116%	81%	N/M	(18) ppt	N/M	35 ppt
Assets[1]	1,012,627	1,113,771	1,186,046	(101,143)	(9)	(72,276)	(6)
Risk-weighted assets[2]	157,913	161,347	147,063	(3,433)	(2)	14,284	10
Average shareholders' equity[3]	24,695	24,675	20,569	20	0	4,106	20
Post-tax return on average tangible shareholders' equity	0%	(5)%	6%	N/M	6 ppt	N/M	(12) ppt
Post-tax return on average shareholders' equity	0%	(5)%	6%	N/M	5 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 CRR/CRD 4 fully-loaded
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements for a description of how average shareholders' equity is allocated to the divisions.

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Corporate & Investment Banking Division

in € m. (unless stated otherwise)	2016	2015	2014	2016 increase (decrease) from 2015 in € m.	2016 increase (decrease) from 2015 in %	2015 increase (decrease) from 2014 in € m.	2015 increase (decrease) from 2014 in %
Net revenues							
Trade Finance & Cash Management Corporates	2,627	2,803	2,611	(176)	(6)	192	7
Institutional Cash & Securities Services	1,847	1,867	1,605	(20)	(1)	262	16
Equity Origination	405	658	761	(253)	(39)	(103)	(14)
Debt Origination	1,388	1,469	1,574	(82)	(6)	(104)	(7)
Advisory	500	587	579	(86)	(15)	8	1
Loan products & Other	717	663	538	54	8	126	23
Total net revenues	**7,483**	8,047	7,667	(564)	(7)	380	5
Provision for credit losses	**672**	342	232	330	97	110	48
Noninterest expenses							
Compensation and benefits	1,711	2,115	2,067	(403)	(19)	48	2
General and administrative expenses	3,243	3,512	3,033	(269)	(8)	479	16
Policyholder benefits and claims	0	0	0	0	N/M	0	N/M
Impairment of goodwill and other intangible assets	0	600	0	(600)	N/M	600	N/M
Restructuring activities	165	39	29	126	N/M	10	34
Total noninterest expenses	**5,119**	6,266	5,129	(1,147)	(18)	1,137	22
Noncontrolling interests	**1**	0	1	1	N/M	(0)	(77)
Income (loss) before income taxes	**1,691**	1,439	2,306	252	17	(867)	(38)
Cost/income ratio	68%	78%	67%	N/M	(9) ppt	N/M	11 ppt
Assets[1]	189,910	123,809	130,634	66,102	53	(6,825)	(5)
Risk-weighted assets[2]	79,698	86,087	73,692	(6,388)	(7)	12,395	17
Average shareholders' equity[3]	12,076	12,483	10,512	(407)	(3)	1,970	19
Post-tax return on average tangible shareholders' equity	10%	8%	16%	N/M	2 ppt	N/M	(8) ppt
Post-tax return on average shareholders' equity	9%	7%	14%	N/M	2 ppt	N/M	(7) 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 CRR/CRD 4 fully-loaded.

3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements for a description of how average shareholders' equity is allocated to the divisions.

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Private, Wealth & Commercial Clients Corporate Division

in € m. (unless stated otherwise)	2016	2015	2014	2016 increase (decrease) from 2015 in € m.	2016 increase (decrease) from 2015 in %	2015 increase (decrease) from 2014 in € m.	2015 increase (decrease) from 2014 in %
Net revenues:							
Credit products	2,223	2,148	2,043	75	3	105	5
Deposit products	1,138	1,332	1,534	(193)	(15)	(202)	(13)
Investment & insurance products	1,045	1,309	1,219	(264)	(20)	90	7
Payments, cards & account products	559	586	590	(27)	(5)	(4)	(1)
Other products	254	213	205	41	19	7	4
Total Private & Commercial Clients (PCC)	**5,218**	5,588	5,591	(369)	(7)	(3)	(0)
Net interest revenues	811	816	653	(5)	(1)	163	25
Management Fees	645	747	731	(102)	(14)	16	2
Performance & Transaction Fees	350	494	453	(145)	(29)	41	9
Other revenues	75	40	17	35	89	23	140
Total Wealth Management (WM)	**1,880**	2,097	1,854	(217)	(10)	243	13
Hua Xia	**618**	(175)	423	793	N/M	(598)	N/M
Total net revenues	**7,717**	7,510	7,868	207	3	(358)	(5)
Provision for credit losses	**255**	300	349	(45)	(15)	(49)	(14)
Noninterest expenses:							
Compensation and benefits	2,438	2,517	2,568	(79)	(3)	(51)	(2)
General and administrative expenses	3,815	3,869	3,872	(55)	(1)	(3)	(0)
Policyholder benefits and claims	0	0	0	0	N/M	0	N/M
Impairment of goodwill and other intangible assets	0	1,011	0	(1,011)	N/M	1,011	N/M
Restructuring activities	141	585	9	(444)	(76)	577	N/M
Total noninterest expenses	**6,394**	7,983	6,449	(1,589)	(20)	1,535	24
Noncontrolling interests	**0**	(0)	(0)	0	N/M	(0)	105
Income (loss) before income taxes	**1,068**	(774)	1,070	1,842	N/M	(1,844)	N/M
Cost/income ratio	83%	106%	82%	N/M	(23) ppt	N/M	24 ppt
Assets[1]	189,444	176,038	164,928	13,406	8	11,110	7
Risk-weighted assets[2]	43,855	49,603	46,564	(5,748)	(12)	3,039	7
Average shareholders' equity[3]	9,008	10,265	9,183	(1,257)	(12)	1,082	12
Post-tax return on average tangible shareholders' equity	9%	(6)%	10%	N/M	16 ppt	N/M	(16) ppt
Post-tax return on average shareholders' equity	8%	(5)%	8%	N/M	13 ppt	N/M	(12) 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 CRR/CRD 4 fully-loaded.

3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements for a description of how average shareholders' equity is allocated to the divisions.

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Deutsche Asset Management Corporate Division

in € m. (unless stated otherwise)	2016	2015	2014	2016 increase (decrease) from 2015 in € m.	in %	2015 increase (decrease) from 2014 in € m.	in %
Net revenues							
Management Fees	2,196	2,344	1,988	(148)	(6)	356	18
Performance and transaction fees	220	247	189	(27)	(11)	58	31
Other revenues	208	172	175	35	20	(2)	(1)
Mark-to-market movements on policyholder positions in Abbey Life	396	258	291	139	54	(34)	(12)
Total net revenues	**3,020**	3,021	2,643	(1)	(0)	378	14
Provision for credit losses	**1**	1	(0)	(0)	(4)	1	N/M
Noninterest expenses							
Compensation and benefits	611	778	631	(167)	(21)	147	23
General and administrative expenses	1,171	1,304	1,132	(134)	(10)	173	15
Policyholder benefits and claims	374	256	289	117	46	(32)	(11)
Impairment of goodwill and other intangible assets	1,021	0	(83)	1,021	N/M	83	N/M
Restructuring activities	47	(2)	(3)	49	N/M	1	(27)
Total noninterest expenses	**3,223**	2,336	1,965	886	38	371	19
Noncontrolling interests	**0**	(0)	4	1	N/M	(4)	N/M
Income (loss) before income taxes	**(204)**	684	674	(888)	N/M	10	1
Cost/income ratio	107%	77%	74%	N/M	29 ppt	N/M	3 ppt
Assets[1]	12,340	30,352	29,840	(18,013)	(59)	513	2
Risk-weighted assets[2]	8,961	10,759	5,402	(1,798)	(17)	5,357	99
Average shareholders' equity[3]	6,221	5,719	5,144	503	9	575	11
Post-tax return on average tangible shareholders' equity	(8)%	48%	67%	N/M	(56) ppt	N/M	(19) ppt
Post-tax return on average shareholders' equity	(2)%	8%	9%	N/M	(10) 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 CRR/CRD 4 fully-loaded.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements for a description of how average shareholders' equity is allocated to the divisions.

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Postbank

in € m. (unless stated otherwise)	2016	2015	2014	2016 increase (decrease) from 2015 in € m.	in %	2015 increase (decrease) from 2014 in € m.	in %
Net revenues							
Current Accounts	1,101	1,179	1,281	(77)	(7)	(102)	(8)
Loans	1,133	1,112	912	21	2	200	22
Savings	590	695	703	(104)	(15)	(8)	(1)
Home Loans & Savings	216	230	225	(14)	(6)	5	2
Investment & Insurance Products	94	94	98	1	1	(5)	(5)
Postal	230	239	415	(9)	(4)	(176)	(42)
NCOU	(228)	(393)	(317)	165	(42)	(76)	24
Other	229	(43)	(78)	272	N/M	35	(45)
Total net revenues	**3,366**	3,112	3,238	254	8	(126)	(4)
Provision for credit losses	**184**	211	274	(27)	(13)	(63)	(23)
Noninterest expenses							
Compensation and benefits	1,397	1,425	1,344	(28)	(2)	81	6
General and administrative expenses	1,418	1,475	1,743	(57)	(4)	(268)	(15)
Policyholder benefits and claims	0	0	0	0	N/M	0	N/M
Impairment of goodwill and other intangible assets	0	2,597	0	(2,597)	N/M	2,597	N/M
Restructuring activities	0	0	0	0	N/M	0	N/M
Total noninterest expenses	**2,815**	5,497	3,087	(2,682)	(49)	2,410	78
Noncontrolling interests	**0**	1	1	(0)	(26)	(0)	(13)
Income (loss) before income taxes	**367**	(2,596)	(123)	2,963	N/M	(2,473)	N/M
Cost/income ratio	84%	177%	95%	N/M	(93) ppt	N/M	81 ppt
Assets[1]	139,743	136,061	141,157	3,682	3	(5,096)	(4)
Risk-weighted assets[2]	42,209	43,242	42,843	(1,032)	(2)	399	1
Average shareholders' equity[3]	6,006	7,798	8,134	(1,791)	(23)	(337)	(4)
Post-tax return on average tangible shareholders' equity	4%	(30)%	(2)%	N/M	34 ppt	N/M	(28) ppt
Post-tax return on average shareholders' equity	4%	(22)%	(1)%	N/M	26 ppt	N/M	(21) 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 CRR/CRD 4 fully-loaded.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements for a description of how average shareholders' equity is allocated to the divisions.

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Non-Core Operations Unit Corporate Division

in € m. (unless stated otherwise)	2016	2015	2014	2016 increase (decrease) from 2015 in € m.	in %	2015 increase (decrease) from 2014 in € m.	in %
Net revenues	**(382)**	794	489	(1,176)	N/M	305	62
thereof: Net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	(1,261)	(353)	(310)	(909)	N/M	(43)	14
Provision for credit losses	**128**	51	251	76	148	(200)	(80)
Noninterest expenses							
Compensation and benefits	68	86	94	(18)	(20)	(8)	(9)
General and administrative expenses	2,678	2,921	2,366	(243)	(8)	555	23
Policyholder benefits and claims	0	0	0	0	N/M	0	N/M
Impairment of goodwill and other intangible assets	(49)	0	194	(49)	N/M	(194)	N/M
Restructuring activities	4	(1)	4	5	N/M	(6)	N/M
Total noninterest expenses	**2,701**	3,006	2,658	(304)	(10)	347	13
Noncontrolling interests	**(4)**	1	(2)	(5)	N/M	3	N/M
Income (loss) before income taxes	**(3,207)**	(2,264)	(2,419)	(943)	42	155	(6)
Assets[1]	5,523	23,007	33,936	(17,485)	(76)	(10,929)	(32)
Risk-weighted assets[2]	9,174	32,896	56,899	(23,722)	(72)	(24,003)	(42)
Average shareholders' equity[3]	4,037	6,755	7,724	(2,717)	(40)	(969)	(13)

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 CRR/CRD 4 fully-loaded.
3 See Note 4 "Business Segments and Related Information" to the consolidated financial statements for a description of how average shareholders' equity is allocated to the divisions.

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Consolidation & Adjustments

in € m. (unless stated otherwise)	2016	2015	2014	2016 increase (decrease) from 2015 in € m.	in %	2015 increase (decrease) from 2014 in € m.	in %
Net revenues[1]	**(479)**	184	(26)	(663)	N/M	210	N/M
Provision for credit losses	**1**	1	1	1	86	0	7
Noninterest expenses							
Compensation and benefits	3,861	4,052	3,522	(191)	(5)	530	15
General and administrative expenses	(3,756)	(3,073)	(3,287)	(683)	22	214	(7)
Policyholder benefits and claims	0	0	0	0	N/M	0	N/M
Impairment of goodwill and other intangible assets	(0)	0	0	(0)	N/M	0	N/M
Restructuring activities	(0)	0	1	(0)	N/M	(1)	(94)
Total noninterest expenses	**106**	980	237	(874)	(89)	743	N/M
Noncontrolling interests	**(46)**	(27)	(28)	(19)	70	1	(4)
Income (loss) before income taxes	**(541)**	(770)	(236)	229	(30)	(535)	N/M
Assets[2]	40,959	26,092	22,163	14,867	57	3,930	18
Risk-weighted assets[3]	15,706	12,780	21,506	2,926	23	(8,726)	(41)
Average shareholders' equity[4]	38	1,361	143	(1,323)	(97)	1,218	N/M

N/M – Not meaningful
1 Net interest income and noninterest income.
2 Assets in C&A reflect residual Treasury assets not allocated to the business segments as well as Corporate assets, such as deferred tax assets and central clearing accounts, outside the management responsibility of the business segments.
3 Risk weighted assets are based upon CRR/CRD 4 fully-loaded. Risk-weighted assets in C&A reflect Treasury and Corporate assets outside the management responsibility of the business segments, primarily the Group's deferred tax assets.
4 Average shareholders' 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".

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Risk Report

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Risk and Capital Framework

Risk Management Principles and Governance

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. 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 managers and senior risk management committees responsible for execution and oversight.

– We operate a Three Lines of Defense ("3LoD") risk management model. The 1st Line of Defense ("1st LoD") are all the business divisions and service providing infrastructure areas (Group Technology Operations and Corporate Services) who are the "owners" of the risks. The 2nd Line of Defense ("2nd LoD") are all the independent risk and control infrastructure functions. The 3rd Line of Defense ("3rd LoD") is Group Audit, which assures the effectiveness of our controls. The 3LoD model and the underlying design principles apply to all levels of the organization i.e. group-level, regions, countries, branches and legal entities. All 3LoD are independent of one another and accountable for maintaining structures that ensure adherence to the design principles at all levels.

– The risk strategy is approved by the Management Board on an annual basis and is defined based on the Group Risk Appetite and the 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 material risk types, including credit risk, market risk, operational risk, liquidity risk, business risk and reputational risk, are managed via risk management processes. Modeling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types. Reputational risk is implicitly covered in our economic capital framework, primarily within operational and strategic risk. For more details, refer to section "Risk and Capital Management" for the management process of our material risks.

– 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 set of actions designed to improve the capital and liquidity positions in a stress event.

– Resolution planning is the responsibility of our resolution authority, the Single Resolution Board. It provides a strategy to manage Deutsche Bank in case of default. It is designed to prevent major disruptions to the financial system or the wider economy through maintaining critical services.

Risk Governance

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 (the "ECB") 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 the CRR/CRD 4 framework and respective implementations into German law.

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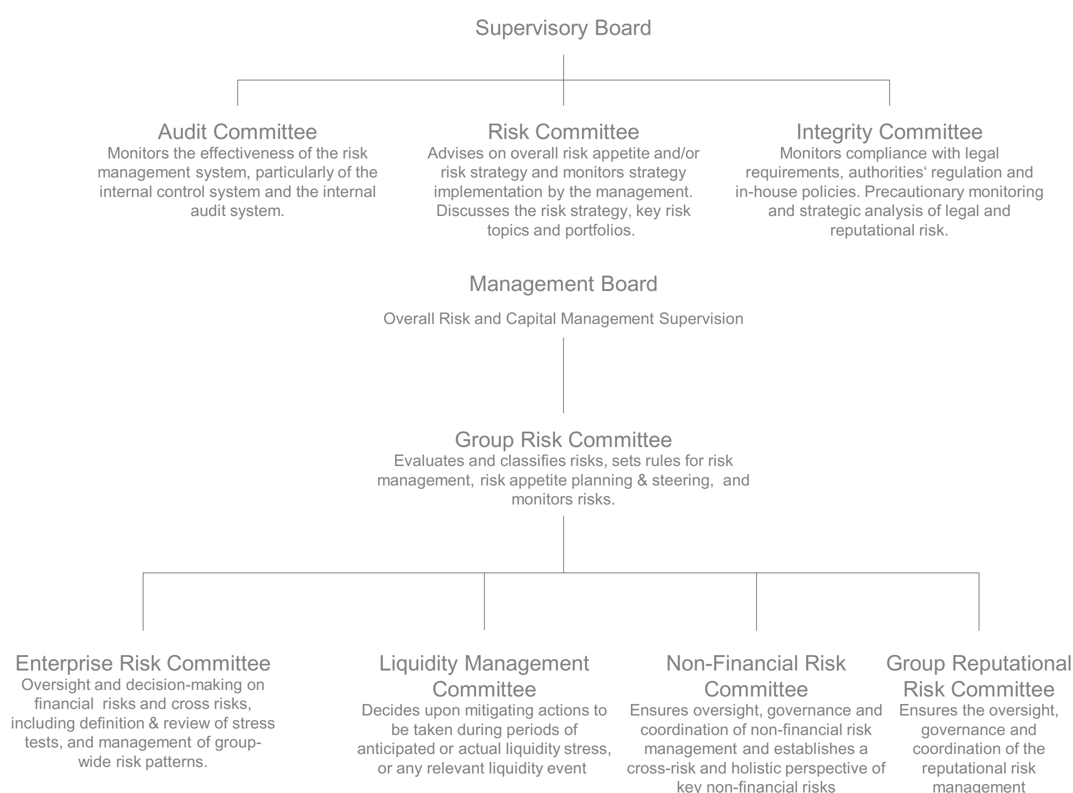
Several layers of management provide cohesive risk governance:

– The Supervisory Board is informed regularly on 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 key risk portfolios, on risk strategy and on matters of special importance due to the risks they entail. It also reports on loans requiring a Supervisory Board resolution pursuant to law or the Articles of Association. The Risk Committee deliberates with the Management Board on issues of the aggregate risk position and the risk strategy and supports the Supervisory Board in monitoring the implementation of this strategy.
- The Integrity Committee, among other matters, 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, and, upon request, supports the Risk Committee in monitoring and analyzing the Bank's legal and reputational risks.
- The Audit Committee, among other matters, monitors 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 appropriate and effective risk management. The Management Board established the Group Risk Committee ("GRC") in April, 2016 as the central forum for review and decision on material risk topics, by merging the Capital and Risk Committee ("CaR") and the Risk Executive Committee ("Risk ExCo"). The GRC is supported by four sub-committees: the Group Reputational Risk Committee ("GRRC"), the Non-Financial Risk Committee ("NFRC"), the Enterprise Risk Committee ("ERC"), and the Liquidity Management Committee ("LMC"), the roles of which are described in more detail below.

Risk Management Governance Structure of the Deutsche Bank Group



The following functional committees are central to the management of risk at Deutsche Bank:

- The GRC has various duties and dedicated authority, including approval of key risk management principles or recommendation thereof to the Management Board for approval, recommendation of the Group Recovery Plan and the Contingency Funding Plan to the Management Board for approval, recommendation of overarching risk appetite parameters and recovery triggers to the Management Board for approval, setting of risk limits for risk resources available to the Business Divisions, and supporting the Management Board during group-wide Risk and Capital planning processes. Further duties include review of high-level risk portfolios and risk exposure developments, review of internal and regulatory group-wide stress testing results and making recommendations of required actions and monitoring of the development of risk culture across the Group.

- The NFRC oversees, governs and coordinates the management of non-financial risks in Deutsche Bank Group and establishes a cross-risk and holistic perspective of the key non-financial risks of the Group. It is tasked to define the non-financial risk appetite framework, to monitor and control the non-financial risk operating model, including the 3LoD principles and interdependencies between business divisions and control functions and within control functions.
- The GRRC is responsible for the oversight, governance and coordination of reputational risk management and provides for an appropriate look-back and a lessons learnt process. It reviews and decides all reputational risk issues escalated by the Regional Reputational Risk Committees ("RRRCs") and RRRC decisions which have been appealed by the Business Units. It provides guidance on Group-wide reputational risk matters, including communication of sensitive topics, to the appropriate levels of Deutsche Bank Group. The RRRCs which are sub-committees of the GRRC, are responsible for the oversight, governance and coordination of the management of reputational risk in the respective regions on behalf of the Management Board.
- The ERC has been established as a successor of the Portfolio Risk Committee ("PRC") with a mandate to focus on enterprise-wide risk trends, events and cross-risk portfolios, bringing together risk experts from various risk disciplines. The ERC approves the annual country risk portfolio overviews, establishes product limits, reviews risk portfolio concentrations across the Group, monitors group-wide stress tests used for managing the Group's risk appetite, and reviews topics with enterprise-wide risk implications like risk culture.
- The LMC decides upon mitigation actions to be taken during periods of anticipated or actual liquidity stress or any relevant event. In that capacity, the committee is responsible for making a detailed assessment of the liquidity position of the Bank, including the ability to fulfill all payment obligations under market related stress, idiosyncratic stress, or a combination of both. The LMC is also responsible for overseeing the execution of liquidity countermeasures in a timely manner and monitoring the liquidity position of the Bank on an ongoing basis, during the stress period.

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, including liquidity risk, and continuing development of methods for risk measurement. In addition, the CRO is responsible for monitoring, analyzing and reporting risk on a comprehensive basis.

The CRO has direct management responsibility for various risk management functions which are established with the mandate to:

- Foster consistency with the risk appetite set by the GRC within a framework established by the Management Board and applied to Business Divisions;
- Determine and implement risk and capital management policies, procedures and methodologies that are appropriate to the businesses within each division;
- Establish and approve 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 specialized risk management functions, our Enterprise Risk Management (ERM) function covers overarching aspects of risk management. Its 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;
- 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.

ERM also develops the Bank-wide risk management framework aimed at identifying and controlling risks across the institution within the agreed risk appetite.

The specialized risk management functions and ERM have a reporting line to the CRO.

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. Group Audit as our 3rd Line of Defense, independently 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

– Alignment to key Group risk policies.

The key risk management committees of Postbank 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 Chief Risk Officer of Postbank or senior risk managers of Deutsche Bank are voting members of the committees listed above.

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Risk and Capital Management

Capital Management

Our Treasury function manages solvency, capital adequacy and leverage ratios at Group level and locally in each region. Treasury implements our capital strategy, which itself is developed by the Group Risk Committee and approved by the Management Board, including issuance and repurchase of shares and capital instruments, hedging of capital ratios against foreign exchange swings, limit setting for key financial resources, design of book equity allocation, and regional capital planning. We are fully committed to maintaining our sound capitalization both from an economic and regulatory perspective. We continuously monitor and adjust our overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include book equity based on IFRS accounting standards, regulatory and economic capital as well as specific capital requirements from rating agencies.

Treasury manages the issuance and repurchase of capital instruments, namely Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments. Treasury constantly monitors the market for liability management trades. Such trades represent a countercyclical opportunity to create Common Equity Tier 1 capital by buying back our issuances below par.

Our core currencies are Euro, US Dollar and Pound Sterling. Treasury manages the sensitivity of our capital ratios against swings in core currencies. The capital invested into our foreign subsidiaries and branches in the other non-core currencies is largely hedged against foreign exchange swings. Treasury determines which currencies are to be hedged, develops suitable hedging strategies in close cooperation with Risk Management and finally executes these hedges.

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Resource Limit Setting

Usage of key financial resources is influenced through the following governance processes and incentives.

Target resource capacities are reviewed in our annual strategic plan in line with our CET 1 and Leverage Ratio ambitions. In a quarterly process, the Group Risk Committee approves divisional resource limits for Total Capital Demand and leverage exposure that are based on the strategic plan but adjusted for market conditions and the short-term outlook. Limits are enforced through a close monitoring process and an excess charging mechanism.

Overall regulatory capital requirements are driven by the higher of our CET 1 ratio (solvency) and leverage ratio (leverage) requirements. In terms of order for the internal capital allocation, solvency-based allocation comes first, then an incremental leverage-driven allocation, if required. The allocation methodology utilizes a two step approach: Allocation of Shareholders Equity is solvency-based first until the externally communicated target of a 12.5 % CET 1 solvency ratio is met, and then incremental leverage capital is allocated based on pro-rata leverage exposure of divisions to satisfy the externally communicated target of a 4.5 % leverage ratio, if required. The allocation thresholds are reviewed as and when externally communicated targets for the CET 1 or leverage ratio are adjusted. In our performance measurement, our methodology also applies different rates for the cost of equity for each of the business segments, reflecting in a more differentiated way the earnings volatility of the individual business models. This enables improved performance management and investment decisions.

Regional capital plans covering the capital needs of our branches and subsidiaries across the globe are prepared on an annual basis and presented to the Group Investment Committee. Most of our subsidiaries are subject to legal and regulatory capital requirements. In developing, implementing and testing our capital and liquidity, we fully take such legal and regulatory requirements into account.

Further, Treasury is represented on the Investment Committee of the largest Deutsche Bank pension fund which sets the investment guidelines. This representation is intended to ensure that pension assets are aligned with pension liabilities, thus protecting our capital base.

Risk Identification and Assessment

We face a variety of risks as a result of our business activities; these risks include credit risk, market risk, business risk, liquidity risk, operational risk and reputational risk as described in the following sections below. Our risk identification and assessment processes utilize our Three Lines of Defense operating model with the first line identifying the key risks and the second line complementing and aggregating identified risks into our global risk type taxonomy and assessing identified risks for their materiality. Operating processes are in place across the organization to capture relevant measures and indicators. The core aim of all processes is to provide adequate transparency and understanding of existing and emerging risk issues, and to ensure a holistic cross-risk perspective. We update the risk inventory at least once a year or at other times if needed, by running a risk identification and materiality assessment process in line with MaRisk.

To align with the Three Lines of Defense taxonomy, we categorize our material risks into financial risks and non-financial risks effective January 1, 2016. Financial risks comprise credit risk (including settlement and transfer risks), market risk (including non-trading, trading and traded default risk), liquidity risk and business (strategic) risk. Non-financial risks comprise operational risks and reputational risks with compliance risk, legal risk, model risk and information security risk captured in our operational risk framework. For all material risks common risk management standards apply including having a dedicated risk management function, defining a risk type specific risk appetite and the decision on the amount of capital to be held.

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 for 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 embeds additional risks, e.g. reputational risk and refinancing risk, for which no dedicated economic capital models exist. We exclude liquidity risk from economic capital.

Credit Risk Management

Credit Risk Framework

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. These transactions are typically part of our traditional nontrading lending activities (such as loans and contingent liabilities). Additionally, traded bonds and debt securities form part of our direct trading activity with clients (such as OTC derivatives like 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.

Based on the annual risk identification and materiality assessment, Credit Risk contains four material categories, namely default risk, industry risk, country risk, and product risk.

- Default 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;
- Industry risk is the risk of adverse developments in the operating environment for a specific industry segment leading to deterioration in the financial profile of counterparties operating in that segment and resulting in increased credit risk across this portfolio of counterparties;
- 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; and
- Product Risk captures product-specific credit risk of transactions that could arise with respect to specific borrowers or group of borrowers. It takes into account whether obligations have a similar risk characteristics and market place behaviors.

We measure, manage/mitigate and report/monitor 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 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, 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.

Measuring Credit Risk

Credit risk is measured by credit rating, regulatory and internal capital demand and key credit metrics mentioned below.

The credit rating is an essential part of the Bank's underwriting and credit process and builds the basis for risk appetite determination on a counterparty and portfolio level, credit decision and transaction pricing as well the determination of credit risk regulatory capital. Each counterparty must be rated and each rating has to be reviewed at least annually. Ongoing monitoring of counterparties helps keep ratings 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 ERM Risk Research.

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.

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Besides the credit rating the key credit risk metric we apply for managing our credit portfolio, including transaction approval and the setting of risk appetite, we establish 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. Risk-Return metrics explain the development of client revenues as well as capital consumption. In this regard we also look at the client revenues with respect to the balance sheet consumption.

Managing and Mitigation of Credit Risk

Managing Credit Risk on Counterparty Level

Credit-related counterparties are principally allocated to credit officers within credit teams which are aligned to types of counterparty (such as financial institutions, corporates 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.

Credit limits are established by the Credit Risk Management function via the execution of assigned credit authorities. This also applies to settlement risk that must fall within limits pre-approved by Credit Risk Management considering risk appetite and in a manner that reflects expected settlement patterns for the subject counterparty. 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 commensurate 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. Where personal and committee authorities are insufficient to establish appropriate limits, the case is referred to the Management Board for approval.

Mitigation of Credit Risk on Counterparty Level

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 loss arising from 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

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 counterparty 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 and a thorough assessment of the debt service ability of the counterparty.

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 counterparty is unable or unwilling to fulfill 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 counterparty's ability to fulfill 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 counterparty's 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 counterparties.

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Netting and Collateral Arrangements for Derivatives and Securities Financing Transactions

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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 (e.g., 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 honor a margin call. As with netting, when we believe the annex is enforceable, we reflect this in our exposure measurement.

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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.

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Managing Credit Risk on Portfolio Level

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.

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, analyses 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 have been presented to the CRM Portfolio Committee. 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 have been 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 Enterprise Risk Committee, pursuant to delegated authority, and by the Management Board at Postbank for respective portfolios.

In our Country Limit framework, limits are established for counterparty credit risk exposures in a given country to manage the aggregated 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 which apply to any cross-border exposures (credit and trading) with our clients in above countries. Also, gap risk limits are set to control the risk of loss due to intra-country wrong-way risk exposure.

Beyond credit risk, our Country Risk Framework comprises market risk in trading positions in emerging markets and is set based on the P&L impact of potential stressed market events on these positions. Furthermore we take in consideration treasury risk comprising capital positions and exposure of Deutsche Bank entities in above countries (Funding, Margin or Guarantees) which are subject to limits given the transfer risk inherent in these cross-border positions.

Our country risk ratings represent a key tool in our management of country risk. They are established by the independent ERM Risk Research 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 quarterly, by the Enterprise Risk Committee, although more frequent reviews are undertaken when deemed necessary.

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 A key focus is put on underwriting caps in CIB and GM. 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 PW&CC 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 concentrations along products as well as based on type and liquidity of collateral.

Market Risk Management

Market Risk Framework

The vast majority of our businesses are subject to market risk, defined as the potential for change in the market value of our trading and invested positions. Risk can arise from changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility and market implied default probabilities.

One of the primary objectives of Market Risk Management, a part of our independent Risk function, is to ensure that our business units' risk exposure is within the approved appetite commensurate with its defined strategy. To achieve this objective, Market Risk Management works closely together with risk takers ("the business units") and other control and support groups.

We distinguish between three substantially different types of market risk:

– Trading market risk arises primarily through the market-making activities of the Global Markets Division. This involves taking positions in debt, equity, foreign exchange, other securities and commodities as well as in equivalent derivatives.

– Traded default risk arising 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.

Market Risk Management governance is designed and established to promote oversight of all market risks, effective decision-making and timely escalation to senior management.

Market Risk Management defines and implements a framework to systematically identify, assess, monitor and report our market risk. Market risk managers identify market risks through active portfolio analysis and engagement with the business areas.

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Trading Market Risk

Our primary mechanism to manage trading market risk is the application of our Risk Appetite framework of which the limit framework is a key component. Our Management Board supported by Market Risk Management, sets group-wide value-at-risk, economic capital and portfolio stress testing limits for market risk in the trading book. Market Risk Management allocates this overall appetite to our Corporate Divisions and individual business units within them based on established and agreed business plans. We also have business aligned heads within Market Risk Management to establish business limits, by allocating the limit down to individual portfolios or geographical regions.

Value-at-risk, economic capital and Portfolio Stress Testing limits are used for managing all types of market risk at an overall portfolio level. As an additional and complementary tool for managing certain portfolios or risk types, Market Risk Management performs risk analysis and business specific stress testing. Limits are also set on sensitivity and concentration/liquidity, business-level stress testing and event risk scenarios.

Business units are responsible for adhering to the limits against which exposures are monitored and reported. The market risk limits set by Market Risk Management are monitored on a daily, weekly and monthly basis.

Internally developed Market Risk Models

Value-at-Risk (VaR)

VaR is a quantitative measure of the potential loss (in value) of Fair Value positions due to market movements that will not be exceeded in a defined period of time and with a defined confidence level.

Our value-at-risk for the trading businesses is based on our own internal model. In October 1998, the German Banking Supervisory Authority (now the BaFin) approved our internal model for calculating the regulatory market risk capital for our general and specific market risks. Since then the model has been continually refined and approval has been maintained.

We calculate VaR using a 99 % confidence level and a one day holding period. This means we estimate there is a 1 in 100 chance that a mark-to-market loss from our trading positions will be at least as large as the reported VaR. For regulatory purposes, which include the calculation of our capital requirements and risk-weighted assets, the holding period is ten days.

We use one year of historical market data as input to calculate VaR. The calculation employs a Monte Carlo Simulation technique, and we assume that changes in risk factors follow a well-defined distribution, e.g. normal or non-normal (t, skew-t, Skew-Normal). To determine our aggregated VaR, we use observed correlations between the risk factors during this one year period.

Our VaR model is designed to take into account a comprehensive set of risk factors across all asset classes. Key risk factors are swap/government curves, index and issuer-specific credit curves, funding spreads, single equity and index prices, foreign exchange rates, commodity prices as well as their implied volatilities. To help ensure completeness in the risk coverage, second order risk factors, e.g. CDS index vs. constituent basis, money market basis, implied dividends, option-adjusted spreads and precious metals lease rates are considered in the VaR calculation.

For each business unit a separate VaR is calculated for each risk type, e.g. interest rate risk, credit spread risk, equity risk, foreign exchange risk and commodity risk. For each risk type this is achieved by deriving the sensitivities to the relevant risk type and then simulating changes in the associated risk drivers. "Diversification effect" reflects the fact that the total VaR on a given day will be lower than the sum of the VaR relating to the individual risk types. Simply adding the VaR figures of the individual risk types to arrive at an aggregate VaR would imply the assumption that the losses in all risk types occur simultaneously.

The model incorporates both linear and, especially for derivatives, nonlinear effects through a combination of sensitivity-based and revaluation approaches on grids.

The VaR measure enables us to apply a consistent measure across all of our trading businesses and products. It allows a comparison of risk in different businesses, and also provides a means of aggregating and netting positions within a portfolio to reflect correlations and offsets between different asset classes. Furthermore, it facilitates comparisons of our market risk both over time and against our daily trading results.

When using VaR estimates a number of considerations should be taken into account. These include:

- The use of historical market data may not be a good indicator of potential future events, particularly those that are extreme in nature. This "backward-looking" limitation can cause VaR to understate risk (as in 2008), but can also cause it to be overstated.
- Assumptions concerning the distribution of changes in risk factors, and the correlation between different risk factors, may not hold true, particularly during market events that are extreme in nature. The one day holding period does not fully capture the market risk arising during periods of illiquidity, when positions cannot be closed out or hedged within one day.
- VaR does not indicate the potential loss beyond the 99th quantile.
- Intra-day risk is not reflected in the end of day VaR calculation.
- There may be risks in the trading book that are partially or not captured by the VaR model.

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Stressed Value-at-Risk

Stressed Value-at-Risk calculates a stressed value-at-risk measure based on a one year period of significant market stress. We calculate a stressed value-at-risk measure using a 99 % confidence level. The holding period is one day for internal purposes and ten days for regulatory purposes. Our stressed value-at-risk calculation utilizes the same systems, trade information and processes as those used for the calculation of value-at-risk. The only difference is that historical market data and observed correlations from a period of significant financial stress (i.e., characterized by high volatilities) is used as an input for the Monte Carlo Simulation.

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Incremental Risk Charge

Incremental Risk Charge captures default and credit migration risks for credit-sensitive positions in the trading book. It applies to credit products over a one-year capital horizon at a 99.9 % confidence level, employing a constant position approach. We use a Monte Carlo Simulation for calculating incremental risk charge as the 99.9 % quantile of the portfolio loss distribution and for allocating contributory incremental risk charge to individual positions.

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Comprehensive Risk Measure

Comprehensive Risk Measure captures incremental risk for the correlation trading portfolio calculated using an internal model subject to qualitative minimum requirements as well as stress testing requirements. The comprehensive risk measure for the correlation trading portfolio is based on our own internal model.

We calculate the comprehensive risk measure based on a Monte Carlo Simulation technique to a 99.9 % confidence level and a capital horizon of one year. Our model is applied to the eligible corporate correlation trading positions where typical products include collateralized debt obligations, nth-to-default credit default swaps, and commonly traded index- and single-name credit default swaps.

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Nontrading Market Risk

Nontrading market risk arises primarily from outside the activities of our trading units, in our banking book and from certain off-balance sheet items. Significant market risk factors the Bank is exposed to and are overseen by risk management groups in that area are:

– Interest rate risk (including risk from embedded optionality and changes in behavioral patterns for certain product types), credit spread risk, foreign exchange risk, equity risk (including investments in public and private equity as well as real estate, infrastructure and fund assets).

– Market risks from off-balance sheet items such as pension schemes and guarantees as well as structural foreign exchange risk and equity compensation risk.

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Nontrading market risk measurement.

Non-trading market risk economic capital is being calculated either by applying the standard traded market risk EC methodology (SVaR based EC model) or through the use of non-traded market risk models that are specific to each risk class and which consider, among other factors, large historically observed market moves, the liquidity of each asset class, and changes in client's behavior in relation to products with behavioral optionalities.

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Liquidity Risk Management

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. The objective of the Group's liquidity risk management framework is to ensure that the Group can fulfill its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The framework considers relevant and significant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

Liquidity Risk Management Framework

In accordance with the ECB's Supervisory Review and Evaluation Process (SREP), Deutsche Bank has implemented an annual Internal Liquidity Adequacy Assessment Process ("ILAAP"), which is reviewed and approved by the Management Board. The ILAAP provides comprehensive documentation of the Bank's Liquidity Risk Management framework, including: identifying the key liquidity and funding risks to which the Group is exposed; describing how these risks are identified, monitored and measured and describing the techniques and resources used to manage and mitigate these risks.

The Management Board defines the liquidity and funding risk strategy for the bank, as well as the risk appetite, based on recommendations made by the Group Risk Committee ("GRC"). At least annually the Management Board reviews and approves the limits which are applied to the Group to measure and control liquidity risk as well as our long-term funding and issuance plan.

Treasury is mandated to manage the overall liquidity and funding position of the bank, with Liquidity Risk Control acting as an independent control function, responsible for reviewing the liquidity risk framework, proposing the risk appetite to GRC and the validation of Liquidity Risk models which are developed by Treasury, to measure and manage the Group's liquidity risk profile.

Treasury manages liquidity and funding, in accordance with the Management Board-approved risk appetite across a range of relevant metrics, and implements a number of tools to monitor these and ensure compliance. In addition, Treasury works closely in conjunction with Liquidity Risk Control ("LRC"), and the business, to analyze and understand the underlying liquidity characteristics of the business portfolios. These parties are engaged in regular and frequent dialogue to understand changes in the Bank's position arising from business activities and market circumstances. Dedicated business targets are allocated to ensure the Group meets its overall liquidity and funding appetite.

The Management Board is informed of performance against the risk appetite metrics, via a weekly Liquidity Scorecard. As part of the annual strategic planning process, we project the development of the key liquidity and funding metrics based on the underlying business plans to ensure that the plan is in compliance with our risk appetite.

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Short-term Liquidity and Wholesale Funding

Deutsche Bank tracks all contractual cash flows from wholesale funding sources, on a daily basis, over a 12-month horizon. For this purpose, we consider wholesale funding to include unsecured liabilities raised primarily by Treasury Pool Management, as well as secured liabilities raised by our Markets Division. Our wholesale funding counterparties typically include corporates, banks and other financial institutions, governments and sovereigns.

The Group has implemented a set of Management Board approved limits to restrict DB's exposure to wholesale counterparties, which have historically shown to be the most susceptible to market stress. These wholesale funding limits are calibrated against monthly stress-testing results, to ensure the Group remains liquid under our most severe stress scenario, even if limits are fully utilized.

The wholesale funding limits are monitored daily, and apply to the total combined currency amount of all wholesale funding currently outstanding, both secured and unsecured with specific tenor limits covering the first 8 weeks. Our Liquidity Reserves are the primary mitigant against potential stress in short-term wholesale funding market.

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Liquidity Stress Testing and Scenario Analysis

Global liquidity stress testing and scenario analysis is one of the key tools for measuring liquidity risk and evaluating the Group's short-term liquidity position within the liquidity framework. It complements the intraday operational liquidity management process and the long-term liquidity strategy, represented by the Funding Matrix.

Our global liquidity stress testing process is managed by Treasury in accordance with the Management Board approved risk appetite. Treasury is responsible for the design of the overall methodology, including the definition of the stress scenarios, the choice of liquidity risk drivers and the determination of appropriate assumptions (parameters) to translate input data into model results. Liquidity Risk Control is responsible for the independent validation of liquidity risk models. Treasury Reporting & Analysis (LTRA) is responsible for implementing these methodologies in conjunction with Treasury and IT as well as for the stress test calculation.

We use stress testing and scenario analysis to evaluate the impact of sudden and severe stress events on our liquidity position. The scenarios we apply are based on historic events, such as the 2008 financial markets crisis.

Deutsche Bank has selected five scenarios to calculate the Group's stressed Net Liquidity Position ("sNLP"). These scenarios capture the historical experience of Deutsche Bank during periods of idiosyncratic and/or market-wide stress and are assumed to be both plausible and sufficiently severe as to materially impact the Group's liquidity position. A global market crisis, for example, is covered by a specific stress scenario (systemic market risk) that models the potential consequences observed during the financial crisis of 2008. Additionally, we have introduced regional market stress scenarios. Under each of the scenarios we assume a high degree of maturing loans to non-wholesale customers is rolled-over, to support our business franchise. Wholesale funding, from the most risk sensitive counterparties (including banks and money-market mutual funds) is assumed to roll-off at contractual maturity or even be bought back, in the acute phase of the stress.

In addition, we include the potential funding requirements from contingent liquidity risks which might arise, including credit facilities, increased collateral requirements under derivative agreements, and outflows from deposits with a contractual rating linked trigger.

We then model the actions we would take to counterbalance the outflows incurred. Countermeasures include utilizing the Liquidity Reserve and generating liquidity from unencumbered, marketable assets.

Stress testing is conducted at a global level and for defined individual legal entities. In addition to the global stress test, stress tests for material currencies (EUR, USD and GBP) are performed. We review our stress-testing assumptions on a regular basis and have made further enhancements to the methodology and severity of certain parameters through the course of 2016.

We run the liquidity stress test over an eight-week horizon, which we consider the most critical time span in a liquidity crisis, and apply the relevant stress assumptions to risk drivers from on-balance sheet and off-balance sheet products on a daily basis. Beyond the eight week time horizon, we analyze the impact of a more prolonged stress period, extending to twelve months. This stress testing analysis is performed daily and on a monthly basis considering additional balance sheet information.

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Funding Risk Management

Structural Funding

Deutsche Bank's primary tool for monitoring and managing funding risk is the Funding Matrix. The Funding Matrix assesses the Group's structural funding profile for the greater than one year time horizon. To produce the Funding Matrix, all funding-relevant assets and liabilities are mapped into time buckets corresponding to their contractual or modeled maturities. This allows the Group to identify expected excesses and shortfalls in term liabilities over assets in each time bucket, facilitating the management of potential liquidity exposures.

The liquidity maturity profile is based on contractual cash flow information. If the contractual maturity profile of a product does not adequately reflect the liquidity maturity profile, it is replaced by modeling assumptions. Short-term balance sheet items (<1yr) or matched funded structures (asset and liabilities directly matched with no liquidity risk) can be excluded from the term analysis.

The bottom-up assessment by individual business line is combined with a top-down reconciliation against the Group's IFRS balance sheet. From the cumulative term profile of assets and liabilities beyond 1 year, any long-funded surpluses or short-funded gaps in the Group's maturity structure can be identified. The cumulative profile is thereby built up starting from the above 10 year bucket down to the above 1 year bucket.

The strategic liquidity planning process, which incorporates the development of funding supply and demand across business units, together with the bank's targeted key liquidity and funding metrics, provides the key input parameter for our annual capital markets issuance plan. Upon approval by the Management Board the capital markets issuance plan establishes issuing targets for securities by tenor, volume and instrument. We also maintain a stand-alone U.S. dollar and GBP funding matrix which limits the maximum short position in any time bucket (more than 1 year to more than 10 years) to € 10 billion and € 5 billion respectively. This supplements the risk appetite for our aggregate currency funding matrix which requires us to maintain a positive funding position in any time bucket (more than 1 year to more than 10 years).

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Funding Diversification

Diversification of our funding profile in terms of investor types, regions, products and instruments is an important element of our liquidity risk management framework. Our most stable funding sources come from capital markets and equity, retail, and transaction banking clients. Other customer deposits and secured funding and shorts are additional sources of funding. Unsecured wholesale funding represents unsecured wholesale liabilities sourced primarily by our Treasury Pool division. Given the relatively short-term nature of these liabilities, they are primarily used to fund cash and liquid trading assets.

To promote the additional diversification of our refinancing activities, we hold a Pfandbrief license allowing us to issue mortgage Pfandbriefe. In addition, we have established a program for the purpose of issuing Covered Bonds under Spanish law (Cedulas).

Unsecured wholesale funding comprises a range of unsecured products, such as Certificates of Deposit (CDs), Commercial Paper (CP) as well as term, call and overnight deposits across tenors primarily up to one year.

To avoid any unwanted reliance on these short-term funding sources, and to promote a sound funding profile, which complies with the defined risk appetite, we have implemented limits (across tenors) on these funding sources, which are derived from our monthly stress testing analysis. In addition, we limit the total volume of unsecured wholesale funding to manage the reliance on this funding source as part of the overall funding diversification.

The chart on page 188 shows the composition of our external funding sources that contribute to the liquidity risk position, both in EUR billion and as a percentage of our total external funding sources.

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Liquidity Reserves

Liquidity reserves comprise available cash and cash equivalents, highly liquid securities (includes government, agency and government guaranteed) as well as other unencumbered central bank eligible assets.

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Insurance Specific Risk Management

Following the sale of Abbey Life, our exposure to insurance risk relates primarily to our defined benefit pension obligations which are described in greater detail in the additional Note 36 "Employee Benefits". In our risk management framework, we consider insurance-related risks from pension obligations as non-trading market risk. In addition, there is also some insurance-related risk within the Pensions and Insurance Risk Markets business which we consider as trading market risk. We monitor the underlying assumptions in the calculation of these risks regularly and seek risk mitigating measures such as reinsurances. Within the Pensions and Insurance Risk Markets business, most insurance-related risks are hedged so that the bank is exposed to residual risks only. Risks arise primarily from:

- 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; and
- Persistency risk: the risk of a higher or lower than expected percentage of lapsed policies.

Risk Concentration and Risk Diversification

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 2016 was the Enterprise Risk Committee (ERC), which is a subcommittee of the Group Risk Committee (GRC).

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Risk and Capital Performance

Capital and Leverage Ratio

Regulatory Capital

The calculation of our regulatory capital incorporates the capital requirements following 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") as implemented into German law. The information in this section as well as in the section "Development of risk-weighted Assets" is based on the regulatory principles of consolidation.

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This section refers to the capital adequacy of the group of institutions consolidated for banking regulatory purposes pursuant to the CRR and the German Banking Act ("Kreditwesengesetz" or "KWG"). Therein not included are insurance companies or companies outside the finance sector. Our insurance companies are included in an additional capital adequacy (also "solvency margin") calculation under the German Solvency Regulation for Financial Conglomerates. Our solvency margin as a financial conglomerate remains dominated by our banking activities.

The total regulatory capital pursuant to the effective regulations as of year-end 2016 comprises Tier 1 and Tier 2 (T2) capital. Tier 1 capital is subdivided into Common Equity Tier 1 (CET 1) capital and Additional Tier 1 (AT1) capital.

Common Equity Tier 1 (CET 1) capital consists primarily of common share capital (reduced by own holdings) including related share premium accounts, retained earnings (including losses for the financial year, if any) and accumulated other comprehensive income, subject to regulatory adjustments (i.e. prudential filters and deductions). Prudential filters for CET 1, according to Articles 32 to 35 CRR, include (i) securitization gain on sale, (ii) cash flow hedges and changes in the value of own liabilities, and (iii) additional value adjustments. CET 1 capital deductions comprise (i) intangible assets, (ii) deferred tax assets that rely on future profitability, (iii) negative amounts resulting from the calculation of expected loss amounts, (iv) net defined benefit pension fund assets, (v) reciprocal cross holdings in the capital of financial sector entities and, (vi) significant and non-significant investments in the capital (CET 1, AT1, T2) of financial sector entities above certain thresholds. All items not deducted (i.e., amounts below the threshold) are subject to risk-weighting.

Additional Tier 1 (AT1) capital consists of AT1 capital instruments and related share premium accounts as well as noncontrolling interests qualifying for inclusion in consolidated AT1, and during the transitional period grandfathered instruments eligible under earlier frameworks. To qualify as AT1 under CRR/CRD 4, instruments must have principal loss absorption through a conversion to common shares or a write-down mechanism allocating losses at a trigger point and must also meet further requirements (perpetual with no incentive to redeem; institution must have full dividend/coupon discretion at all times, etc.).

Tier 2 (T2) capital comprises eligible capital instruments, the related share premium accounts and subordinated long-term debt, certain loan loss provisions and noncontrolling interests that qualify for inclusion in consolidated T2. To qualify as T2, capital instruments or subordinated debt must have an original maturity of at least five years. Moreover, eligible capital instruments may inter alia not contain an incentive to redeem, a right of investors to accelerate repayment, or a credit sensitive dividend feature.

Capital instruments that no longer qualify as AT1 or T2 capital under the CRR/CRD 4 fully loaded rules are subject to grandfathering rules during transitional period and are phased out from 2013 to 2022 with their recognition capped at 60 % in 2016 and the cap decreasing by 10 % every year.

Capital Instruments

The 2015 Annual General Meeting granted our Management Board the authority to buy back up to 137.9 million shares before the end of April 2020. Thereof 69.0 million shares can be purchased by using

derivatives. These authorizations replaced the authorizations of the 2014 Annual General Meeting. We have received approval for compensation related share buybacks from the BaFin for 2015 and from the ECB for 2016 according to new CRR/CRD 4 rules. During the period from the 2015 Annual General Meeting until the 2016 Annual General Meeting (May 19, 2016), we purchased 37.9 million shares, of which 4.7 million shares through exercise of call options. The shares purchased were used for equity compensation purposes in the same period or were to be used in the upcoming period so that the number of shares held in Treasury from buybacks was 12.1 million as of the 2016 Annual General Meeting.

The 2016 Annual General Meeting granted our Management Board the approval to buy back up to 137.9 million shares before the end of April 2021. Thereof 69.0 million shares can be purchased by using derivatives. These authorizations substitute the authorizations of the previous year. During the period from the 2016 Annual General Meeting until December 31, 2016, 0.9 million shares have been repurchased. The shares purchased were used for equity compensation purposes in the same period so that no shares from buybacks were held in Treasury as of December 31, 2016.

Since the 2015 Annual General Meeting, and as of December 31, 2016, authorized capital available to the Management Board was € 1,760 million (688 million shares). As of December 31, 2016, the conditional capital stood at € 486 million (190 million shares).

Our legacy Hybrid Tier 1 capital instruments (substantially all noncumulative trust preferred securities) are not fully recognized under fully loaded CRR/CRD 4 rules, mainly because they have no write-down or equity conversion feature. However, they are to a large extent recognized as Additional Tier 1 capital under CRR/CRD 4 transitional provisions and can still be partially recognized as Tier 2 capital under the fully loaded CRR/CRD 4 rules. During the transitional phase-out period the maximum recognizable amount of Additional Tier 1 instruments from Basel 2.5 compliant issuances as of December 31, 2012 will be reduced at the beginning of each financial year by 10 % or € 1.3 billion, through 2022. For December 31, 2016, this resulted in eligible Additional Tier 1 instruments of € 11.1 billion (i.e. € 4.6 billion newly issued AT1 Notes plus € 6.5 billion of legacy Hybrid Tier 1 instruments recognizable during the transition period). One Hybrid Tier 1 capital instrument with a notional of $ 0.2 billion and an eligible equivalent amount of € 0.1 billion had been called in 2016. € 6.0 billion of the legacy Hybrid Tier 1 instruments can still be recognized as Tier 2 capital under the fully loaded CRR/CRD 4 rules. Additional Tier 1 instruments recognized after regulatory adjustments under fully loaded CRR/CRD 4 rules amounted to € 4.6 billion as of December 31, 2016.

On May 19, 2016, we issued fixed rate subordinated Tier 2 notes with an aggregate amount of € 750 million. The notes have a denomination of € 100,000 and are due April 19, 2026. They were issued in transactions outside of the United States, not subject to the registration requirements of the US Securities Act of 1933, as amended, and were not offered or sold in the United States.

Furthermore, we issued fixed rate subordinated Tier 2 notes with an aggregate amount of € 31 million on June 15, 2016. The notes have a denomination of € 100,000 and are due June 15, 2026. They were issued in transactions outside of the United States, not subject to the registration requirements of the US Securities Act of 1933, as amended, and were not offered or sold in the United States.

The total of our Tier 2 capital instruments as of December 31, 2016 recognized after regulatory adjustments during the transition period under CRR/CRD 4 was € 6.7 billion. As of December 31, 2016, there are no further legacy Hybrid Tier 1 instruments that are counted as Tier 2 capital under transitional rules. The gross notional value of the Tier 2 capital instruments was € 8.0 billion. No Tier 2 capital instrument had been called in 2016. Tier 2 instruments recognized under fully loaded CRR/CRD 4 rules amounted to € 12.7 billion as of December 31, 2016 (including the € 6.0 billion legacy Hybrid Tier 1 capital instruments only recognizable as Additional Tier 1 capital during the transitional period).

Minimum capital requirements and additional capital buffers

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Failure to meet minimum capital requirements can result in supervisory measures such as restrictions of profit distributions or limitations on certain businesses such as lending. We complied with the regulatory capital adequacy requirements in 2016. Our subsidiaries which were not included in our regulatory consolidation due to their immateriality did not have to comply with own minimum capital standards in 2016.

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Development of regulatory capital

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Transitional template for regulatory capital, RWA and capital ratios

in € m.	Dec 31, 2016 CRR/CRD 4 fully loaded	Dec 31, 2016 CRR/CRD 4	Dec 31, 2015 CRR/CRD 4 fully loaded	Dec 31, 2015 CRR/CRD 4
Common Equity Tier 1 (CET 1) capital: instruments and reserves				
Capital instruments and the related share premium accounts	37,290	37,290	37,088	37,088
Retained earnings	20,113	20,113	27,607	27,607
Accumulated other comprehensive income (loss), net of tax	3,708	3,645	4,096	4,281
Independently reviewed interim profits net of any foreseeable charge or dividend[1]	(2,023)	(2,023)	(7,025)	(7,025)
Other	0	79	0	92
Common Equity Tier 1 (CET 1) capital before regulatory adjustments	**59,088**	**59,104**	61,766	62,042
Common Equity Tier 1 (CET 1) capital: regulatory adjustments				
Additional value adjustments (negative amount)	(1,398)	(1,398)	(1,877)	(1,877)
Other prudential filters (other than additional value adjustments)	(639)	(428)	(622)	(330)
Goodwill and other intangible assets (net of related tax liabilities) (negative amount)	(8,436)	(5,062)	(8,439)	(3,376)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (negative amount)	(3,854)	(2,312)	(3,310)	(1,324)
Negative amounts resulting from the calculation of expected loss amounts	(297)	(188)	(106)	(58)
Defined benefit pension fund assets (negative amount)	(945)	(567)	(1,173)	(469)
Direct, indirect and synthetic holdings by an institution of own CET 1 instruments (negative amount)	(59)	(41)	(76)	(39)
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % / 15 % thresholds and net of eligible short positions) (negative amount)	0	0	(818)	(278)
Deferred tax assets arising from temporary differences (net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (amount above the 10 % / 15 % thresholds) (negative amount)	(590)	(354)	(953)	(324)
Other regulatory adjustments[2]	(591)	(971)	(291)	(1,537)
Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital	**(16,810)**	**(11,321)**	(17,665)	(9,613)
Common Equity Tier 1 (CET 1) capital	**42,279**	**47,782**	44,101	52,429
Additional Tier 1 (AT1) capital: instruments				
Capital instruments and the related share premium accounts	4,676	4,676	4,676	4,676

in € m.	Dec 31, 2016 CRR/CRD 4 fully loaded	CRR/CRD 4	Dec 31, 2015 CRR/CRD 4 fully loaded	CRR/CRD 4
Amount of qualifying items referred to in Art. 484 (4) CRR and the related share premium accounts subject to phase out from AT1	N/M	6,516	N/M	6,482
Additional Tier 1 (AT1) capital before regulatory adjustments	**4,676**	**11,191**	4,676	11,157
Additional Tier 1 (AT1) capital: regulatory adjustments				
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(125)	(51)	(125)	(48)
Residual amounts deducted from AT1 capital with regard to deduction from CET 1 capital during the transitional period pursuant to Art. 472 CRR	N/M	(3,437)	N/M	(5,316)
Other regulatory adjustments	0	0	0	0
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**(125)**	**(3,488)**	(125)	(5,365)
Additional Tier 1 (AT1) capital	**4,551**	**7,703**	4,551	5,793
Tier 1 capital (T1 = CET 1 + AT1)	**46,829**	**55,486**	48,651	58,222
Tier 2 (T2) capital	**12,673**	**6,672**	12,325	6,299
Total capital (TC = T1 + T2)	**59,502**	**62,158**	60,976	64,522
Total risk-weighted assets	**357,518**	**356,235**	396,714	397,382
Capital ratios				
Common Equity Tier 1 capital ratio (as a percentage of risk-weighted assets)	11.8	13.4	11.1	13.2
Tier 1 capital ratio (as a percentage of risk-weighted assets)	13.1	15.6	12.3	14.7
Total capital ratio (as a percentage of risk-weighted assets)	16.6	17.4	15.4	16.2

N/M – Not meaningful

1 Reflects the Management Board's decision to propose a dividend per share of € 0.19 for 2015 and 2016 taking into consideration the expected shares to be issued before the Annual General Meeting in May 2017.

2 Including an additional capital deduction of € 0.3 billion that was imposed on Deutsche Bank effective from October 2016 onwards based on a notification by the ECB pursuant to Article 16(1)(c), 16(2)(b) and (j) of Regulation (EU) No 1024/2013 as well as the additional filter for funds for home loans and savings protection ("Fonds für bauspartechnische Absicherung") of € 0.2 billion.

Reconciliation of shareholders' equity to regulatory capital

in € m.	Dec 31, 2016 CRR/CRD 4	Dec 31, 2015 CRR/CRD 4
Total shareholders' equity per accounting balance sheet	**59,833**	62,678
Deconsolidation/Consolidation of entities	(123)	(681)
Thereof:		
Additional paid-in capital	(6)	(5)
Retained earnings	(276)	(369)
Accumulated other comprehensive income (loss), net of tax	159	(307)
Total shareholders' equity per regulatory balance sheet	**59,710**	61,997
Noncontrolling interest based on transitional rules	79	92
Accrual for dividend and AT1 coupons[1]	(621)	(231)
Reversal of deconsolidation/consolidation of the position Accumulated other comprehensive income (loss), net of tax, during transitional period	(63)	184
Common Equity Tier 1 (CET 1) capital before regulatory adjustments	**59,104**	62,042
Additional value adjustments	(1,398)	(1,877)
Other prudential filters (other than additional value adjustments)	(428)	(330)
Regulatory adjustments relating to unrealized gains and losses pursuant to Art. 467 and 468 CRR	(380)	(1,246)
Goodwill and other intangible assets (net of related tax liabilities)	(5,062)	(3,376)
Deferred tax assets that rely on future profitability	(2,666)	(1,648)
Defined benefit pension fund assets	(567)	(469)
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	0	(278)
Other regulatory adjustments	(820)	(389)
Common Equity Tier 1 capital	**47,782**	52,429

1 Reflects the Management Board's decision to propose a dividend per share of € 0.19 for 2015 and 2016 taking into consideration the expected shares to be issued before the Annual General Meeting in May 2017.

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Credit Risk Exposure

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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, 2016		**Credit Enhancements**			
in € m.[1]	**Maximum exposure to credit risk[2]**	**Netting**	**Collateral**	**Guarantees and Credit derivatives[3]**	**Total credit enhancements**
Cash and central bank balances	181,364	0	0	0	0
Interbank balances (w/o central banks)	11,606	0	0	25	25
Central bank funds sold and securities purchased under resale agreements	16,287	0	15,944	0	15,944
Securities borrowed	20,081	0	19,193	0	19,193
Financial assets at fair value through profit or loss[4]	667,411	389,475	139,274	1,241	529,990
Trading assets	95,410	0	3,601	1,007	4,607
Positive market values from derivative financial instruments	485,150	386,727	64,438	164	451,329
Financial assets designated at fair value through profit or loss	86,850	2,748	71,235	70	74,054
thereof:					
Securities purchased under resale agreement	47,404	2,748	44,591	0	47,339
Securities borrowed	21,136	0	20,918	0	20,918
Financial assets available for sale[4]	54,275	0	560	28	589
Loans[5]	413,455	0	210,776	30,189	240,965
Securities held to maturity	3,206	0	0	0	0
Other assets subject to credit risk	76,036	39,567	1,061	80	40,708
Financial guarantees and other credit related contingent liabilities[6]	52,341	0	5,094	8,661	13,756
Irrevocable lending commitments and other credit related commitments[6]	166,063	0	8,251	7,454	15,705
Maximum exposure to credit risk	1,662,125	429,042	400,153	47,679	876,874

1 All amounts at carrying value unless otherwise indicated.
2 Does not include credit derivative notional sold (€ 744,159 million) and credit derivative notional bought protection.
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, 2015		Credit Enhancements			
in € m.[1]	Maximum exposure to credit risk[2]	Netting	Collateral	Guarantees and Credit derivatives[3]	Total credit enhancements
Cash and central bank balances	96,940	0	22	–	22
Interbank balances (w/o central banks)	12,842	0	57	13	70
Central bank funds sold and securities purchased under resale agreements	22,456	0	22,037	0	22,037
Securities borrowed	33,557	0	32,031	0	32,031
Financial assets at fair value through profit or loss[4]	734,449	409,317	152,858	699	562,874
Trading assets	119,991	0	4,615	519	5,134
Positive market values from derivative financial instruments	515,594	407,171	69,008	106	476,285
Financial assets designated at fair value through profit or loss	98,864	2,146	79,235	74	81,455
thereof:					
Securities purchased under resale agreement	51,073	2,146	47,664	0	49,811
Securities borrowed	21,489	0	21,154	0	21,154
Financial assets available for sale[4]	71,368	0	760	–	760
Loans[5]	432,777	0	207,923	30,188	238,111
Other assets subject to credit risk	78,978	58,478	386	365	59,229
Financial guarantees and other credit related contingent liabilities[6]	57,325	0	5,730	8,166	13,897
Irrevocable lending commitments and other credit related commitments[6]	174,549	0	6,973	6,275	13,248
Maximum exposure to credit risk	1,715,241	467,795	428,777	45,707	942,279

1 All amounts at carrying value unless otherwise indicated.
2 Does not include credit derivative notional sold (€ 655,584 million) and credit derivative notional bought protection.
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.

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Included in the category of trading assets as of December 31, 2016, were traded bonds of € 81.3 billion (€ 103.2 billion as of December 31, 2015) that is over 81 % investment-grade (over 79 % as of December 31, 2015). The above mentioned financial assets available for sale category primarily reflected debt securities of which more than 98 % were investment-grade (more than 95 % as of December 31, 2015).

Credit Enhancements are split into three categories: netting, collateral, guarantees and credit derivatives. A prudent approach is taken with respect to haircuts, parameter setting for regular margin calls as well as expert judgments 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 section "Measuring Credit Risk" for more details about our internal ratings.

Credit Quality of Financial Instruments neither Past Due nor Impaired

	Dec 31, 2016						
in € m.[1]	**iAAA–iAA**	**iA**	**iBBB**	**iBB**	**iB**	**iCCC and below**	**Total**
Cash and central bank balances	174,978	4,241	1,778	238	81	47	181,364
Interbank balances (w/o central banks)	5,546	3,452	1,612	689	112	195	11,606
Central bank funds sold and securities purchased under resale agreements	3,542	7,734	1,028	2,624	1,338	22	16,287
Securities borrowed	16,036	2,882	802	343	18	0	20,081
Financial assets at fair value through profit or loss[2]	277,645	258,627	61,162	52,904	11,183	5,889	667,411
Trading assets	46,398	10,956	12,024	17,729	5,833	2,471	95,410
Positive market values from derivative financial instruments	188,037	234,491	38,113	19,138	3,297	2,073	485,150
Financial assets designated at fair value through profit or loss	43,211	13,180	11,024	16,037	2,053	1,344	86,850
thereof:							
Securities purchased under resale agreement	13,622	10,684	7,401	13,667	1,165	866	47,404
Securities borrowed	18,697	1,498	937	4	0	0	21,136
Financial assets available for sale[2]	42,808	6,616	2,106	577	72	254	52,433
Loans[3]	44,116	52,421	127,682	121,213	42,941	14,273	402,645
thereof:							
IAS 39 reclassified loans	54	28	341	26	68	87	604
Securities held to maturity	3,206	0	0	0	0	0	3,206
Other assets subject to credit risk	26,594	25,791	9,656	13,091	630	273	76,036
Financial guarantees and other credit related contingent liabilities[4]	5,699	13,712	16,753	9,663	4,477	2,038	52,341
Irrevocable lending commitments and other credit related commitments[4]	21,479	45,635	47,480	29,274	18,173	4,022	166,063
Total	621,650	421,112	270,058	230,615	79,025	27,013	1,649,473

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities.
3 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
4 Figures are reflected at notional amounts.

in € m.[1]	iAAA–iAA	iA	iBBB	iBB	iB	iCCC and below	Total
							Dec 31, 2015
Cash and central bank balances	91,154	2,377	1,918	1,311	68	111	96,940
Interbank balances (w/o central banks)	4,606	5,450	877	957	18	935	12,842
Central bank funds sold and securities purchased under resale agreements	3,607	15,590	1,870	1,234	37	118	22,456
Securities borrowed	24,306	5,380	1,461	2,361	49	0	33,557
Financial assets at fair value through profit or loss[2]	287,102	302,873	65,479	59,148	13,177	6,669	734,449
Trading assets	55,319	14,526	15,837	24,971	5,558	3,780	119,991
Positive market values from derivative financial instruments	184,183	271,328	36,100	17,265	4,894	1,824	515,594
Financial assets designated at fair value through profit or loss	47,601	17,019	13,543	16,912	2,724	1,065	98,864
thereof:							
Securities purchased under resale agreement	15,371	10,120	10,053	13,699	968	863	51,073
Securities borrowed	17,629	3,819	8	33	0	0	21,489
Financial assets available for sale[2]	59,157	4,519	2,070	3,404	159	219	69,528
Loans[3]	52,022	59,376	123,334	136,404	40,348	9,387	420,871
thereof: IAS 39 reclassified loans	1,672	461	878	627	76	397	4,110
Other assets subject to credit risk	30,724	26,465	6,924	13,615	941	308	78,978
Financial guarantees and other credit related contingent liabilities[4]	6,384	15,464	18,283	10,827	4,668	1,700	57,325
Irrevocable lending commitments and other credit related commitments[4]	23,035	46,220	44,603	37,643	21,212	1,834	174,549
Total	582,099	483,714	266,820	266,904	80,678	21,282	1,701,495

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities.
3 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
4 Figures are reflected at notional amounts.

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Main Credit Exposure Categories

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Main credit exposure categories by geographical region

									Dec 31, 2016
in € m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Germany	197,368	27,954	11,511	2,636	236	3,070	12,970	5,571	261,316
Western Europe (excluding Germany)	96,297	36,496	15,798	22,852	2,800	19,565	26,755	18,811	239,375
thereof:									
France	2,703	5,854	1,373	1,436	216	2,255	4,866	1,830	20,534
Luxembourg	19,312	2,998	575	1,521	330	1,228	7,179	372	33,515
Netherlands	8,934	6,370	1,749	3,270	224	2,164	4,143	474	27,328
United Kingdom	7,942	7,331	1,422	7,925	519	4,224	1,929	9,327	40,620
Eastern Europe	9,664	1,475	1,437	456	1,121	1,288	1,713	36	17,191
thereof:									
Poland	7,402	702	208	65	6	281	1,542	0	10,205
Russia	836	432	425	38	645	174	77	0	2,626
North America	69,921	92,699	12,013	12,162	6,471	36,332	11,444	61,771	302,814
thereof:									
Canada	2,247	2,288	163	1,723	112	628	249	95	7,505
Cayman Islands	2,993	1,045	86	725	37	1,215	24	11,679	17,804
U.S.	56,567	87,503	11,336	9,307	6,181	30,961	10,843	47,528	260,225
Central and South America	5,338	1,113	1,196	1,020	621	1,975	202	890	12,356
thereof:									
Brazil	1,655	178	626	207	61	843	179	594	4,342
Mexico	618	414	170	299	73	561	0	10	2,145
Asia/Pacific	31,644	5,782	9,958	4,753	1,606	18,525	1,425	17,515	91,208
thereof:									
China	2,953	722	1,113	446	11	687	0	1,945	7,877
Japan	888	299	350	941	95	3,932	17	9,002	15,522
South Korea	1,393	59	767	692	0	1,609	0	0	4,521
Africa	2,045	421	387	164	335	419	0	314	4,085
Other	1,178	122	40	150	3	119	212	0	1,825
Total	413,455	166,063	52,341	44,193	13,193	81,293	54,722	104,909	930,169

1 Includes impaired loans amounting to € 7.4 billion as of December 31, 2016.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.3 billion as of December 31, 2016.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Includes debt securities on financial assets available for sale and securities held to maturity.
5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

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
									Dec 31, 2015
Germany	203,387	23,621	11,663	3,044	530	5,065	20,080	6,568	273,957
Western Europe (excluding Germany)	100,414	42,700	17,525	21,156	3,237	21,463	37,684	30,240	274,420
thereof:									
France	2,335	5,904	1,535	1,015	279	3,445	6,875	3,514	24,901
Luxembourg	19,890	3,140	648	1,629	481	1,746	9,937	318	37,790
Netherlands	10,405	5,851	2,348	3,498	297	2,508	6,243	456	31,606
United Kingdom	8,828	9,880	1,608	6,161	508	4,614	4,762	16,352	52,713
Eastern Europe	10,319	1,946	1,650	450	1,409	2,738	244	55	18,811
thereof:									
Poland	7,434	705	281	50	–	1,640	85	–	10,195
Russia	1,295	533	583	42	953	113	–	1	3,520
North America	72,008	96,310	14,154	14,468	6,784	50,842	7,890	74,061	336,517
thereof:									
Canada	1,481	2,391	590	1,764	54	1,016	659	1,676	9,631
Cayman Islands	2,882	1,931	91	919	149	1,724	62	12,459	20,216
U.S.	60,991	90,773	12,966	11,367	6,146	47,786	7,158	58,496	295,683
Central and South America	6,506	1,111	1,218	1,706	731	2,345	25	1,240	14,883
thereof:									
Brazil	2,267	344	587	458	53	1,191	4	526	5,430
Mexico	731	102	91	331	107	363	19	378	2,121
Asia/Pacific	37,202	7,685	10,321	7,901	2,201	20,372	2,075	14,794	102,551
thereof:									
China	5,646	1,005	954	571	32	976	–	964	10,149
Japan	848	336	357	1,348	41	3,930	22	5,556	12,438
South Korea	2,158	16	919	1,000	0	1,359	8	–	5,460
Africa	2,123	501	537	300	227	324	100	351	4,464
Other	817	674	258	29	340	62	166	1,266	3,612
Total	432,777	174,549	57,325	49,053	15,459	103,212	68,266	128,575	1,029,215

1 Includes impaired loans amounting to € 8.2 billion as of December 31, 2015.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2015.
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.

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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 as well as repo and repo-style transactions have a significant share in highly rated financial intermediation companies. For tradable assets, a large proportion of exposure is also with public sector companies.

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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, 2016				Dec 31, 2015
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	89	(6)	83	2	0	0	0	0
Ireland	569	0	569	74	55	(28)	28	1
Italy	2,662	(2,223)	438	398	3,989	(3,482)	507	36
Portugal	61	17	79	(8)	112	(48)	64	(9)
Spain	1,322	(127)	1,195	279	725	32	757	(12)
Total	**4,703**	**(2,339)**	**2,364**	**744**	4,881	(3,526)	1,356	17

1 Includes sovereign 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 in relation to credit default swaps referencing sovereign debt of the respective country representing the counterparty credit risk.

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Asset Quality

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Past Due Loans

Loans are considered to be past due if contractually agreed payments of principal and/or interest remain unpaid by the borrower, except if those loans are acquired through consolidation. The latter are considered to be past due if payments of principal and/or interest, which were expected at a certain payment date at the time of the initial consolidation of the loans, are unpaid by the borrower.

Non-impaired past due loans at amortized cost by past due status

in € m.	Dec 31, 2016	Dec 31, 2015
Loans less than 30 days past due	2,116	2,387
Loans 30 or more but less than 60 days past due	494	547
Loans 60 or more but less than 90 days past due	268	281
Loans 90 days or more past due	484	540
Total	**3,363**	3,755

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Aggregated value of collateral – with the fair values of collateral capped at loan outstanding – held against our non-impaired past due loans

in € m.	Dec 31, 2016	Dec 31, 2015
Financial and other collateral	1,775	2,254
Guarantees received	148	133
Total	**1,923**	2,387

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Impaired Loans

Credit Risk Management regularly assesses whether there is objective evidence that a loan or group of loans is impaired. A loan or group of loans is impaired and impairment losses are incurred if:

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the balance sheet date ("a loss event"). When making our assessment we consider information on such events that is reasonably available up to the date the financial statements are authorized for issuance in line with the requirements of IAS 10;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets, and
- a reliable estimate of the loss amount can be made.

Credit Risk Management's loss assessments are subject to regular review in collaboration with Group Finance. The results of this review are reported to and approved by Group Finance and Risk Senior Management.

For further details with regard to impaired loans please refer to Note 1 "Significant Accounting Policies and Critical Accounting Estimates".

Impairment Loss and Allowance for Loan Losses

If there is evidence of impairment the impairment loss is generally calculated on the basis of discounted expected cash flows using the original effective interest rate of the loan. If the terms of a loan are renegotiated or otherwise modified because of financial difficulties of the borrower without qualifying for de-recognition of the loan, the impairment loss is measured using the original effective interest rate before modification of terms. We reduce the carrying amount of the impaired loan by the use of an allowance account and recognize the amount of the loss in the consolidated statement of income as a component of the provision for credit losses. We record increases to our allowance for loan losses as an increase of the provision for loan losses in our income statement. Charge-offs reduce our allowance while recoveries, if any, are credited to the allowance account. If we determine that we no longer require allowances which we have previously established, we decrease our allowance and record the amount as a reduction of the provision for loan losses in our income statement. When it is considered that there is no realistic prospect of recovery and all collateral has been realized or transferred to us, the loan and any associated allowance for loan losses is charged off (i.e., the loan and the related allowance for loan losses are removed from the balance sheet).

While we assess the impairment for our corporate credit exposures individually, we assess the impairment of our smaller-balance standardized homogeneous loans collectively.

Our collectively assessed allowance for non-impaired loans reflects allowances to cover for incurred losses that have neither been individually identified nor provided for as part of the impairment assessment of smaller-balance homogeneous loans.

For further details regarding our accounting policies regarding impairment loss and allowance for credit losses please refer to Note 1 "Significant Accounting Policies and Critical Accounting Estimates".

Impaired loans, allowance for loan losses and coverage ratios by business division

in € m.	Dec 31, 2016			Dec 31, 2015			2016 increase (decrease) from 2015	
	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Impaired loan coverage ratio in ppt
Global Markets[1]	181	187	103	5	83	1,814	177	(1,711)
Corporate & Investment Banking	2,826	1,706	60	2,154	1,375	64	672	(3)
Private, Wealth & Commercial Clients	1,938	1,210	62	2,157	1,332	62	(219)	1
Deutsche Asset Management[2]	0	1	N/M	0	1	N/M	0	N/M
Postbank	1,708	1,007	59	1,846	1,126	61	(138)	(2)
Non-Core Operations Unit	794	432	54	1,989	1,109	56	(1,195)	(1)
thereof: assets reclassified to loans and receivables according to IAS 39	92	69	75	667	389	58	(575)	17
Consolidation & Adjustments and Other[2]	0	4	N/M	0	2	N/M	0	N/M
Total	**7,447**	**4,546**	**61**	8,151	5,028	62	(703)	(1)

N/M – Not meaningful.

1 Impaired Loans in Global Markets are more than fully covered by loan loss allowance due to the latter including collectively assessed allowance for non-impaired loans.

2 Allowance in Consolidation & Adjustments and Other and Deutsche Asset Management fully consists of collectively assessed allowance for non-impaired loans.

Impaired loans, allowance for loan losses and coverage ratios by industry

	Dec 31, 2016							
	Impaired Loans			Loan loss allowance				
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed allowance	Collectively assessed allowance for impaired loans	Collectively assessed allowance for non-impaired loans	Total	Impaired loan coverage ratio in %
Financial intermediation	122	11	133	27	3	47	77	58
Fund management activities	14	7	21	1	0	4	5	26
Manufacturing	524	229	754	476	149	82	707	94
Wholesale and retail trade	472	234	707	223	161	29	413	58
Households	193	2,467	2,661	220	1,466	67	1,754	66
Commercial real estate activities	385	37	422	168	25	39	233	55
Public sector	19	0	19	4	0	3	7	35
Other[1]	2,397	334	2,731	953	168	230	1,351	49
Total	4,126	3,321	7,447	2,071	1,972	503	4,546	61

1 Thereof "Transportation, storage and communication': Total Impaired Loans € 1.1 billion (40 %), Total Loan loss allowance € 650 million (48 %). The rest is split across various industries (of which no single one contributes 25 % or more to the total of the category 'Other').

in € m.	Impaired Loans: Individually assessed	Impaired Loans: Collectively assessed	Impaired Loans: Total	Loan loss allowance: Individually assessed allowance	Loan loss allowance: Collectively assessed allowance for impaired loans	Loan loss allowance: Collectively assessed allowance for non-impaired loans	Loan loss allowance: Total	Impaired loan coverage ratio in %
								Dec 31, 2015[1]
Financial intermediation	159	10	169	38	5	55	98	58
Fund management activities	23	10	33	1	0	7	8	25
Manufacturing	518	247	765	470	149	70	688	90
Wholesale and retail trade	280	257	538	182	154	45	381	71
Households	332	2,931	3,263	324	1,805	74	2,202	67
Commercial real estate activities	860	52	912	503	36	36	576	63
Public sector	16	0	16	2	0	2	5	32
Other[2]	2,047	408	2,456	733	186	153	1,071	44
Total	4,236	3,916	8,151	2,252	2,335	442	5,028	62

1 Comparatives have been restated to reflect changes in industry sectors.
2 Thereof 'Transportation, storage and communication': Total Impaired Loans € 865 million (34 %), Total Loan loss allowance € 375 million (35 %). The rest is split across various industries (of which no single one contributes 25 % or more to the totals of the category 'Other').

Impaired loans, allowance for loan losses and coverage ratios by region

in € m.	Impaired Loans: Individually assessed	Impaired Loans: Collectively assessed	Impaired Loans: Total	Loan loss allowance: Individually assessed allowance	Loan loss allowance: Collectively assessed allowance for impaired loans	Loan loss allowance: Collectively assessed allowance for non-impaired loans	Loan loss allowance: Total	Impaired loan coverage ratio in %
								Dec 31, 2016
Germany	1,154	1,486	2,639	563	804	122	1,489	56
Western Europe (excluding Germany)	2,021	1,688	3,709	1,008	1,057	130	2,195	59
Eastern Europe	46	132	179	39	106	10	154	86
North America	495	1	496	148	0	128	277	56
Central and South America	4	0	5	3	0	14	16	363[1]
Asia/Pacific	341	14	355	286	5	76	367	103[1]
Africa	63	1	64	24	0	8	32	50
Other	2	0	2	0	0	17	17	908[1]
Total	4,126	3,321	7,447	2,071	1,972	503	4,546	61

1 Impaired Loans in Central & South America, Asia Pacific and Other are more than fully covered by loan loss allowance due to the latter including collectively assessed allowance for non-impaired loans.

								Dec 31, 2015
	Impaired Loans			Loan loss allowance				
in € m.	Individually assessed	Collectively assessed	Total	Individually assessed allowance	Collectively assessed allowance for impaired loans	Collectively assessed allowance for non-impaired loans	Total	Impaired loan coverage ratio in %
Germany	1,362	1,642	3,004	647	930	105	1,682	56
Western Europe (excluding Germany)	2,280	2,057	4,337	1,294	1,237	132	2,662	61
Eastern Europe	76	179	255	38	165	10	213	83
North America	340	2	342	150	0	107	257	75
Central and South America	0	6	6	0	0	12	12	187[1]
Asia/Pacific	155	23	178	100	2	60	162	91
Africa	21	5	26	23	0	5	28	107[1]
Other	2	0	2	0	0	10	10	553[1]
Total	4,236	3,915	8,151	2,252	2,335	442	5,028	62

1 Impaired Loans in Central & South America, Africa and Other are more than fully covered by loan loss allowance due to the latter including collectively assessed allowance for non-impaired loans.

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Collateral held against impaired loans, with fair values capped at transactional outstanding

in € m.	Dec 31, 2016	Dec 31, 2015
Financial and other collateral	2,016	2,722
Guarantees received	343	223
Total collateral held for impaired loans	**2,359**	2,945

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Financial assets available for sale

The impairment concept is also applicable for available for sale debt instruments, which are otherwise carried at fair value with changes in fair value reported in other comprehensive income. If an available for sale debt instrument is considered impaired, the cumulative impairment loss reflects the difference between the amortized cost and the current fair value of the instrument. For a detailed discussion of our accounting procedures please refer to Note 1 "Significant Accounting policies and Critical Accounting Estimates".

Non-impaired past due and impaired financial assets available for sale, accumulated impairments, coverage ratio and collateral held against impaired financial assets available for sale

in € m.	Dec 31, 2016	Dec 31, 2015
Financial assets non-impaired past due available for sale	1,661	1,610
thereof:		
Less than 30 days past due	178	47
30 or more but less than 60 days past due	24	0
60 or more but less than 90 days past due	23	0
90 days or more past due	1,436	1,563
Impaired financial assets available for sale	229	229
Accumulated impairment for financial assets available for sale	131	109
Impaired financial assets available for sale coverage ratio in %	57	47
Collateral held against impaired financial assets available for sale	20	19
thereof:		
Financial and other collateral	20	19
Guarantees received	0	0

Collateral Obtained

We obtain collateral on the balance sheet by taking possession of collateral held as security or by calling upon other credit enhancements. Collateral obtained is made available for sale in an orderly fashion or through public auctions, with the proceeds used to repay or reduce outstanding indebtedness. Generally we do not occupy obtained properties for our business use. The commercial and residential real estate collateral obtained in 2016 refers predominantly to our exposures in Spain.

Collateral obtained during the reporting periods

in € m.	**2016**	**2015**
Commercial real estate	9	5
Residential real estate	55	43
Other	0	0
Total collateral obtained during the reporting period	**64**	48

The collateral obtained, as shown in the table above, excludes collateral recorded as a result of consolidating securitization trusts under IFRS 10. In 2016 as well as in 2015 the group did not obtain any collateral related to these trusts.

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Trading Market Risk Exposures

Value-at-Risk Metrics of Trading Units of Deutsche Bank Group (excluding Postbank)

The tables and graph below present the value-at-risk metrics calculated with a 99 % confidence level and a one-day holding period for our trading units. They exclude contributions from Postbank trading book which are calculated on a stand-alone basis.

Value-at-Risk of our Trading Units by Risk Type

	Total		**Diversification effect**		**Interest rate risk**		**Credit spread risk**		**Equity price risk**		**Foreign exchange risk[1]**		**Commodity price risk**	
in € m.	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Average	32.0	43.3	(35.0)	(40.9)	19.7	20.3	26.6	30.9	9.3	16.6	10.7	15.0	0.7	1.3
Maximum	59.4	65.6	(57.6)	(59.2)	29.5	30.2	32.5	40.3	52.4	28.3	16.7	25.0	3.3	4.0
Minimum	20.4	28.7	(25.6)	(31.0)	14.8	16.2	22.3	24.0	4.4	9.2	3.6	6.0	0.2	0.5
Period-end	30.1	33.3	(36.9)	(38.8)	19.9	18.3	24.3	26.2	10.0	11.7	12.6	15.1	0.2	0.9

1 Includes value-at-risk from gold and other precious metal positions.

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Regulatory Trading Market Risk Measures (excluding Postbank)

The table below presents the stressed value-at-risk metrics calculated with a 99 % confidence level and a one-day holding period for our trading units. It excludes contributions from Postbank's trading book which are calculated on a stand-alone basis

Average, Maximum and Minimum Stressed Value-at-Risk by Risk Type

	Total		Diversification effect		Interest rate risk		Credit spread risk		Equity price risk		Foreign exchange risk[1]		Commodity price risk	
in € m.	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Average	85.2	105.1	(78.2)	(114.5)	51.9	60.7	74.9	106.7	20.6	22.8	14.8	26.7	1.3	2.5
Maximum	143.7	135.7	(150.0)	(186.7)	82.5	84.2	99.3	154.5	144.5	68.7	30.4	59.8	3.9	7.6
Minimum	60.4	82.4	(53.4)	(71.7)	37.4	45.1	59.0	82.6	2.4	0.1	3.4	5.7	0.4	0.7
Period-end	75.8	106.3	(91.3)	(98.0)	51.9	45.5	63.0	90.9	29.6	44.1	22.1	22.6	0.5	1.2

1 Includes value-at-risk from gold and other precious metal positions.

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For regulatory reporting purposes, the incremental risk charge for the respective reporting dates represents the higher of the spot value at the reporting dates, and their preceding 12-week average calculation.

Average, Maximum and Minimum Incremental Risk Charge of Trading Units (with a 99.9 % confidence level and one-year capital horizon)[1,2,3,]

	Total		Non-Core Operations Unit		Global Credit Trading		Core Rates		Fixed Income & Currencies APAC		Emerging Markets - Debt		Other	
in € m.	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Average	840.2	975.0	52.0	17.5	393.0	539.3	200.4	106.0	188.6	160.0	116.8	235.0	(110.5)	(82.0)
Maximum	944.4	1,020.8	57.3	85.0	405.8	693.0	229.6	179.0	243.0	351.0	128.0	300.0	(65.6)	(52.0)
Minimum	693.0	843.8	44.5	(4.8)	368.0	435.0	173.7	50.0	119.6	113.0	111.6	144.0	(141.8)	(128.0)
Period-end	693.0	890.0	51.8	(1.0)	368.0	489.0	173.7	86.0	119.6	123.0	121.8	259.0	(141.8)	(65.0)

1 Amounts show the bands within which the values fluctuated during the 12-weeks preceding December 31, 2016 and December 31, 2015, respectively.
2 Business line breakdowns have been updated for 2016 reporting to better reflect the current business structure.
3 All liquidity horizons are set to 12 months.

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For regulatory reporting purposes, the comprehensive risk measure for the respective reporting dates represents the higher of the internal spot value at the reporting dates, their preceding 12-week average calculation, and the floor, where the floor is equal to 8 % of the equivalent capital charge under the standardized approach securitization framework.

Average, Maximum and Minimum Comprehensive Risk Measure of Trading Units (with a 99.9 % confidence level and one-year capital horizon)[1,2,3]

in € m.	**2016**	**2015**
Average	31.3	188.4
Maximum	39.8	197.3
Minimum	21.9	180.3
Period-end	17.9	190.2

1 Regulatory Comprehensive Risk Measure calculated for the 12-week period ending December 31.
2 Period end is based on the internal model spot value.
3 All liquidity horizons are set to 12 months.

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Nontrading Market Risk Exposures

Carrying Value and Economic Capital Usage for Nontrading Market Risk Portfolios

Carrying Value and Economic Capital Usage for Nontrading Portfolios.

	Carrying value		Economic capital usage	
in € m.	**Dec 31, 2016**	**Dec 31, 2015**	**Dec 31, 2016**	**Dec 31, 2015**
Strategic investments	1,064	829	562	332
Alternative assets	2,335	6,363	690	2,764
Principal investments	972	1,735	374	504
Other nonstrategic investment assets	1,363	4,627	316	2,260
Other nontrading market risks [1]	N/M	N/M	9,112	9,782
Interest rate risk	N/M	N/M	1,921	2,057
Credit spread risk	N/M	N/M	1,419	1,654
Equity compensation risk	N/M	N/M	582	405
Pension risk	N/M	N/M	1,007	828
Structural foreign exchange risk	N/M	N/M	2,485	3,183
Guaranteed funds risk	N/M	N/M	1,699	1,655
Total nontrading market risk portfolios	**3,399**	7,192	**10,364**	12,878

N/M – Not meaningful

1 N/M – Indicates that the risk is mostly related to off-balance sheet and liabilities items.

The economic capital figures do take into account diversification benefits between the different risk types.

- **Strategic investments.** The nontrading market risk economic capital usage increased mainly by mark-to-market valuation of investments within this portfolio.
- **Alternative assets.** The nontrading market risk economic capital decreased significantly during 2016 mainly due to the sale of Hua Xia Bank Company Limited and Maher Terminals USA. Further decreases were driven by de-risking initiatives in the Non-Core Operations Unit.
- **Other nontrading market risks:**
  - **Interest rate risk.** In addition to the allocation of economic capital to outright interest rate risk in the nontrading market risk portfolio, a main component in this category is the maturity transformation of contractually short term deposits. The effective duration of contractually short term deposits is based upon observable client behavior, elasticity of deposit rates to market interest rates ("DRE") and the volatility of deposit balances. Economic capital is derived by stressing modeling assumptions in particular the DRE – for the effective duration of overnight deposits. Behavioral and economic characteristics are taken into account when calculating the effective duration and optional exposures from our mortgage businesses. In total the economic capital usage for December 31, 2016 was € 1,921 million, compared to € 2,057 million for December 31, 2015. The decrease in economic capital contribution was driven by methodology enhancements with regard to modeling of non-maturity deposit partially offset by an increase in basis risks.
  - **Credit spread risk.** Economic capital charge for portfolios in the banking book subject to material credit spread risk. Economic capital usage was € 1,419 million as of December 31, 2016, versus € 1,654 million as of December 31, 2015. The decrease in economic capital usage was driven by reduced spread risk of securities held by Treasury as liquidity reserve partially offset by enhanced capture of credit spread risks in banking book positions in Global Markets.
  - **Equity compensation risk.** The risk arises from a structural short position in our own share price arising from restricted equity units. The economic capital usage was € 582 million as of December 31, 2016, compared with € 405 million as of December 31, 2015, predominately driven by an increase in restricted equity units.
  - **Pension risk.** This risk arises from our defined benefit obligations, including interest rate risk and inflation risk, credit spread risk, equity risk and longevity risk. The economic capital usage was € 1,007 million and € 828 million as of December 31, 2016 and December 31, 2015 respectively. The increase is mainly caused by increased credit spread risk from the pension liability due to convexity effects following a decline in market rates.
  - **Structural foreign exchange risk**. Our foreign exchange exposure arises from unhedged capital and retained earnings in non-euro currencies in certain subsidiaries. Our economic capital usage was € 2,485 million as of December 31, 2016 on a diversified basis versus € 3,183 million as of December 31, 2015. The decrease is largely caused by reduced shareholders equity position in foreign currency including the sale of Hua Xia Bank Company Limited.

– **Guaranteed funds risk**. Economic capital usage as of December 31, 2016 was materially unchanged at € 1,699 million compared to € 1,655 million as of December 31, 2015.

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Liquidity Risk Exposure

Funding Markets and Capital Markets Issuance

Credit markets in 2016 were affected by continued political uncertainties, the ongoing low interest rate environment as well as the implementation in a number of jurisdictions, including Germany, of measures regarding the insolvency hierarchy of senior liabilities. Our 5 year CDS traded within a range of 98 to 267 basis points, peaking in February. Since then, the spread has declined significantly and as of year-end was trading at 175 bp, in the middle of the range for the year. The spreads on our bonds exhibited similar volatility. For example, our 1.25 % EUR benchmark maturing in September 2021 traded in a range of 80 to 189 basis points, closing at the lower end of the range at year end.

Our 2016 funding plan of up to € 30 billion, comprising debt issuance with an original maturity in excess of one year, was fully completed and we concluded 2016 having raised € 31.8 billion in term funding. This funding was broadly spread across the following funding sources: unsecured benchmark issuance (€ 13 billion), Tier 2 benchmark issuance (€ 0.8 billion), covered benchmark issuance (€ 3.3 billion), unsecured plain vanilla private placements (€ 8.0 billion) and other unsecured structured and covered private placements (€ 6.7 billion). The € 31.8 billion total was evenly split between Euro (€ 15.2 billion) and US dollar (€ 15.1 billion) with smaller amounts in JPY and CHF. In addition to direct issuance, we use long-term cross currency swaps to manage our funding needs outside of EUR. Our investor base for 2016 issuances comprised retail customers (19 %), banks (12 %), asset managers and pension funds (39 %), insurance companies (11 %) and other institutional investors (19 %). The geographical distribution was split between Germany (30 %), rest of Europe (25 %), US (28 %), Asia/Pacific (15 %) and Other (2 %). Of our total capital markets issuance outstanding as of December 31, 2016, approximately 84 % was issued on an unsecured basis.

The average spread of our issuance over 3-months-Euribor (all non-Euro funding spreads are rebased versus 3-months Euribor) was 129 basis points for the full year with an average tenor of 6.7 years. Our issuance activities were slightly higher in the first half of the year with volumes decreasing in the second half of the year 2016. We issued the following volumes over each quarter: € 9.1 billion, € 11.1 billion, € 2.8 billion and € 8.8 billion, respectively.

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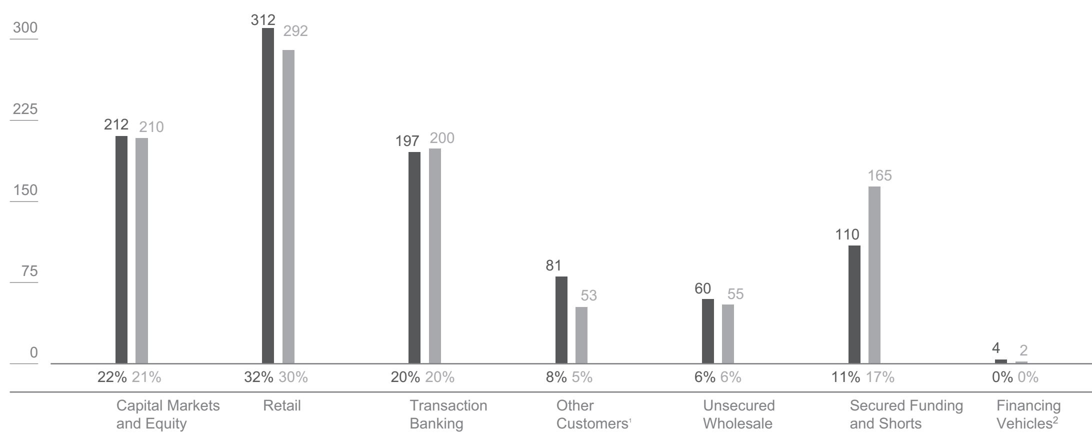
Funding Diversification

In 2016, total external funding remained constant at € 977 billion versus € 976 billion at December 31, 2015. Retail deposits declined by € 19.6 billion (6 %) predominantly reflecting a loss of wealth management client balances in the second half of the year. Transaction banking balances increased by € 3.3 billion (2 %) while unsecured wholesale funding reduced by € 5.4 billion (9 %). Other customers reduced by € 28.1 billion (35 %) primarily driven by a reduction in net prime brokerage payables of € 20 billion. Secured funding and shorts increased by € 54.9 billion (50 %) driven by increased repo financing in addition to a net increase in TLTRO funding of € 14 billion. This was reflected in the increase in the cash component of € 80 billion in the Liquidity Reserves.

The overall proportion of our most stable funding sources (comprising capital markets and equity, retail, and transaction banking) slightly decreased from 74 % to 72 %.

Composition of External Funding Sources

In € bn.



1 Other includes fiduciary, self-funding structures (e.g. X-markets), margin/Prime Brokerage cash balances (shown on a net basis).
2 Includes ABCP-Conduits.
Reference: Reconciliation to total balance sheet: Derivatives & settlement balances € 504 billion (€ 528 billion), add-back for netting effect for Margin & Prime Brokerage cash balances (shown on a net basis) € 68 billion (€ 71 billion), other non-funding liabilities € 42 billion (€ 54 billion) for December 31, 2016 and December 31, 2015 respectively; figures may not add up due to rounding.

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Stress Testing and Scenario Analysis

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Global All Currency Monthly Stress Testing Results

	Dec 31, 2016			Dec 31, 2015[1]		
in € bn.	Funding Gap[2]	Gap Closure[3]	Net Liquidity Position[4]	Funding Gap[2]	Gap Closure[3]	Net Liquidity Position[4]
Systemic market risk	64	204	141	71	218	147
Emerging markets	10	190	180	14	190	176
1 notch downgrade (DB specific)	43	195	152	51	200	148
Severe downgrade (DB specific)	178	224	46	188	240	53
Combined[4]	206	242	36	218	264	46

1 Funding gap caused by impaired rollover of liabilities and other projected outflows
2 Based on liquidity generation through Liquidity Reserves and other countermeasures.
3 All scenarios showing 8 week point.
4 Combined impact of systemic market risk and severe downgrade.

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Independent Auditor's Report

To Deutsche Bank Aktiengesellschaft, Frankfurt am Main

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Deutsche Bank Aktiengesellschaft and its subsidiaries, which comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the consolidated financial statements for the business year from January 1, 2016 to December 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

The management of Deutsche Bank Aktiengesellschaft is responsible for the preparation of these consolidated financial statements. This responsibility includes preparing these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, the supplementary requirements of German law pursuant to § 315a (1) HGB (Handelsgesetzbuch: German Commercial Code) and full IFRS to give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The company's management is also responsible for the internal controls that management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of audit procedures depends on the auditor's professional judgment. This includes the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

Pursuant to § 322 (3) sentence 1 HGB, we state that our audit of the consolidated financial statements has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply in all material respects with IFRSs as adopted by the EU, the supplementary requirements of German commercial law pursuant to § 315a (1) HGB and full IFRS and give a true and fair view of the net assets and financial position of the Group as of December 31, 2016 as well as the results of operations for the business year then ended, in accordance with these requirements.

Report on the Group Management Report

We have audited the accompanying group management report of Deutsche Bank Aktiengesellschaft for the business year from January 1 to December 31, 2016. The management of Deutsche Bank Aktiengesellschaft is responsible for the preparation of the group management report in compliance with the applicable requirements of German commercial law pursuant to § 315a (1) HGB (Handelsgesetzbuch: German Commercial Code). We conducted our audit in accordance with § 317 (2) HGB and German generally accepted standards for the audit of the group management report promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Accordingly, we are required to plan and perform the audit of the group management report to obtain reasonable assurance about whether the

group management report is consistent with the consolidated financial statements and the audit findings, complies with the German statutory requirements, and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Pursuant to § 322 (3) sentence 1 HGB, we state that our audit of the group management report has not led to any reservations.

In our opinion, based on the findings of our audit of the consolidated financial statements and group management report, the group management report is consistent with the consolidated financial statements, complies with the German statutory requirements, and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 15, 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pukropski
Wirtschaftsprüfer

Beier
Wirtschaftsprüfer

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Non-consolidated Financial Statements (HGB) of Deutsche Bank Aktiengesellschaft for the Fiscal Year ended December 31, 2016 (audited)

Balance Sheet as of December 31, 2016

Assets in € m.				Dec 31, 2016	Dec 31, 2015
Cash reserve					
a) cash on hand			85		87
b) balances with central banks			109,375		59,828
thereof: with Deutsche Bundesbank	51,673				18,792
				109,459	59,916
Debt instruments of public-sector entities and bills of exchange eligible for refinancing at central banks					
a) Treasury bills, discountable Treasury notes and similar debt instruments of public-sector entities			184		124
thereof: eligible for refinancing at Deutsche Bundesbank	0				0
b) bills of exchange			13		13
				197	137
Receivables from banks					
a) Mortgage loans			39		70
b) loans to or guaranteed by public-sector entities			117		119
c) other receivables			166,621		198,380
				166,777	198,568
thereof:					
repayable on demand	71,799				95,042
receivables collateralized by securities	2,935				5,335
Receivables from customers					
a) Mortgage loans			12,725		11,584
b) loans to or guaranteed by public-sector entities			7,033		9,106
c) other receivables			254,331		224,595
				274,089	245,286
thereof:					
receivables collateralized by securities	8,221				5,679
Bonds and other fixed-income securities					
a) money market instruments					
aa) of public-sector issuers		846			1,391
thereof: eligible as collateral for Deutsche Bundesbank	0				0
			846		1,391
b) bonds and notes					
ba) of public-sector issuers		40,380			40,998
thereof: eligible as collateral for Deutsche Bundesbank	16,218				21,552
bb) of other issuers		3,145			16,519
thereof: eligible as collateral for Deutsche Bundesbank	2,239				7,206
			43,524		57,516
c) own debt instruments			29		29
nominal amount	30				30
				44,399	58,937
Equity shares and other variable-yield securities				**580**	**1,051**
Trading assets				**715,338**	**813,607**
Participating interests				**387**	**433**
thereof: in banks	9				10
in financial services institutions	90				187
Investments in affiliated companies				**44,049**	**43,423**
thereof: in banks	11,376				11,878
in financial services institutions	202				212
Assets held in trust				**58**	**46**
thereof: loans on a trust basis	39				28
Intangible assets					
a) Self-developed intangible assets			3,109		2,322
b) Purchased intangible assets			870		92
c) Goodwill			28		42
d) Down-payments for intangible assets			0		0
				4,007	2,456
Tangible assets				**939**	**1,004**
Sundry assets				**7,996**	**5,881**
Prepaid expenses					
a) from the issuance and loan business			41		68
b) other			890		1,004
				931	1,072
Deferred tax assets				**2,290**	**3,370**
Overfunded plan assets				**1,149**	**841**
Total assets				**1,372,646**	**1,436,029**

Liabilities and Shareholders' Equity in € m.				Dec 31, 2016	Dec 31, 2015
Liabilities to banks					
c) other liabilities			252,752		261,385
				252,752	261,385
thereof:					
repayable on demand	127,499				143,073
Liabilities to customers					
a) registered Mortgage Pfandbriefe issued			315		315
c) savings deposits					
ca) with agreed notice period of three months		2,446			2,837
cb) with agreed notice period of more than three months		1,171			1,472
			3,616		4,308
d) other liabilities			266,014		277,814
				269,945	282,437
thereof:					
repayable on demand	178,812				202,326
Liabilities in certificate form					
a) bonds in issue					
aa) Mortgage Pfandbriefe		7,435			5,641
ac) other bonds		92,146			96,607
			99,581		102,248
b) other liabilities in certificate form			6,800		19,595
				106,381	121,843
thereof:					
money market instruments	5,788				17,335
own acceptances and promissory notes in circulation	174				202
Trading liabilities				**646,585**	**678,050**
Liabilities held in trust				**58**	**46**
thereof: loans on a trust basis	39				28
Sundry liabilities				**21,619**	**17,757**
Deferred income					
a) from the issuance and loan business			188		65
b) other			775		753
				963	818
Provisions					
a) provisions for pensions and similar obligations			48		56
b) provisions for taxes			702		699
c) other provisions			7,525		7,606
				8,275	8,360
Subordinated liabilities				**12,465**	**12,419**
Instruments for Additional Tier 1 Regulatory Capital				**5,110**	**5,159**
Fund for general banking risks				**2,426**	**1,926**
thereof: trading-related special reserve according to Section 340e (4) HGB	1,476				1,476
Capital and reserves					
a) subscribed capital		3,531			3,531
less notional par value of own shares		0			1
			3,531		3,530
conditional capital € 486 m. (Dec 31, 2015: € 486 m.)					
b) capital reserve			35,796		35,796
c) revenue reserves					
ca) statutory reserve		13			13
cd) other revenue reserves		6,280			6,323
			6,293		6,336
d) distributable profit			447		165
				46,067	45,828
Total liabilities and shareholders' equity				**1,372,646**	**1,436,029**
Contingent liabilities					
b) liabilities from guarantees and indemnity agreements			50,589		54,526
c) liability arising from the provision of collateral for third-party liabilities			3		1
				50,592	54,527
Other obligations					
b) placement and underwriting obligations			0		46
c) irrevocable loan commitments			122,816		135,151
				122,816	135,197

Income Statement for the period from January 1 to December 31, 2016

in € m.			2016	2015
Interest income from				
a) lending and money market business	9,035			8,213
thereof: negative interest income from lending and money market business	416			188
b) fixed-income securities and government-inscribed debt	1,892			2,150
		10,927		10,363
Interest expenses		**7,336**		**6,807**
thereof: negative interest expenses		290		120
			3,591	3,556
Current income from				
a) equity shares and other variable-yield securities		2,396		3,248
b) participating interests		83		177
c) investments in affiliated companies		1,669		5,214
			4,148	8,639
Income from profit-pooling, profit-transfer and partial profit-transfer agreements			**2,249**	**72**
Commission income		**8,256**		**9,065**
Commission expenses		**1,225**		**1,531**
			7,030	7,535
Net trading result			694	2,404
thereof: release of trading-related special reserve according to section 340e (4) HGB		0		350
Other operating income			**3,288**	**3,019**
Administrative expenses				
a) staff expenses				
aa) wages and salaries	4,162			4,988
ab) compulsory social security contributions and expenses for pensions and other employee benefits	1,098			784
		5,260		5,772
thereof: for pensions € 461 m. (2015: € 73 m.)				
b) other administrative expenses		8,264		8,863
			13,524	14,635
Depreciation, amortization and write-downs of and value adjustments to tangible and intangible assets			**895**	**791**
Other operating expenses			**2,817**	**6,584**
Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for loan losses			**124**	**506**
Write-downs of and value adjustments to participating interests, investments in affiliated companies and securities treated as fixed assets			**2,061**	**1,643**
Expenses from assumption of losses			**15**	**680**
Releases from/Additions (–) to the fund for general banking risks			**(500)**	**650**
Result from ordinary activities			**1,063**	**1,036**
Extraordinary income		**3**		**28**
Extraordinary expenses		**309**		**162**
Extraordinary result			**(306)**	**(133)**
Income taxes		**389**		**755**
thereof: deferred taxes € 168 m. (2015: € 210 m.)				
Other taxes, unless reported under "Other operating expenses"		**87**		**117**
			476	872
Net income			**282**	**30**
Profit carried forward from the previous year			**165**	**135**
			447	165
Allocations to revenue reserves				
– to other revenue reserves		0		0
			0	0
Distributable profit			**447**	**165**

General Information

Deutsche Bank AG's legal name is Deutsche Bank Aktiengesellschaft and it is incorporated in Frankfurt am Main. It is registered in the Commercial Register of the District Court Frankfurt am Main under registration number HRB 30000.

The annual financial statements of Deutsche Bank AG for the financial year 2016 have been prepared in accordance with the German Commercial Code ("HGB") as well as the Statutory Order on Banks' and Financial service institutions' Accounts ("RechKredV"). Company-law regulations have been complied with. For the sake of clarity, the figures are reported in million euros (€).

Basis of Presentation

Accounting policies for:

Receivables

Receivables which are held with a trading intent are accounted for as described in the separate paragraph "Trading activities".

Receivables from banks and customers which do not qualify as trading assets are generally reported at their nominal amount or at acquisition cost less necessary impairments. If, in a subsequent period, the amount of the impairment loss decreases and the decrease in impairment can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment is reversed through the income statement.

Risk provisioning

Provisioning for loan losses comprises impairments and provisions for all identifiable credit and country risks, for inherent default risks and the provision for general banking risks. Provisions for credit risks are reflected in accordance with the prudence principle at the amount of expected losses.

The transfer risk for loans to borrowers in foreign states (country risk) is assessed using a rating system that takes into account the economic, political and regional situation. When recognizing provisions for cross-border exposures to certain foreign states the prudence principle is applied.

Provisions for inherent credit risk are reflected in the form of general value adjustments in accordance with commercial law principles. In addition, general banking risks are provisioned pursuant to Section 340f HGB. The offsetting option available under Section 340f (3) HGB has been utilized.

Securities

Bonds and other fixed income securities as well as equity shares and other variable-yield securities which are held for trading purposes are accounted for as described in the separate paragraph "Trading activities".

Certain holdings of bonds and other fixed-income securities for which the intent is to hold them for the foreseeable future are classified as non-current assets and accounted for using the moderate lower-of-cost-or-market rule. This means that the respective securities are carried at acquisition cost less other than temporary impairment.

If bonds and other fixed-income securities are neither held for the foreseeable future nor form part of the trading portfolio, they are classified as current assets and are accounted for using the strict lower-of-cost-or-market rule. This means that they are carried at the lower of acquisition cost or market respectively attributable value.

The same applies to equity shares and other variable-yield securities which, if they are not part of the trading portfolio, are generally accounted for as current assets.

Securities are written up pursuant to the requirement to reinstate original values if the reason for the write-up can be objectively related to an event occurring after the write-down was recognized.

Embedded Derivatives

Some hybrid contracts contain both a derivative and a non derivative component. In such cases, the derivative component is referred to as embedded derivative, with the non derivative component representing the host contract. Where the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract, and the hybrid contract itself is not carried as a trading activity at fair value through profit or loss, the embedded derivative is bifurcated following general principles. The host contract is accounted for at amortized cost or settlement amount.

Credit Derivatives

Credit derivatives held or incurred with a trading intent are accounted for as described in the separate paragraph "Trading activities".

Other credit derivatives held which qualify as collateral for incurred credit risk are not accounted for separately, but rather taken into account in the risk provisioning for the underlying transaction.

Trading activities
Financial instruments (including positive and negative market values of derivative financial instruments) as well as precious metals which are held or incurred with a trading intent are recognized at fair value less risk adjustment. In addition to the value-at-risk adjustment a de-facto limit on profit distribution for net trading P&L exists because each fiscal year a certain portion of net trading revenues has to be allocated to a trading-related special reserve which is part of the fund for general banking risk.

Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between knowledgeable, willing and unrelated parties, other than in a forced sale or liquidation. Where avail-able, fair value is based on observable market prices and parameters or derived from such prices or parameters. The availability of observable data varies by product and market and may change over time. Where observable prices or inputs are not available, valuation techniques appropriate to the particular instrument are applied.

If fair value is estimated by using a valuation technique or derived from observable prices or parameters, significant judgment may be required. Such estimates are inherently uncertain and susceptible to change. Therefore, actual results and the financial position may differ from these estimates.

The fair valuation of financial instruments includes valuation adjustments for close-out costs, liquidity risk and counterparty risk as well as funding considerations for uncollateralized trading derivatives.

In order to reflect any remaining realization risk for unrealized gains, the result of the fair value measurement is reduced by a risk adjustment, which is deducted from trading assets. The risk adjustment is based on value-at-risk which is calculated using a holding period of ten days and a confidence level of 99 %.

The trading-related special reserve is provided for by taking at least 10 % of the net trading revenues (after risk adjustment) and must not exceed the total amount of net trading revenues of the respective fiscal year. It has to be provided for until the trading-related special reserve corresponds to 50 % of the five-year average of net trading revenues after risk adjustment.

The reserve may only be consumed to either release an amount exceeding the 50 % limit or to cover net trading losses.

Financial instruments and precious metals held for trading are separately presented as "Trading assets" or "Trading liabilities" on the face of the balance sheet. Forward contracts to buy or sell commodities do basically not qualify as financial instruments and can therefore not be assigned to trading assets.

Any changes in fair value after risk adjustment are recognized as "Net trading result".

Under certain conditions, trading derivatives are offset against cash collateral posted by counterparties. On an individual counterparty basis, such derivatives qualify for offsetting which have been contracted under a master agreement with a credit support annex ("CSA") and daily exchange of cash collateral. For each counterparty, the amount offset includes the carrying value of the derivatives as well as the collateral posted.

Valuation Units (Hedge Accounting)
In instances in which for accounting purposes assets, liabilities, pending transactions or highly probable forecasted transactions (hedged items) and financial instruments (hedging instruments) are designated in a valuation unit to achieve an offset for changes in fair value or cash flows attributable to the hedged risk the general measurement rules are not applicable. The bank generally utilizes the freeze method, which means that offsetting value changes related to the hedged risk are not recorded. Consequently, negative fair value changes related to the same type of risk are not recognized during the period of the hedge unless a net loss, i.e., negative ineffectiveness, arises which is recognized as a provision for imminent losses.

For the purpose of hedge accounting forward contracts to buy or sell commodities are treated as financial instruments.

Reclassifications
Receivables and securities have to be classified as trading activities, liquidity reserve or non-current investments at inception.

A reclassification into trading after initial recognition is not permitted and a reclassification from trading activities is only allowed if the intent changes due to exceptional market conditions, especially conditions that adversely affect the ability to trade. Furthermore, financial instruments held with a trading intent may be designated subsequently as hedging instruments into a valuation unit.

A reclassification between the categories liquidity reserve and non-current investments occurs when there is a clear change in management intent after initial recognition which is documented.

The reclassifications are made when the intent changes and at the fair value as of the reclassification date.

Participating interests and investments in affiliated companies

Participating interests are recognized either at cost or utilizing the option available under Section 253 HGB at their lower fair value.

Investments in affiliated companies are accounted for at moderate lower-of-cost-or-market. This means that write-downs are only recognized if the impairment is considered other than temporary.

To determine the fair value of affiliated companies, a discounted cash-flow model is applied. The model discounts the expected free cash-flows for a five year horizon using a risk-adjusted interest rate. For the time after the five year period, the sustainable plan development is projected to determine the terminal value. The valuation includes measurable synergies for certain affiliated companies.

Participating interests and investments in affiliated companies are written up pursuant to the requirement to reinstate original values if the reason for the write-up can be objectively related to an event occurring after the write-down was recognized. The offsetting option available under Section 340c (2) HGB has been utilized.

Tangible and intangible assets

Tangible and intangible assets are reported at their acquisition or manufacturing cost less any depreciation or amortization. Self-developed brands, mastheads, publishing titles, customer lists and similar intangible assets are not recognized.

Write-downs are made for any impairment that is likely to be permanent.

Tangible and intangible assets have to be written up if the increase in value can be objectively related to an event occurring after the write-down was recognized.

Low-value assets are written off in the year in which they are acquired.

Derecognition of assets

An asset is generally derecognized when legal ownership is transferred.

However, if the seller irrespective of the asset's legal transfer retains the majority of risks and rewards of ownership, the asset is not derecognized.

Since January 1, 2010 securities lending/borrowing transactions in accordance with Section 246 (1) sentence 2 HGB remain recognized in the transferor's balance sheet. Therefore the securities lent are not derecognized by the transferor because he is exposed to the majority of risks and rewards of ownership.

Liabilities

Liabilities are recognized at their settlement or nominal amounts. Zerobonds issued at a discount are reported at their present value.

Instruments qualifying as additional tier 1 capital

The instruments issued qualify as liabilities and are recognized at their settlement or nominal amount. Interest is accrued based on the expected payments to the investors in the instruments.

Provisions

Provisions for pensions and similar obligations are recognized in accordance with actuarial principles. Pension provisions are calculated using the projected unit credit method and using the average market rate for an assumed remaining term of 15 years as published by the German Federal Bank unless the pension plan's remaining term is shorter.

Assets which are exclusively used to settle pensions and similar obligations and which are controlled neither by Deutsche Bank AG nor any creditor (plan assets) are fair valued and offset with the respective provisions. Overfunded obligations are recognized on the balance sheet as a net asset after offsetting of provisions. For underfunded pension obligations and obligations from the bank's internally financed plans, the relevant provisions are made.

If the settlement amount of pensions and similar obligations is solely based on the fair value of securities held as non-current financial assets, the provision is measured at the fair value of these securities if the fair value exceeds the guaranteed minimum.

Other provisions for uncertain liabilities or for onerous contracts (excluding trading activities) are recognized at their expected settlement amount applying the principles of prudent commercial judgment. Provisions for uncertain liabilities are discounted if the related cash outflows are not expected to arise within twelve months after the balance sheet date.

The assessment whether to recognize a provision for imminent losses comprises an evaluation whether a net loss is probable to arise for all interest-earning and interest-bearing positions which are not held with a trading intent, i.e., all positions within the banking book existing as of the reporting date.

The assessment whether a net loss is probable in respect of interest-earning and interest-bearing positions within the banking book requires comparing expected future net interest and expected future directly attributable fees with expected future funding and credit risk expenses as well as future expected administrative expenses associated with the interest-earning and interest-bearing positions as of the reporting date.

The assessment of a potential provision is aligned with the internal management of the interest-related position in the banking book. For open interest-related positions of the banking book a present value based approach is used supplemented by an analysis of the historic cost coverage of risk and administrative costs by net interest surpluses for the positions hedged against interest rate risk.

Deferred taxes

Deferred tax assets and deferred tax liabilities on temporary differences between the accounting and tax base for assets, liabilities and accruals are offset against each other and presented net on the balance sheet as either deferred tax assets or deferred tax liabilities. In determining deferred tax assets unused tax losses are taken into account, but only to the extent that they can be utilized within the following five years.

Treasury shares

If Deutsche Bank AG acquires its own shares (treasury shares) they are openly deducted at cost from capital and distributable reserves in a separate column on the face of the balance sheet with no gain or loss being recognized in the income statement.

If such treasury shares are subsequently sold the previously mentioned deduction is reversed and any amount exceeding the original acquisitions costs is to be recognized within capital reserves whereas a loss on the subsequent sale is to be recognized in revenue reserves.

Currency translation

Currency translation is consistent with the principles set forth in Sections 256a and 340h HGB.

Assets denominated in foreign currency and treated as fixed assets, but not separately covered in the same currency, are shown at historical cost unless the change in the foreign currency rate is other than temporary so that the assets have to be written down. Other foreign currency denominated assets and liabilities and outstanding cash deals are translated at the mid spot rate at the balance sheet date, and forward exchange deals at the forward rate at the balance sheet date.

The definition of those positions in foreign currency for which the bank applies the special coverage method according to Section 340h HGB reflects internal risk management procedures.

The accounting for gains and losses from currency translation depends on to which foreign currency positions they relate. Gains and losses from currency translation of trading assets and trading liabilities as well as gains and losses from the translation of positions which are specifically covered are recognized in the income statement. The same applies to foreign currency positions which are not specifically covered but have a remaining term of one year or less. In contrast, for foreign currency positions which are not specifically covered and have a remaining term of more than year in accordance with the imparity principle only the losses from currency translation are recognized. The result of currency translation is included in the net trading result and in other operating income and expenses.

The items on the balance sheets and the income statements of foreign branches are translated into euros at mid-rates at the respective balance sheet dates (closing-rate method). Differences resulting from the translation of balance sheet items within the bank – with the exception of exchange rate losses on the translation of the capital allocated to the branches outside Germany (including gains and losses carried forward) – are reported as sundry assets or sundry liabilities not affecting net income.

Notes to the Balance Sheet

Maturity structure of receivables

in € m.	Dec 31, 2016	Dec 31, 2015
Other Receivables from banks without receivables repayable on demand	**94,978**	**103,526**
with a residual period of up to three months	26,316	39,912
more than three months and up to one year	21,587	20,473
more than one year and up to five years	19,509	25,166
more than five years	27,565	17,976
Receivables from customers	**274,089**	**245,286**
with a residual period of up to three months	154,441	133,886
more than three months and up to one year	23,938	18,649
more than one year and up to five years	68,588	64,715
more than five years	26,428	27,282
with an indefinite period	694	754

Of the bonds and other fixed-income securities of € 44.4 billion, € 3.4 billion mature in 2017.

Securities

The table below provides a breakdown of the marketable securities contained in the listed balance sheet positions.

	listed		unlisted	
in € m.	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015
Bonds and other fixed-income securities	37,534	51,024	6,866	7,913
Equity shares and other variable-yield securities	165	596	7	4
Participating interests	4	4	42	40
Investments in affiliated companies	0	0	1,094	1,102

The decrease in listed bonds and other fixed-income securities was mainly driven by sales from our Strategic Liquidity Reserve.

Bonds and other fixed-income securities held as fixed assets are reported at amortized cost as Deutsche Bank intends to hold these securities for the foreseeable future. Their total carrying amount as of the reporting date amounts to € 3,271 million. These bonds are held in two different portfolios. The first one, with a fair value of € 3,305 million (carrying amount € 3,128 million) is related to the Strategic Liquidity Reserve, which is managed by Group Treasury. It contains high quality government, supranational and agency bonds, which were reclassified from the liquidity reserve in early January 2016, because of a change of intent to hold for the foreseeable future rather than exit or trade in the short term. These bonds were reclassified at their carrying value at the reclassification date, which was below market value.

The second portfolio mainly included reclassifications carried out in 2008 and 2009 due to significantly reduced liquidity in the financial markets. For those assets reclassified, a change of intent to hold for the foreseeable future rather than exit or trade in the short term occurred. These assets were reclassified with the lower fair value at reclassification date. The intrinsic value of these assets exceeded at reclassification date the estimated fair value. These securities were managed in separated portfolios. The lower fair value of these securities amounted to € 126 million at the reporting date (carrying amount € 143 million). Where available, the fair value was derived from observable prices or parameters. Where observable market prices or inputs were not available, valuation techniques appropriate for the particular instrument were applied.

Investments in investment funds

The following table shows a breakdown of investments in German and foreign investment funds by investment purpose, where the fund units held exceeded 10 %.

	Dec 31, 2016			
in € m.	Carrying value	Fair value	Difference between fair value and carrying value	Distribution in 2016
Equity funds	1,181	1,181	0	0
Bonds funds	30	30	0	0
Mixed funds	3,086	3,086	0	0
Currency funds	0	0	0	0
Commodities funds	19	19	0	0
Total	**4,315**	**4,315**	**0**	**0**

The investments in the funds were predominantly assigned to trading assets. Their carrying values corresponded to their fair values. The majority of the funds were exchange traded funds established by Deutsche Bank.

The conditions to postpone the redemption of fund units may vary from fund to fund. They may be based on a minimum asset value or make it discretionary to the fund directors. Restrictions for daily redemption of the fund units relate to cases where too many investors try to redeem at a specific point in time. In these cases the funds might postpone the redemption until such time that they can fulfill the redemption request.

Transactions subject to sale and repurchase agreements

The book value of assets reported on the balance sheet and sold subject to a repurchase agreement in the amount of € 39.1 billion related exclusively to securities sold under repo agreements.

Trading assets and liabilities

Financial instruments held with a trading intent

The following table provides a breakdown of trading assets and trading liabilities.

Dec 31, 2016 in € m.	Trading assets	in € m.	Trading liabilities
Derivative financial instruments	461,735	Derivative financial instruments	450,740
Receivables	95,463	Liabilities	195,846
Bonds and other fixed-income securities	54,520		
Equity shares and other variable-yield securities	91,960		
Sundry assets	12,062		
Risk adjustment	(402)		
Total	**715,338**	**Total**	**646,585**

The basic assumptions to determine the fair value using accepted valuation methods are presented in detail in the section “Basis of Presentation”.

The subsequent table breaks down the derivatives valued at fair value which correspond to trading derivatives, by type and volume.

in € m.	Dec 31, 2016 Notional amount
OTC products	35,768,649
interest rate-linked transactions	28,142,609
exchange rate-linked transactions	5,507,995
credit derivatives	1,515,628
equity- and index-linked transactions	570,181
other transactions	32,236
Exchange-traded products	5,653,983
interest rate-linked transactions	5,134,535
equity- and index-linked transactions	446,466
exchange rate-linked transactions	25,719
other transactions	47,263
Total	**41,422,632**

The amount, timing and the reliability of future cash flows are impacted by the interest rate environment, from the development in the equity and debt markets as well as the credit spreads and defaults.

Method and assumptions and risk adjustment amount

The calculation of the risk adjustment is based on the model to calculate the regulatory value-at-risk which incorporates financial instruments held or incurred for trading purposes. The valuation of trading assets might require various valuation adjustments e.g. for liquidity risks which are explained in more detail under "Basis of Presentation" in the section "Trading activities".

The calculation of the value-at-risk adjustment ("VaR-adjustment") is based on a holding period of ten days and a confidence level of 99 %. The observation period is 261 trading days.

In addition to the regulatory VaR-adjustment the risk adjustment was supplemented by additional risk figures related to Deutsche Bank's own credit risk which is not covered by the VaR calculation.

The absolute amount of the risk adjustment is € 402 million.

Change of criteria for the classification of financial instruments as trading

During the year 2016 the criteria related to the assignment of financial instruments to trading assets and liabilities remained unchanged.

Subordinated assets

Subordinated assets

in € m.	Dec 31, 2016	Dec 31, 2015
Receivables from banks	795	250
Receivables from customers	138	210
Bonds and other fixed-income securities	382	1,768
Trading assets	9,231	10,206

Derivative financial instruments

Forward transactions

Forward transactions outstanding at the balance sheet date consisted mainly of the following types of business:

- interest rate-linked transactions: forward deals linked to debt instruments, forward rate agreements, interest rate swaps, interest futures, option rights in certificate form, option deals and option contracts linked to interest rates and indices;
- exchange rate-linked transactions: foreign exchange and precious metal forwards, cross-currency swaps, option rights in certificate form, option deals and option contracts linked to foreign exchange and precious metals, foreign exchange and precious metal futures;
- share-/index-related transactions: equity forwards and futures, index futures, option rights in certificate form, option deals and option contracts linked to equities and indices;
- credit derivatives: credit default swaps (CDS), total return swaps (TRS), credit linked notes (CLN).

The above types of transactions are concluded almost exclusively to hedge interest rate, exchange rate and market price fluctuations in trading activities.

Derivatives not accounted for at fair value

The subsequent table presents derivative financial instruments recorded as banking book derivatives that are generally not accounted for at fair value.

					Dec 31, 2016
	Notional	Carrying value		Fair value	
in € m.	amount	positive	negative	positive	negative
OTC products					
interest rate-related transactions	820,077	666	730	3,353	2,974
exchange rate-related transactions	115,651	626	212	771	12,701
equity/ index-related transactions	6	0	0	0	0
credit derivatives	4,644	8	77	15	77
other transactions	39	0	0	0	19
Total	**940,417**	**1,299**	**1,019**	**4,139**	**15,771**

The carrying values of derivatives generally not recorded at fair value are reported in "Sundry Assets" and "Sundry Liabilities".

Valuation Units (Hedge Accounting)

Deutsche Bank AG enters into valuation units via fair value hedges, to protect itself essentially through interest rate swaps and options against fair value changes of fixed rate securities resulting from changes in market rates.

In case credit derivatives in the banking book do not qualify for loan collateral treatment, hedge accounting is applied in line with pronouncement IDW RS BFA 1.

Additional risks resulting from bifurcatable derivatives embedded in hybrid financial instruments are hedged as well via microhedge relationships.

In addition to the cases described above Deutsche Bank hedges commodity risks via micro- and portfolio-hedge relationships.

The subsequent table provides an overview of the hedged items in valuation units including the amount of hedged risks. For hedged assets and hedged liabilities the carrying value is presented as well.

		Dec 31, 2016
in € m.	Carrying value	Amount of secured risk
Secured assets, total	38,585	60
Secured liabilities, total	115,200	(3,467)

	Notional amount	Amount of secured risk
Pending transactions	92,788	1,228

The amount of hedged risk, if negative, represents the cumulative decrease in fair value for assets respectively the cumulative increase of fair value for liabilities since inception of the hedge relationship that were not recognized in profit and loss net, after considering hedges. Positive amounts of hedged risk correspond to the cumulative increase in fair value of assets respectively the cumulative decrease in fair value of liabilities that were not recognized in profit and loss net, after considering hedges.

Using foreign exchange forwards and swaps, Deutsche Bank AG contracts fair value hedges of foreign-exchange risks of its branches dotational capital and profit/loss carried forward representing the net asset value exposed to foreign exchange risk. The carrying amount of the net position hedged via macro hedges amounts to € 30.0 billion. The amount of hedged risk is negative € 718 million. The final offset of the mirroring spot rate changes takes place at the point in time when the dotational capital is redeemed.

In instances where the contractual terms of hedged item and hedging instrument are exactly offsetting, both prospective assessment of effectiveness and retrospective measurement of ineffectiveness of a valuation unit are based on the matching of critical terms. In addition the bank may utilize statistic methods and regression analysis for the assessment of effectiveness. Deutsche Bank AG compares the amounts of the changes of fair values of hedged items and hedging instruments (dollar-offset method). The valuation units are generally established over the remaining maturity of the hedged items.

Information on affiliated, associated and related companies

in € m.	Affiliated companies Dec 31, 2016	Affiliated companies Dec 31, 2015	Associated and related companies Dec 31, 2016	Associated and related companies Dec 31, 2015
Receivables from banks	112,928	120,657	0	41
Receivables from customers	74,963	81,137	255	240
Bonds and other fixed-income securities	1,455	1,627	7	136
Liabilities to banks	97,012	115,324	1	54
Liabilities to customers	41,592	54,620	66	101
Liabilities in certificate form	1,163	1,172	0	0
Subordinated liabilities	6,027	6,771	0	0

A complete list of the Shareholdings of Deutsche Bank AG (including companies, where the holding equals or exceeds 20 % and holdings in large corporations, where the holding exceeds 5 % of the voting rights) can be found in the Note Shareholdings".

Trust business

in € m.	Assets held in trust Dec 31, 2016	Assets held in trust Dec 31, 2015	in € m.	Liabilities held in trust Dec 31, 2016	Liabilities held in trust Dec 31, 2015
Receivables from customers	39	28	Liabilities to banks	0	0
Bonds and other fixed-income securities	9	9	Liabilities to customers	58	46
Equity shares and other variable-yield securities	4	4			
Participating interests	4	4			
Sundry assets	2	2			
Total	**58**	**46**	**Total**	**58**	**46**

Fixed Assets

The following schedule shows the changes in fixed assets.

in € m.	Acquisition/manufacturing costs			Depreciation/amortization, write-downs and value adjustments			Book value	
	Balance at Jan 1, 2016	Additions	Disposals	Cumulative	therein current year	therein disposals	Balance at Dec 31, 2016	Balance at Dec 31, 2015
Intangible assets	4,407	2,214	109	2,505	654	68	**4,007**	2,456
Self-developed intangible assets	3,364	1,399[1]	53	1,601	604	11	**3,109**	2,322
Purchased intangible assets	343	816[2]	58	231	36	56	**870**	92
Goodwill	701	0	0	673	14	0	**28**	42
Down-payments	0	0	0	0	0	0	**0**	0
Tangible assets	3,041	265	509	1,858	233	466	**939**	1,004
Land and buildings	94	1	1	31	2	1	**63**[3]	75
Office furniture and equipment	2,678	264	252	1,825	199	248	**865**	848
Leasing assets	269	0	256	2	31	217	**11**	81
			Change					
Participating interests			(46)				**387**	433
Investments in affiliated companies			626[4]				**44,049**	43,423
Money market instruments			24				**24**	0
Bonds and other fixed-income securities			1,601				**3,271**	1,670
thereof: included in valuation units according to Section 254 HGB			0				**0**	0
Equity shares and other variable-yield securities			(1)				**5**	6
thereof: included in valuation units according to Section 254 HGB			0				**0**	0

The option to combine financial assets pursuant to Section 34 (3) RechKredV has been utilized. Exchange rate changes at foreign branches resulting from currency translation at closing rates have been recognized in acquisition/manufacturing costs (balance at January 1, 2016) and in cumulative depreciation/amortization, write-downs and value adjustments.

1 Additions to self-developed intangible assets relate to self-developed software.
2 Additions of € 787 million relate to software, which was purchased from an affiliated company.
3 Land and buildings with a total book value of € 63 million were used as part of our own activities.
4 Investments in affiliated companies increased by € 626 million to € 44.0 billion. Additions to investments in affiliated companies amounted to € 21.7 billion compared to decreases of € 21.3 billion. The increase was mainly attributable to the transfer of affiliated companies which were previously held indirectly and a positive impact of foreign currency translation. It was mainly offset by the transfer of affiliated companies which were previously held directly and net write-downs of € 3.7 billion.

Intangible assets

The goodwill reported under intangible assets is amortized over its estimated useful life of between five and 15 years. Its determination is based on economic and organizational factors such as future growth and profit prospects, mode and duration of expected synergies, leveraging customer base and assembled workforce of the acquired business. Software classified as an intangible asset is amortized over its useful life, which extends over a period of up to 10 years.

Sundry assets

Sundry assets of € 8.0 billion mainly consist of receivables from profit pooling agreements of € 2.2 billion, from balloon-payments from swaps of € 2.2 billion, claims against tax authorities of € 1.3 billion and of receivables related to the sale of a Deutsche Bank shareholding of € 788 million.

Prepaid expenses

Prepaid expenses include discounts between the issuance and redemption amount for liabilities of € 45 million.

Deferred taxes

Deferred taxes are determined for temporary differences between commercial carrying amounts of assets and liabilities and accruals and their tax bases when it is anticipated that such differences will reverse in subsequent reporting periods. In this context, temporary differences of consolidated tax group subsidiaries/ partnerships where Deutsche Bank AG is a shareholder/partner are included in the determination of Deutsche Bank AG's deferred taxes as well. Deutsche Bank AG – New York Branch executed the tax allocation agreement whereby it is reimbursed for its deductible temporary differences, unused tax losses and tax credits. In addition, unused tax losses are taken into account when determining deferred tax assets, to the extent that they will be utilized within the following five years. The measurement of deferred taxes is based on the combined income tax rate of the tax group of Deutsche Bank AG which is currently 31.3 %. The combined income tax rate includes corporate tax, trade tax and solidarity surcharge.

By contrast, deferred taxes arising from temporary differences in German investments in the form of a partnership are measured based on a combined income tax rate which includes only the corporate income tax and solidarity surcharge; this currently amounts to 15.83 %.

Deferred taxes in foreign branches are measured with the applicable statutory tax rates which are mainly within a range of 20 % and 38 %.

In the reporting period an overall deferred tax asset of € 2.3 billion was presented on the balance sheet. Significant contributors were – Deutsche Bank AG – "domestic bank", including deferred taxes of consolidated tax group subsidiaries, and Deutsche Bank AG – London Branch. These are mainly based on unused tax losses and temporary differences, the latter mainly relating to staff related obligations and fair value measurements of loan portfolios and trading books.

Maturity structure of liabilities

in € m.	Dec 31, 2016	Dec 31, 2015
Liabilities to banks with agreed period or notice period	**125,253**	**118,312**
with a residual period of		
up to three months	52,105	55,485
more than three months and up to one year	21,157	24,254
more than one year and up to five years	42,634	29,494
more than five years	9,357	9,079
Savings deposits with agreed notice period of more than three months	**1,171**	**1,472**
with a residual period of		
up to three months	507	746
more than three months and up to one year	640	689
more than one year and up to five years	24	36
more than five years	0	1
Other liabilities to customers with agreed period or notice period	**87,514**	**75,799**
with a residual period of		
up to three months	43,704	39,376
more than three months and up to one year	24,266	20,280
more than one year and up to five years	11,035	8,030
more than five years	8,510	8,113
Other liabilities in certificate form	**6,800**	**19,595**
with a residual period of		
up to three months	2,573	5,044
more than three months and up to one year	4,223	14,227
more than one year and up to five years	4	325
more than five years	0	0

Of the issued bonds and notes of € 99.6 billion, € 23.9 billion mature in 2017.

Liabilities for which assets were pledged as collateral

Liabilities for which assets were pledged as collateral

in € m.	Dec 31, 2016	Dec 31, 2015
Liabilities to banks	5,971	29,832
Liabilities to customers	10,260	16,730
Trading liabilities	2,766	2,895
Other liabilities	383	299

The decrease in liabilities to banks from € 29.8 billion in 2015 to € 6.0 billion in 2016 is mainly related to the reduced use of refinancing facilities at central banks.

Sundry liabilities

Sundry liabilities of € 21.6 billion mainly contain equalization of assessment regarding specially covered FX positions according to §340h HGB amounting to € 12.4 billion, liabilities due to failed derecognition amounting to € 3.7 billion, FX revaluation effects for dotational capital and P&L carried forward of € 2.3 billion and operating expenditure to be paid amounting to € 1.2 billion.

Pensions and similar obligations

Deutsche Bank AG sponsors post-employment benefit plans for its employees (pension plans) which contain defined contribution as well as defined benefit plans.

The majority of the beneficiaries of these pension plans are located in Germany. The value of a participant's accrued benefit is based primarily on each employee's remuneration and length of service.

December 31 is the measurement date for all defined benefit plans. All plans are valued using the projected unit-credit method. The valuation requires the application of certain actuarial assumptions such as demographic developments, increase in remuneration for active staff and in pensions as well as inflation rates. The discount rate is determined pursuant to the rules of Section 253 (2) HGB.

Assumptions used for pension plans	**Dec 31, 2016**	**Dec 31, 2015**
Discount rate	3.90%	3.76%
Inflation rate	1.60%	1.60%
Rate of nominal increase in future compensation levels	2.10%	2.10%
Rate of nominal increase for pensions in payment	1.50%	1.50%
Mortality/disability tables	Richttafeln Heubeck 2005 G	Richttafeln Heubeck 2005 G

The obligations from these defined benefit pension benefits are, for the most part, externally funded. Overfunded obligations are recognized on the balance sheet as a net asset after netting of provisions. For underfunded pension obligations and obligations from the bank's internally financed plans, the relevant provisions are recognized.

For defined contribution plans in Germany, where Deutsche Bank AG and other financial institutions are members of BVV, the subsidiary liability of employers contain the benefit payments and their legally required increases.

Furthermore, provisions are recognized for other similar long-term obligations, primarily in Germany, for example, for anniversary years of service or early retirement schemes. The bank funds these plans on a cash basis as the benefits are due.

	Pension plans	
in € m.	**Dec 31, 2016**	**Dec 31, 2015**
Pension obligation (recognized in the Financials)	**4,604**	**5,038**
Notional pension obligation based on 7-year-average discount rate	5,041	N/M
Income recognized due to discount rate difference	437	N/M
Fair value of plan assets	**5,705**	**5,824**
thereof: cost of plan assets	5,327	5,261
thereof: total of unrealized gains within plan assets	377	562
Net overfunded amount at year end	**1,101**	**786**
Net pension asset	**1,101**	**786**
thereof: recognized as "Overfunded plan assets related to pension plans"	1,149	841
thereof: recognized as "Provisions for pensions and similar obligations"	48	56

Adopting the revised valuation principles according to §253 (6) HGB results in a valuation difference between the defined benefit obligation recognized in the financials using the 10-year-average discount rate and the 7-year-average discount rate used in the past. This difference has been recognized as a gain in the amount of € 437 million and is subject to dividend blocking provisions.

	Pension plans	
in € m.	2016	2015
Return from plan assets	**372**	**216**
Interest costs for the unwind of discount of pension obligations	**(102)**	**590**
Net interest income (expense)	**270**	**(374)**
thereof: recognized as "Other operating income"	274	1
thereof: recognized as "Other operating expenses"	4	374

Other Provisions

in €	Dec 31, 2016
Provisions for imminent losses	663
Provisions for loan losses	402
Remaining other provisions	6,460
Total other provisions	**7,525**

The remaining Other Provisions are set for the following (main) types of risk:

Staff related provisions have been set up to reflect additional compensation and benefits to employees. They relate to variable payments and deferred compensation, share-based compensation, obligations for early retirement and others. The provided amount totals € 1,7 billion.

Regulatory Enforcement provisions arise out of current or potential claims or proceedings alleging non-compliance with legal or regulatory responsibilities, which have resulted or may result in an assessment of fines or penalties by governmental regulatory agencies, self regulatory organizations or other enforcement authorities. The provision for this risk is € 2,5 billion per year end 2016.

Civil Litigation provisions arise out of current or potential claims or proceedings alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may result in demands from customers, counterparties or other parties in civil litigations. The provision for this risk is € 1,3 billion per year end 2016.

Operational provisions arise out of operational risk and exclude civil litigation and regulatory enforcement provisions, which are presented as separate classes of provisions. The provision for this risk is € 271 million per year end 2016.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The definition used for the purposes of determining operational provisions differs from the risk management definition, as it excludes risk of loss resulting from civil litigations or regulatory enforcement matters. For risk management purposes, operational risk includes legal risk, as payments to customers, counterparties and regulatory bodies in civil litigations or regulatory enforcement matters constitute loss events for operational shortcomings, but excludes business and reputational risk.

Restructuring provisions arise out of restructuring activities. The Group aims to enhance its long-term competitiveness through major reductions in costs, duplication and complexity in the years ahead. The provision for these activities is € 251 million per year end 2016.

Sundry provisions are set to € 380 million per year end 2016.

Subordinated liabilities
Subordinated liabilities are issued in the form of fixed rate and floating rate securities, registered and bearer bonds and borrower's note loans and have original maturities mostly within ten and 30 years.

Deutsche Bank AG is not obliged to redeem subordinated liabilities in advance of the specified maturity date, however in some cases early redemption at the issuer's option is possible. In the event of liquidation or insolvency, the receivables and interest claims arising from these liabilities are subordinate to the non-subordinated receivables of all creditors of Deutsche Bank AG. The conversion of these funds into equity or another form of debt is not anticipated under the terms of the notes. These conditions also apply to subordinated liabilities not specified individually.

Material subordinated liabilities above € 1.0 billion

Currency	Amount in million	Type	Year of issuance	Coupon	Maturity
€	1,150	Bearer bond	2010	5.000 %	24.06.2020[1]
U.S.$	1,500	Registered bond	2013	4.296 %	24.05.2028[1]
€	1,000	Registered bond	2008	8.000 %	15.05.2038[1]
U.S.$	1,385	Registered bond	2008	8.050 %	perpetual[1]
U.S.$	1,975	Registered bond	2008	7.600 %	perpetual[1]
€	1,250	Bearer bond	2015	2.750 %	17.02.2025[1]
U.S.$	1,500	Bearer bond	2015	4.500 %	01.04.2025[1]

1 Pre-payment possibility due to callability of bonds.

Expenses for all subordinated liabilities of € 12.5 billion totalled € 393 million, including results from hedging derivatives. Accrued but not yet matured interest of € 194 million included in this figure is reported in sundry liabilities.

Instruments for Additional Tier 1 Regulatory Capital
In 2014, Deutsche Bank AG placed Additional Tier 1 Notes (the "AT1 Notes" or "Notes"), amounting to € 4.7 billion. Since then no further AT1 Notes were issued.

The AT1 Notes constitute unsecured and subordinated notes of Deutsche Bank. The Notes bear interest on their nominal amount from the issue date to the first call date at a fixed annual rate. Thereafter the interest rate will be reset at five year intervals. The Notes contain features that may require Deutsche Bank and will permit Deutsche Bank in its sole and absolute discretion at all times and for any reason to cancel any payment of interest. If cancelled, interest payments are non-cumulative and will not increase to compensate for any shortfall in interest payments in any previous year. The Notes do not have a maturity date. They are redeemable by Deutsche Bank at its discretion on the respective first call date and at five year intervals thereafter or in other limited circumstances. In each case, the Notes are subject to limitations and conditions as described in the terms and conditions for example, the Notes can be redeemed by Deutsche Bank at its discretion, in whole but not in part, for certain regulatory or taxation reasons. Any redemption is subject to the prior consent of the competent supervisory authority. The redemption amount and the nominal amount of the Notes may be written down upon the occurrence of a trigger event. A trigger event occurs if the Common Equity Tier 1 capital ratio of Deutsche Bank Group, determined on a consolidated basis falls below 5.125 %. The Notes may also be written up, following a trigger event, subject to meeting certain conditions.

As of December 31, 2016 the notes amounted to € 5.1 billion. Related interest expense totaled € 331 million and included € 229 million of accrued interest as of year-end 2016, which was recorded within other liabilities.

AT1 Notes outstanding as of December 31, 2016

Currency	Amount in million	Type	Year of issuance	Coupon	First call date
€	1,750	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	6.000%	30.04.2022
U.S.$	1,250	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	6.250%	30.04.2020
GBP	650	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	7.125%	30.04.2026
U.S.$	1,500	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	7.500%	30.04.2025

Foreign currencies

The total amount of assets denominated in foreign currencies was equivalent to € 1,197.5 billion at the balance sheet date; the total value of liabilities was equivalent to € 1,068.4 billion.

Capital and reserves

Own shares

In the course of 2016, the bank or its affiliated companies bought 336,942,318 Deutsche Bank shares at prevailing market prices and sold 336,878,347 Deutsche Bank shares at prevailing market prices for trading purposes. The purchase of its own shares was based on the authorization given by the General Meeting on May 23, 2013 pursuant to Section 71 (1) No. 7 AktG, whose limitations were adhered to for each share purchase and sale transaction. The average purchase price was € 14.80 and the average selling price was € 14.80 per share. The result was recognized in revenue reserves.

The bank's own shares bought and sold for trading purposes during 2016 represented about 24 % of its share capital. The largest holding on any individual day was 0.17 % and the average daily holding 0.02 % of its share capital.

In addition, the bank was authorized to buy own shares by the General Meetings of May 19, 2016 and of May 21, 2015 pursuant to Section 71 (1) No. 8 AktG. The respective limitations were adhered to for each purchase and sale transaction. The authorization for the bank to purchase its own shares, which was given by the General Meeting on May 21, 2015 and valid until April 30, 2020, was cancelled once the authorization of May 19, 2016 came into effect.

Additionally the Annual General Meeting of May 19, 2016 authorized the Management Board pursuant to Section 71 (1) No. 8 AktG to execute the purchase of shares under the resolved authorization also with the use of put and call options or forward purchase contracts. The limitations concerning the use of such derivatives were adhered to for each purchase and sale transaction.

At the end of 2016, Deutsche Bank AG held 94,027 own shares pursuant to Section 71 (1) No. 7 AktG. Its holdings pursuant to Section 71 (1) No. 8 AktG amounted to 4,863 shares, or 0.00 % of its share capital. On December 31, 2016, 5,089,000 (end of 2015: 4,265,535) Deutsche Bank shares, i.e., 0.37 % (end of 2015: 0.31 %) of our share capital, were pledged to the bank and its affiliated companies as security for loans.

Changes in subscribed, authorized and conditional capital

The bank's subscribed capital is divided into 1,379,273,131 registered no-par-value shares and each share has a nominal value of € 2.56. Excluding holdings of the bank's own shares, the number of shares outstanding at December 31, 2016 was 1,379,174,241 (end of 2015: 1,378,944,872). The average number of shares outstanding in the reporting period was 1,372,457,189.

in €	Subscribed capital[1]	Authorized capital	Conditional capital (yet to be utilized)
Balance as of Dec 31, 2015	**3,530,939,215.36**	**1,760,000,000.00**	**486,400,000.00**
Balance as of Dec 31, 2016	**3,530,939,215.36**	**1,760,000,000.00**	**486,400,000.00**

1 Includes nominal value of treasury shares.

Details with regard to the authorized and the yet to be utilized conditional capital are presented in the note concerning the Information pursuant to Section 289 (4) of the German Commercial Code.

Changes in capital and reserves

in € m.		
Balance as of Dec 31, 2015		**45,828**
Distribution in 2016		0
Profit carried forward		(165)
Treasury shares		
– Change in notional value in treasury shares	1	
– Change of acquisition costs	8	
– Realized net gains (non-trading)	0	
– Realized result (trading)	(5)	
– Realized net losses (non-trading)	(46)	(42)
Profit allocation to other revenue reserves		0
Distributable profit for 2016		447
Balance as of Dec 31, 2016		**46,067**

Taking into account the profit carried forward from the prior year of € 165 million, the distributable profit amounted to € 447 million as of December 31, 2016. The Bank will propose to the Annual General Meeting to pay of € 0.19 per share and to carry forward the remaining distributable profit.

Off-balance sheet transactions

The bank discloses contingent liabilities and irrevocable loan commitments as off-balance sheet transactions as far as no provisions have been established for them. The decision, whether the disclosure of the contingent liabilities and irrevocable loan commitments will be shown off-balance sheet or recognized as provisions is taken upon the result of the evaluation of the credit risk. Contingent liabilities and irrevocable loan commitments are also reduced by the amount of cash collateral received, which is recorded as liability on the balance sheet.

The risk of losses from claims under contingent liabilities is mitigated by the possibility to recourse towards the respective customer and hence is based predominantly on the credit risk of the customer.

The bank evaluates the risk of losses from claims under contingent liabilities and irrevocable credit commitments before irrevocably entering into an obligation within a credit risk assessment of the customer or using an assessment of the customer's expected compliance with the underlying obligation. Additionally the bank regularly assesses during the lifetime of the commitment whether losses are expected from claims under contingent liabilities and irrevocable loan commitments. In certain circumstances the bank requests the provision of collateral to reduce the risk of losses from claims. Loss amounts assessed within such evaluations are recorded on the balance sheet as provisions.

Contingent liabilities

In the normal course of business Deutsche Bank AG enters regularly into guarantees, letters of credit and credit liabilities on behalf of its customers. Under these contracts Deutsche Bank AG is required to make payments to the beneficiary based on third party's failure to meet its obligations or to perform under an obligation agreement. For such contingencies it is not known to the bank in detail, if, when and to which extend claims will be made. If the credit risk monitoring provides sufficient perception about a loss from an expected drawing, a provision is recognized.

The following table shows the total potential payments under guarantees, letters of credit and credit liabilities after deduction of cash collateral and provisions recorded on the balance sheet. It shows the maximum amount of the potential utilization of Deutsche Bank AG in case all obligations entered into must be fulfilled and at the same time all recourse claims to the customers are not satisfied. The table therefore does not show the expected future cash flows from these contracts as many of these agreements will expire without being drawn or drawings will counterbalanced by recourse to the customer.

in € m.	**Dec 31, 2016**	**Dec 31, 2015**
Guarantees	38,750	41,322
Letters of credit	4,263	5,248
Credit liabilities	7,576	7,956

Irrevocable loan commitments

Irrevocable loan commitments amounted to € 122.8 billion as of December 31, 2016 and included commitments of € 121.0 billion for loans and discounts in favor of non-banks.

Deutsche Bank AG enters into irrevocable loan commitments to meet the financing needs of its customers. Irrevocable loan commitments represent the undrawn portion of Deutsche Bank's obligation to grant loans which cannot be withdrawn by Deutsche Bank. These commitments are shown with the contractual amount after consideration of cash collateral received and provisions as recorded on the balance sheet. The amounts stated above do not represent expected future cash flows as many of these contracts will expire without being drawn. Even though the irrevocable loan commitments are not recognized on the balance sheet, Deutsche Bank AG considers them in monitoring the credit exposure. If the credit risk monitoring provides sufficient perception about a loss from an expected drawing, a provision is established.

Deutsche Bank AG is engaged in various business activities with certain entities, referred to as special purpose entities ("SPEs"), which are designed to achieve a specific business purpose. The principal uses of SPEs are to provide clients with access to specific portfolios of assets and risks and to provide market liquidity for clients through securitizing financial assets. Typically, Deutsche Bank AG will benefit by receiving service fees and commissions for the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. SPEs may be established as corporations, trusts or partnerships. While our involvement with these entities can take many different forms, it consists primarily of liquidity facilities, which are disclosed off balance sheet as irrevocable loan commitments within "other obligations" below the line of the balance sheet. Deutsche Bank AG provides financial support to SPEs in connection with commercial paper conduit programs, asset securitizations, mutual funds and real estate leasing funds. Such vehicles are critical to the functioning of several significant investor markets, including the mortgage-backed and other asset-backed securities markets, since they offer investors access to

specific cash flows and risks created through the securitization process. As of December 31, 2016, Deutsche Bank AG's exposure has not had a material impact on its debt covenants, capital ratios, credit ratings or dividends.

Sundry obligations

Purchase obligations are legally enforceable and binding agreements to purchase goods or services at pre-defined terms such as minimum quantities or prices. When Deutsche Bank AG enters into such agreements there is the potential risk that terms and conditions of the contract are less favorable than terms and conditions at the time the goods or services are delivered or that related costs are higher than the economic benefit received. In case of an anticipated loss, Deutsche Bank AG may set aside a provision for onerous contracts.

Purchase obligations for goods and services amount to € 2.1 billion as of December 31, 2016, which include future payments for, among others, services such as information technology and facility management.

Leases are contracts in which the owner of an asset (lessor) grants the right to use this asset to another party (lessee) for a specific period of time in return for regular payments. A leasing contract is classified as Operating Lease if the agreement includes a limited or unlimited right of termination for the lessee. All main risks and benefits linked with the ownership of the asset remain with the lessor, the lessor remains economic owner. Operating leases provide an alternative to ownership as they enable the lessee to benefit from not having its resources invested in the asset. Deutsche Bank AG's existing obligations arising from operating leases involve rental and leasing agreements for buildings, office furniture and equipment. The majority of these are leasing agreements for buildings, where Deutsche Bank AG is the lessee. As of December 31, 2016 payment obligations under rental agreements and leases amounted to € 2.0 billion (€ 159 million were related to subsidiaries) and had residual maturities of up to 20 years.

As of December 31, 2016, including awards granted in early March 2017, unamortized deferred variable compensation costs amount to approximately € 0.9 billion.

Liabilities for possible calls on not fully paid-up shares in public and private limited companies and other shares amounted to € 112 million at the end of 2016, of which € 15 million were related to a subsidiary and € 88 million were related to an associated entity.

Liabilities for possible calls on other shares totaled € 0.1 million at December 31, 2016.

Pursuant to Section 5 (10) of the Statute of the Deposit Protection Fund Deutsche Bank AG has undertaken to indemnify Bundesverband deutscher Banken e.V., Berlin, for any losses incurred through measures taken in favor of banks majority-held or controlled by Deutsche Bank AG.

Pursuant to Section 3 (1a) of the Statute of the Deposit Protection Fund for Banks' Building and Loan Associations, Deutsche Bank AG has also undertaken to indemnify Fachverband für Bank-Bausparkassen e.V. for any losses incurred through measures taken in favor of Deutsche Bank Bauspar AG, Frankfurt am Main.

Irrevocable payment commitments for to bank levy related to the Single Resolution Fund (SFR) and German statutory deposit protection amounted to € 229 million.

As part of the business activity of our foreign branches, collateral security of € 1.8 billion was required by statutory regulations.

Obligations arising from transactions on futures and options exchanges and towards clearing houses for which securities were pledged as collateral amounted to € 9.2 billion as of December 31, 2016.

There are contingent liabilities totaling € 24 million, which is mainly attributable to the resale of the trading company Klöckner & Co. AG, Duisburg.

Notes to the Income Statement

Income by geographical market

The total amount of interest income, of current income from equity shares and other variable-yield securities, participating interests and investments in affiliated companies, of commission income, of net trading result and of other operating income is originated across various regions as shown by the following breakdown pursuant to Section 34 (2) RechKredV.

in € m.	**2016**	**2015**
Germany	5,857	15,245
Europe excl. Germany	12,963	10,118
Americas	4,274	4,402
Africa/Asia/Australia	3,661	3,376
Total	**26,755**	**33,141**

The decrease of income in Germany is mainly attributable to the reduced trading result as well as lower dividends from affiliated companies. The increase of income in Europe excl. Germany is mainly attributable to an increased trading result.

Interest income and interest expenses

Interest income from lending and money market business included € 416 million of negative interest, i.e., interest expenses on receivables which were mainly related to receivables from banks and to trading assets. Interest expenses included € 290 million of negative interest, i.e., interest income on liabilities which was mainly related to liabilities to banks.

Administrative and agency services provided for third parties

The following administrative and agency services were provided for third parties: custody services, referral of mortgages, insurance policies and home savings contracts, administration of assets held in trust, and asset management.

Other operating income and expenses

Other operating income of € 3.3 billion mainly consists of the result from non-trading derivatives of € 1.3 billion, gains of € 557 million related to the merger of an affiliated company, income from defined benefit plans of € 274 million and income from currency translation regarding assets and liabilities, which amounted to € 126 million.

Other operating expenses of € 2.8 billion contain the result from non-trading derivatives of € 1.1 billion. Also included in other operating expenses are litigation expenses of € 906 million.

Extraordinary result

Extraordinary income of € 3.4 million relates to the reversal of restructuring provisions (2015: income of € 28.4 million related to the reversal of restructuring provisions). Extraordinary expenses of € 309.0 million reflect restructuring activities (2015: expenses of € 161.6 million).

Extraordinary income and expenses net to an extraordinary result of negative € 305.6 million (2015: negative € 133.2 million).

Information regarding amount blocked according to Sections 253 (6) and 268 (8) HGB

The following table presents the amounts pursuant to section 268 (8) HGB and for the first time the blocked item according to section 253 (6) HGB that should be considered for profit distribution. According to this rule which was enacted in 2016, the difference in the valuation of pension obligations based on average rates, either employing a ten year or a seven year period, has to be calculated. Please refer to our notes to the balance sheet, pensions and similar obligations. At Deutsche Bank AG the total distributable reserves after profit distribution plus the distributable profit are at least equal to the amounts to be considered. The individual positions include deferred tax liabilities, if applicable; therefore the amounts shown in the table may deviate from the corresponding balance sheet positions.

in € m.	Dec 31, 2016
Self-developed intangible assets	2,941
Deferred tax assets	2,607
Unrealized gains of plan assets	365
Valuation difference related to discounting of provisions for pension obligations	300
Total undistributable amount	**6,213**

Shareholdings

28 Companies, where the holding exceeds 20 %
42 Holdings in large corporations, where the holding exceeds 5 % of voting rights

The following pages show the Shareholdings of Deutsche Bank AG pursuant to Section 285 Number 11 HGB including information pursuant to Section 285 Number 11a HGB. Pursuant to Section 286 (3) Sentence 1 Number 1 HGB, Deutsche Bank AG does not disclose own funds and annual result of individual holdings to the extent that those disclosures are insignificant for the presentation of assets and liabilities, financial position, and results of operations of Deutsche Bank AG.

Footnotes:

1 Profit and loss transfer agreement, annual result is not disclosed.
2 Own funds and annual result of business year 2015; local GAAP figures for business year 2016 are not yet available.
3 Own funds and annual result of the subgroup. The following companies starting with a dash are part of the subgroup; their own funds and annual result are incorporated in the subgroup data.
4 Status as shareholder with unlimited liability pursuant to Section 285 Number 11a HGB.
5 General Partnership (Cayman Islands).
6 Consolidated financial statements in accordance with IFRS.

Companies, where the holding exceeds 20 %

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
1	ABATE Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
2	ABRI Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
3	AC VI Initiatoren GmbH & Co. KG	Munich		25.0		
4	Acacia (Luxembourg) S.à r.l.	Luxembourg		100.0		
5	Acamar Holding S.A.	Luxembourg		95.0		
6	Accounting Solutions Holding Company, Inc.	Wilmington		100.0		
7	ACHTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
8	ACHTUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
9	ACHTZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
10	ACIS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
11	ACTIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
12	Adara S.A.	Luxembourg		95.0		
13	ADEO Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
14	ADLAT Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
15	ADMANU Beteiligungsgesellschaft mbH	Duesseldorf		50.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
16	Agena S.A.	Luxembourg		95.0		
17	AGLOM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
18	AGUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
19	AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung	Frankfurt		26.9	213.0	16.0
20	ALANUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
21	Alfred Herrhausen Gesellschaft – Das internationale Forum der Deutschen Bank – mbH	Berlin		100.0		
22	ALMO Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
23	ALTA Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
24	Amber Investments S.à r.l.	Luxembourg		100.0		
25	ANDOT Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
26	APUR Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
27	Aqueduct Capital S.à r.l.	Luxembourg		100.0	10.6	(0.1)
28	Argantis GmbH i.L.	Cologne		50.0		
29	ATAUT Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
30	Atena SPV S.r.l	Conegliano		60.0		
31	Atrium 99. Europäische VV SE	Frankfurt		100.0		
32	AVOC Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
33	Baigo Capital Partners Fund 1 Parallel 1 GmbH & Co. KG	Bad Soden am Taunus		49.8	15.4	0.2
34	BAKTU Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
35	BAL Servicing Corporation	Wilmington		100.0		
36	BALIT Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
37	BAMAR Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
38	Bankers Trust International Limited (in members' voluntary liquidation)	London		100.0		
39	Bankers Trust Investments Limited	London		100.0		
40	BANKPOWER GmbH Personaldienstleistungen	Frankfurt		30.0	7.4	5.1
41	Banks Island General Partner Inc.	Toronto		50.0		
42	Bayan Delinquent Loan Recovery 1 (SPV-AMC), Inc.	Makati City		100.0		
43	Bebek Varlik Yönetym A.S.	Istanbul		100.0		
44	Belzen Pty. Limited	Sydney		100.0		
45	Benefit Trust GmbH	Luetzen		100.0	6963.4	487.1
46	Bestra Gesellschaft für Vermögensverwaltung mit beschränkter Haftung	Duesseldorf		49.0		
47	BFDB Tax Credit Fund 2011, Limited Partnership	New York		99.9		
48	BHS tabletop Aktiengesellschaft	Selb		28.9	33.6	2.1
49	BHW Invest, Société à responsabilité limitée	Luxembourg		100.0		
50	BIMES Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
51	Biomass Holdings S.à r.l.	Luxembourg		100.0		
52	Birch (Luxembourg) S.à r.l.	Luxembourg		100.0		
53	BLI Beteiligungsgesellschaft für Leasinginvestitionen mbH	Duesseldorf		33.2		
54	BLI Internationale Beteiligungsgesellschaft mbH	Duesseldorf		32.0		
55	Borfield Sociedad Anonima	Montevideo		100.0		
56	BRIMCO, S. de R.L. de C.V.	Mexico City		100.0		
57	BrisConnections Holding Trust	Kedron		35.6		
58	BrisConnections Investment Trust	Kedron		35.6		
59	BT Globenet Nominees Limited	London		100.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
60	BVT-CAM Private Equity Beteiligungs GmbH	Gruenwald		50.0		
61	BVT-CAM Private Equity Management & Beteiligungs GmbH	Gruenwald		50.0		
62	Cabarez S.A.	Luxembourg		95.0		
63	CAM Initiator Treuhand GmbH & Co. KG	Cologne		100.0		
64	CAM PE Verwaltungs GmbH & Co. KG	Cologne		100.0		
65	CAM Private Equity Nominee GmbH & Co. KG	Cologne		100.0		
66	CAM Private Equity Verwaltungs-GmbH	Cologne		100.0		
67	Cape Acquisition Corp.	Wilmington		100.0		
68	CapeSuccess Inc.	Wilmington		100.0		
69	CapeSuccess LLC	Wilmington		82.6		
70	Cardales Management Limited	St. Peter Port		100.0		
71	Cardales UK Limited	London		100.0	15.9	13.5
72	Career Blazers Consulting Services, Inc.	Albany		100.0		
73	Career Blazers Contingency Professionals, Inc.	Albany		100.0		
74	Career Blazers Learning Center of Los Angeles, Inc.	Los Angeles		100.0		
75	Career Blazers LLC	Wilmington		100.0		
76	Career Blazers Management Company, Inc.	Albany		100.0		
77	Career Blazers New York, Inc.	Albany		100.0		
78	Career Blazers of Ontario Inc.	London, Ontario		100.0		
79	Career Blazers Personnel Services of Washington, D.C., Inc.	Washington D.C.		100.0		
80	Career Blazers Personnel Services, Inc.	Albany		100.0		
81	Career Blazers Service Company, Inc.	Wilmington		100.0		
82	Cathay Advisory (Beijing) Co., Ltd.	Beijing		100.0		
83	Cathay Asset Management Company Limited	Port Louis		100.0		
84	Cathay Capital Company (No 2) Limited	Port Louis		67.6	260.7	121.0
85	CBI NY Training, Inc.	Albany		100.0		
86	Cedar (Luxembourg) S.à r.l.	Luxembourg		100.0		
87	Centennial River 1 Inc.	Denver		100.0		
88	Centennial River 2 Inc.	Austin		100.0		
89	Centennial River Acquisition I Corporation	Wilmington		100.0		
90	Centennial River Acquisition II Corporation	Wilmington		100.0		
91	Centennial River Corporation	Wilmington		100.0		
92	China Recovery Fund LLC	Wilmington		85.0	16.0	0.4
93	CITAN Beteiligungsgesellschaft mbH	Frankfurt	1	100.0	13.6	0.0
94	City Leasing (Thameside) Limited	London		100.0		
95	City Leasing Limited	London		100.0		
96	Comfund Consulting Limited	Bangalore		30.0		
97	Consumo Finance S.p.A.	Milan		100.0		
98	Craigs Investment Partners Limited	Tauranga		49.9	30.1	10.0
99	CREDA Objektanlage- und verwaltungsgesellschaft mbH	Bonn	1	100.0		
100	CTXL Achtzehnte Vermögensverwaltung GmbH i.L.	Munich		100.0		
101	D&M Turnaround Partners Godo Kaisha	Tokyo		100.0		
102	DAHOC (UK) Limited	London		100.0	57.5	(0.1)
103	DAHOC Beteiligungsgesellschaft mbH	Frankfurt		100.0	318.9	(0.1)
104	Danube Properties S.à r.l., en faillite	Luxembourg		25.0		
105	DB (Barbados) SRL	Christ Church		100.0		
106	DB (Malaysia) Nominee (Asing) Sdn. Bhd.	Kuala Lumpur		100.0		
107	DB (Malaysia) Nominee (Tempatan) Sdn. Bhd.	Kuala Lumpur		100.0		
108	DB Advisors SICAV	Luxembourg		96.4	8946.3	175.6

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
109	DB Alternative Strategies Limited	George Town		100.0		
110	DB Alternatives and Fund Solutions Shanghai Investment Company Ltd	Shanghai		100.0		
111	DB Aotearoa Investments Limited	George Town		100.0		
112	DB Apex (Luxembourg) S.à r.l.	Luxembourg		100.0		
113	DB Apex Management Limited	George Town		100.0		
114	DB Avila Ltd.	George Town		100.0		
115	DB Beteiligungs-Holding GmbH	Frankfurt	1	100.0	10002.8	0.0
116	DB Capital Investments Sàrl	Luxembourg		100.0	(83.1)	(295.4)
117	DB Capital Markets (Deutschland) GmbH	Frankfurt	1	100.0	2265.1	0.0
118	DB Capital Partners Asia G.P. Limited (in voluntary liquidation)	George Town		100.0		
119	DB Capital Partners General Partner Limited	London		100.0		
120	DB Capital Partners Latin America, G.P. Limited (in voluntary liquidation)	George Town		100.0		
121	DB Cartera de Inmuebles 1, S.A.U.	Pozuelo de Alarcón		100.0	9.6	(6.4)
122	DB Chambers Limited	George Town		100.0		
123	DB Chestnut Holdings Limited	George Town		100.0		
124	DB Consorzio S. Cons. a r. l.	Milan		100.0		
125	DB Corporate Advisory (Malaysia) Sdn. Bhd.	Kuala Lumpur		100.0		
126	DB Covered Bond S.r.l.	Conegliano		90.0		
127	DB Credit Investments S.à r.l.	Luxembourg		100.0	5.3	21.4
128	DB Delaware Holdings (Europe) Limited	George Town		100.0		
129	DB Direkt GmbH	Frankfurt	1	100.0		
130	DB Energy Commodities Limited	London		100.0	47.9	4.9
131	DB Enfield Infrastructure Holdings Limited	St. Helier	2	100.0	29.1	44.4
132	DB Enfield Infrastructure Investments Limited (in liquidation)	St. Helier	2	100.0	34.2	2.6
133	DB Equity Limited	London	2	100.0	34.0	(0.1)
134	DB Finance International GmbH	Eschborn		100.0		
135	DB Finanz-Holding GmbH	Frankfurt	1	100.0	8060.2	0.0
136	DB Global Technology SRL	Bucharest		100.0	15.7	6.6
137	DB Group Services (UK) Limited	London		100.0		
138	DB HR Solutions GmbH	Eschborn		100.0		
139	DB Hypernova LLC	Wilmington		100.0		
140	DB iCON Investments Limited (in members' voluntary liquidation)	London		100.0		
141	DB Immobilienfonds 2 GmbH & Co. KG	Frankfurt		74.0		
142	DB Impact Investment (GP) Limited	London		100.0		
143	DB Impact Investment Fund I, L.P.	Edinburgh		100.0		
144	DB Industrial Holdings Beteiligungs GmbH & Co. KG	Luetzen		100.0	1643.6	0.9
145	DB Industrial Holdings GmbH	Luetzen		100.0	1551.1	11.1
146	DB Infrastructure Holdings (UK) No.1 Limited	London	2	100.0	13.5	0.5
147	DB Infrastructure Holdings (UK) No.3 Limited	London	2	100.0	0.2	3.7
148	DB International (Asia) Limited	Singapore		100.0	438.3	(7.3)
149	DB International Investments Limited	London		100.0		
150	DB International Trust (Singapore) Limited	Singapore		100.0		
151	DB Investment Services GmbH	Frankfurt	1	100.0	46.0	0.0
152	DB Investments (GB) Limited	London	2	100.0	2014.5	(0.1)
153	DB London (Investor Services) Nominees Limited	London		100.0		
154	DB Management Support GmbH	Frankfurt		100.0		
155	DB Munico Ltd.	George Town		100.0	106.3	(3.1)

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
156	DB Nexus American Investments (UK) Limited	London		100.0		
157	DB Nexus Iberian Investments (UK) Limited	London		100.0		
158	DB Nexus Investments (UK) Limited	London		100.0		
159	DB Nominees (Hong Kong) Limited	Hong Kong		100.0		
160	DB Nominees (Singapore) Pte Ltd	Singapore		100.0		
161	DB Operaciones y Servicios Interactivos Agrupación de Interés Económico	Barcelona		99.9		
162	DB Overseas Holdings Limited	London	2	100.0	37.5	21.1
163	DB Petri LLC	Wilmington		100.0		
164	DB Print GmbH	Frankfurt	1	100.0		
165	DB Private Equity GmbH	Cologne		100.0	21.1	1.0
166	DB Private Equity International S.à r.l.	Luxembourg		100.0		
167	DB Private Equity Treuhand GmbH	Cologne		100.0		
168	DB PWM Private Markets I GP	Luxembourg		100.0		
169	DB RC Holdings, LLC	Wilmington		100.0		
170	DB Re S.A.	Luxembourg		100.0		
171	DB Real Estate Canadainvest 1 Inc.	Toronto		100.0		
172	DB Real Estate Global Opportunities IB (Offshore), L.P.	Camana Bay		34.6		
173	DB Safe Harbour Investment Projects Limited	London	2	100.0	14.0	0.0
174	DB Securities S.A.	Warsaw		100.0	7.6	(2.2)
175	DB Service Centre Limited	Dublin	2	100.0	10.1	1.5
176	DB Service Uruguay S.A.	Montevideo		100.0		
177	DB Servizi Amministrativi S.r.l.	Milan		100.0		
178	DB STG Lux 10 S.à r.l.	Luxembourg		100.0		
179	DB STG Lux 11 S.à r.l.	Luxembourg		100.0		
180	DB STG Lux 12 S.à r.l.	Luxembourg		100.0		
181	DB STG Lux 9 S.à r.l.	Luxembourg		100.0		
182	DB Strategic Advisors, Inc.	Makati City		100.0		
183	DB Trustee Services Limited	London		100.0		
184	DB Trustees (Hong Kong) Limited	Hong Kong		100.0		
185	DB UK Australia Finance Limited (in voluntary liquidation)	George Town		100.0		
186	DB UK Australia Holdings Limited (in members' voluntary liquidation)	London		100.0		
187	DB UK Bank Limited	London	2	100.0	786.3	(13.9)
188	DB UK Holdings Limited	London	2	100.0	409.2	128.4
189	DB UK PCAM Holdings Limited	London		100.0	50.5	(1.1)
190	DB USA Corporation (Sub-group)	Wilmington	3	100.0	9210.9	(360.1)
191	-ABFS I Incorporated	Baltimore		100.0		
192	-ABS Leasing Services Company	Chicago		100.0		
193	-ABS MB Ltd.	Baltimore		100.0		
194	-Alex. Brown Financial Services Incorporated	Baltimore		100.0		
195	-Alex. Brown Investments Incorporated	Baltimore		100.0		
196	-Americas Trust Servicios de Consultoria, S.A.	Madrid		100.0		
197	-Argent Incorporated	Baltimore		100.0		
198	-Axiom Shelter Island LLC	San Diego		100.0		
199	-Azurix AGOSBA S.R.L.	Buenos Aires		100.0		
200	-Azurix Argentina Holding, Inc.	Wilmington		100.0		
201	-Azurix Buenos Aires S.A. (en liquidacion)	Buenos Aires		100.0		
202	-Azurix Cono Sur, Inc.	Wilmington		100.0		
203	-Azurix Corp.	Wilmington		100.0		
204	-Azurix Latin America, Inc.	Wilmington		100.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
205	-B.T.I. Investments (in members' voluntary liquidation)	London		100.0		
206	-Bankers Trust International Finance (Jersey) Limited	St. Helier		100.0		
207	-Barkly Investments Ltd.	St. Helier		100.0		
208	-Blue Cork, Inc.	Wilmington		100.0		
209	-BT Commercial Corporation	Wilmington		100.0		
210	-BT Maulbronn GmbH	Eschborn		100.0		
211	-BT Milford (Cayman) Limited	George Town		100.0		
212	-BT Muritz GmbH	Eschborn		100.0		
213	-BT Vordertaunus Verwaltungs- und Beteiligungsgesellschaft mbH	Eschborn		100.0		
214	-BTAS Cayman GP	George Town		100.0		
215	-Charlton (Delaware), Inc.	Wilmington		100.0		
216	-Cyrus J. Lawrence Capital Holdings, Inc.	Wilmington		100.0		
217	-D.B. International Delaware, Inc.	Wilmington		100.0		
218	-Dawn-BV II LLC	Wilmington		100.0		
219	-Dawn-BV LLC	Wilmington		100.0		
220	-DB (Pacific) Limited	Wilmington		100.0		
221	-DB (Pacific) Limited, New York	New York		100.0		
222	-DB Abalone LLC	Wilmington		100.0		
223	-DB Alex. Brown Holdings Incorporated	Wilmington		100.0		
224	-DB Alps Corporation	Wilmington		100.0		
225	-DB Alternative Trading Inc.	Wilmington		100.0		
226	-DB Asia Pacific Holdings Limited	George Town		100.0		
227	-DB Aster II, LLC	Wilmington		100.0		
228	-DB Aster III, LLC	Wilmington		100.0		
229	-DB Aster, Inc.	Wilmington		100.0		
230	-DB Aster, LLC	Wilmington		100.0		
231	-DB Boracay LLC	Wilmington		100.0		
232	-DB Capital Partners, Inc.	Wilmington		100.0		
233	-DB Commodity Services LLC	Wilmington		100.0		
234	-DB Dawn, Inc.	Wilmington		100.0		
235	-DB Delaware Holdings (UK) Limited (in members' voluntary liquidation)	London		100.0		
236	-DB Elara LLC	Wilmington		100.0		
237	-DB Energy Trading LLC	Wilmington		100.0		
238	-DB Equipment Leasing, Inc.	New York		100.0		
239	-DB Finance (Delaware), LLC	Wilmington		100.0		
240	-DB Fund Services LLC	Wilmington		100.0		
241	-DB Funding LLC #5	Wilmington		100.0		
242	-DB Ganymede 2006 L.P.	Camana Bay		100.0		
243	-DB Global Technology, Inc.	Wilmington		100.0		
244	-DB Green Holdings Corp.	Wilmington		100.0		
245	-DB Green, Inc.	New York		100.0		
246	-DB Holdings (New York), Inc.	New York		100.0		
247	-DB Holdings (South America) Limited	Wilmington		100.0		
248	-DB Intermezzo LLC	Wilmington		100.0		
249	-DB Investment Managers, Inc.	Wilmington		100.0		
250	-DB Investment Partners, Inc.	Wilmington		100.0		
251	-DB Investment Resources (US) Corporation	Wilmington		100.0		
252	-DB Investment Resources Holdings Corp.	Wilmington		100.0		
253	-DB Io LP	Wilmington		100.0		
254	-DB IROC Leasing Corp.	New York		100.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
255	-DB Like-Kind Exchange Services Corp.	Wilmington		100.0		
256	-DB Litigation Fee LLC	Wilmington		100.0		
257	-DB Managers, LLC	West Trenton		100.0		
258	-DB Mortgage Investment Inc.	Baltimore		100.0		
259	-DB Omega BTV S.C.S.	Luxembourg		100.0		
260	-DB Omega Holdings LLC	Wilmington		100.0		
261	-DB Omega Ltd.	George Town		100.0		
262	-DB Omega S.C.S.	Luxembourg		100.0		
263	-DB Overseas Finance Delaware, Inc.	Wilmington		100.0		
264	-DB Portfolio Southwest, Inc.	Austin		100.0		
265	-DB Private Clients Corp.	Wilmington		100.0		
266	-DB Private Wealth Mortgage Ltd.	New York		100.0		
267	-DB RMS Leasing (Cayman) L.P.	George Town		100.0		
268	-DB Samay Finance No. 2, Inc.	Wilmington		100.0		
269	-DB Services Americas, Inc.	Wilmington		100.0		
270	-DB Services New Jersey, Inc.	West Trenton		100.0		
271	-DB Servicios México, Sociedad Anónima de Capital Variable	Mexico City		100.0		
272	-DB Structured Derivative Products, LLC	Wilmington		100.0		
273	-DB Structured Products, Inc.	Wilmington		100.0		
274	-DB U.S. Financial Markets Holding Corporation	Wilmington		100.0		
275	-DBAB Wall Street, LLC	Wilmington		100.0		
276	-DBAH Capital, LLC	Wilmington		100.0		
277	-DBFIC, Inc.	Wilmington		100.0		
278	-DBNZ Overseas Investments (No.1) Limited	George Town		100.0		
279	-DBUSBZ1, LLC	Wilmington		100.0		
280	-DBX Advisors LLC	Wilmington		100.0		
281	-DBX Strategic Advisors LLC	Wilmington		100.0		
282	-Deutsche AM Distributors, Inc.	Wilmington		100.0		
283	-Deutsche AM Service Company	Wilmington		100.0		
284	-Deutsche AM Trust Company	Salem		100.0		
285	-Deutsche Asia Pacific Finance, Inc.	Wilmington		100.0		
286	-Deutsche Asset Management USA Corporation	Wilmington		100.0		
287	-Deutsche Bank Americas Holding Corp.	Wilmington		100.0		
288	-Deutsche Bank Holdings, Inc.	Wilmington		100.0		
289	-Deutsche Bank Insurance Agency Incorporated	Baltimore		100.0		
290	-Deutsche Bank Insurance Agency of Delaware	Wilmington		100.0		
291	-Deutsche Bank National Trust Company	Los Angeles		100.0		
292	-Deutsche Bank Securities Inc.	Wilmington		100.0		
293	-Deutsche Bank Trust Company Americas	New York		100.0		
294	-Deutsche Bank Trust Company Delaware	Wilmington		100.0		
295	-Deutsche Bank Trust Company, National Association	New York		100.0		
296	-Deutsche Bank Trust Corporation	New York		100.0		
297	-Deutsche Cayman Ltd.	George Town		100.0		
298	-Deutsche International Corporate Services (Delaware) LLC	Wilmington		100.0		
299	-Deutsche Inversiones Limitada	Santiago		100.0		
300	-Deutsche Investment Management Americas Inc.	Wilmington		100.0		
301	-Deutsche Leasing New York Corp.	New York		100.0		
302	-Deutsche Master Funding Corporation	Wilmington		100.0		

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303	-Deutsche Mortgage & Asset Receiving Corporation	Wilmington		100.0		
304	-Deutsche Securities SpA	Santiago		100.0		
305	-DFC Residual Corp.	Carson City		100.0		
306	-Dusk LLC	Wilmington		100.0		
307	-ECT Holdings Corp.	Wilmington		100.0		
308	-G Finance Holding Corp.	Wilmington		100.0		
309	-GAC-HEL II, Inc.	Wilmington		100.0		
310	-GAC-HEL, Inc.	Wilmington		100.0		
311	-Gemini Technology Services Inc.	Wilmington		100.0		
312	-German American Capital Corporation	Baltimore		100.0		
313	-GWC-GAC Corp.	Wilmington		100.0		
314	-Hac Investments Ltd.	Wilmington		100.0		
315	-Kelsey Street LLC	Wilmington		100.0		
316	-Kingfisher Canada Holdings LLC	Wilmington		100.0		
317	-Kingfisher Holdings LLC	Wilmington		100.0		
318	-87 Leonard Development LLC	Wilmington		100.0		
319	-Long-Tail Risk Insurers, Ltd.	Hamilton		100.0		
320	-Manta Acquisition LLC	Wilmington		100.0		
321	-Manta Group LLC	Wilmington		100.0		
322	-MHL Reinsurance Ltd.	Burlington		100.0		
323	-MIT Holdings, Inc.	Baltimore		100.0		
324	-MortgageIT Securities Corp.	Wilmington		100.0		
325	-MortgageIT, Inc.	New York		100.0		
326	-NCKR, LLC	Wilmington		100.0		
327	-New 87 Leonard, LLC	Wilmington		100.0		
328	-North American Income Fund PLC	Dublin		67.3		
329	-North Las Vegas Property LLC	Wilmington		100.0		
330	-Operadora de Buenos Aires S.R.L.	Buenos Aires		100.0		
331	-PARTS Funding, LLC	Wilmington		100.0		
332	-PARTS Student Loan Trust 2007-CT 1	Wilmington		100.0		
333	-Pelleport Investors, Inc.	New York		100.0		
334	-Polydeuce LLC	Wilmington		100.0		
335	-Port Elizabeth Holdings LLC	Wilmington		100.0		
336	-Quantum 13 LLC	Wilmington		100.0		
337	-REO Properties Corporation	Wilmington		100.0		
338	-RoPro U.S. Holding, Inc.	Wilmington		100.0		
339	-Route 28 Receivables, LLC	Wilmington		100.0		
340	-RREEF America L.L.C.	Wilmington		100.0		
341	-RREEF Management L.L.C.	Wilmington		100.0		
342	-RREEF North American Infrastructure Fund A, L.P.	Wilmington		99.9		
343	-RREEF North American Infrastructure Fund B, L.P.	Wilmington		99.9		
344	-Sagamore Limited (in members' voluntary liquidation)	London		100.0		
345	-Sharps SP I LLC	Wilmington		100.0		
346	-Singer Island Tower Suite LLC	Wilmington		100.0		
347	-Structured Finance Americas, LLC	Wilmington		100.0		
348	-STTN, Inc.	Wilmington		100.0		
349	-World Trading (Delaware) Inc.	Wilmington		100.0		
350	-Zumirez Drive LLC	Wilmington		100.0		
351	DB Valoren S.à r.l.	Luxembourg		100.0	957.8	557.1

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
352	DB Value S.à r.l.	Luxembourg		100.0	57.4	9.2
353	DB Vanquish (UK) Limited (in members' voluntary liquidation)	London		100.0		
354	DB Vantage (UK) Limited (in members' voluntary liquidation)	London		100.0		
355	DB Vantage No.2 (UK) Limited (in members' voluntary liquidation)	London		100.0		
356	DB Vita S.A.	Luxembourg		75.0	22.9	1.8
357	db x-trackers (Proprietary) Limited	Johannesburg		100.0	4.2	2.6
358	DBCIBZ1	George Town		100.0	6.3	4.5
359	DBCIBZ2	George Town		100.0	6.3	4.5
360	DBG Eastern Europe II Limited Partnership	St. Helier		25.9	38.8	13.3
361	DBOI Global Services (UK) Limited	London	2	100.0	6.4	6.3
362	DBOI Global Services Private Limited	Mumbai		100.0	76.1	16.5
363	DBR Investments Co. Limited	George Town		100.0	(20.1)	18.7
364	DBRE Global Real Estate Management IA, Ltd.	George Town		100.0	12.6	(0.1)
365	DBRE Global Real Estate Management IB, Ltd.	George Town		100.0		
366	DBRE Global Real Estate Management US IA, L.L.C.	Wilmington		100.0		
367	DBRE Global Real Estate Management US IB, L.L.C.	Wilmington		100.0		
368	DBRMS4	George Town		100.0	577.9	3.9
369	DBRMSGP1	George Town	4, 5	100.0	368.4	2.5
370	DBRMSGP2	George Town	4, 5	100.0	209.5	1.4
371	DBUK PCAM Limited	London		100.0	(103.4)	(0.5)
372	DBUSBZ2, S.à r.l.	Luxembourg		100.0	6.4	4.5
373	DD Finansman Anonim Sirketi	Sisli		49.0	10.1	(2.8)
374	De Meng Innovative (Beijing) Consulting Company Limited	Beijing		100.0		
375	DeAM Infrastructure Limited	London		100.0		
376	DEBEKO Immobilien GmbH & Co Grundbesitz OHG	Eschborn	4	100.0	159.4	0.3
377	DEE Deutsche Erneuerbare Energien GmbH	Duesseldorf		100.0	18.9	7.4
378	Delowrezham de México S. de R.L. de C.V.	Mexico City		100.0	11.4	(0.3)
379	DEUFRAN Beteiligungs GmbH	Frankfurt		100.0	172.4	(0.1)
380	DEUKONA Versicherungs-Vermittlungs-GmbH	Frankfurt		100.0	4.4	3.4
381	Deutsche (Aotearoa) Capital Holdings New Zealand	Auckland		100.0		
382	Deutsche (Aotearoa) Foreign Investments New Zealand	Auckland		100.0		
383	Deutsche Aeolia Power Production Société Anonyme	Paiania		80.0		
384	Deutsche Alt-A Securities, Inc.	Wilmington		100.0		
385	Deutsche Alternative Asset Management (France) SAS	Paris		100.0		
386	Deutsche Alternative Asset Management (Global) Limited	London		100.0	54.8	13.7
387	Deutsche Alternative Asset Management (UK) Limited	London		100.0	71.5	(66.8)
388	Deutsche Asia Pacific Holdings Pte Ltd	Singapore		100.0	744.0	412.8
389	Deutsche Asset Management (Asia) Limited	Singapore		100.0	246.6	31.2
390	Deutsche Asset Management (Hong Kong) Limited	Hong Kong		100.0	25.9	2.8
391	Deutsche Asset Management (India) Private Limited	Mumbai		100.0	11.1	54.3
392	Deutsche Asset Management (Japan) Limited	Tokyo		100.0	58.0	19.6

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393	Deutsche Asset Management (Korea) Company Limited	Seoul	2	100.0	12.2	0.6
394	Deutsche Asset Management (UK) Limited	London		100.0	39.6	(7.2)
395	Deutsche Asset Management Group Limited	London		100.0	16.0	(6.8)
396	Deutsche Asset Management International GmbH	Frankfurt	1	100.0	44.5	0.0
397	Deutsche Asset Management Investment GmbH	Frankfurt	1	100.0	193.6	0.0
398	Deutsche Asset Management S.A.	Luxembourg		100.0	465.8	202.3
399	Deutsche Asset Management S.G.I.I.C., S.A.	Madrid		100.0		
400	Deutsche Australia Limited (Sub-group)	Sydney	2, 3	100.0	248.0	55.1
401	-Baincor Nominees Pty Limited	Sydney		100.0		
402	-Bainpro Nominees Pty Ltd	Sydney		100.0		
403	-BNA Nominees Pty Limited	Sydney		100.0		
404	-BTD Nominees Pty Limited	Sydney		100.0		
405	-Buxtal Pty. Limited	Sydney		100.0		
406	-Deutsche Capital Markets Australia Limited	Sydney		100.0		
407	-Deutsche Finance Co 1 Pty Limited	Sydney		100.0		
408	-Deutsche Finance Co 2 Pty Limited	Sydney		100.0		
409	-Deutsche Finance Co 3 Pty Limited	Sydney		100.0		
410	-Deutsche Finance Co 4 Pty Limited	Sydney		100.0		
411	-Deutsche Group Services Pty Limited	Sydney		100.0		
412	-Deutsche Investments Australia Limited	Sydney		100.0		
413	-Deutsche Managed Investments Limited	Sydney		100.0		
414	-Deutsche Securities Australia Limited	Sydney		100.0		
415	-Deutsche Securitisation Australia Pty Limited	Sydney		100.0		
416	-DNU Nominees Pty Limited	Sydney		100.0		
417	-DTS Nominees Pty Limited	Sydney		100.0		
418	-OPS Nominees Pty Limited	Sydney		100.0		
419	-Pan Australian Nominees Pty Ltd	Sydney		100.0		
420	-R.B.M. Nominees Pty Ltd	Sydney		100.0		
421	-RTS Nominees Pty Limited	Sydney		100.0		
422	Deutsche Bank (Cayman) Limited	George Town		100.0	54.1	1.3
423	Deutsche Bank (Chile)	Santiago		100.0		
424	Deutsche Bank (China) Co., Ltd.	Beijing		100.0	1228.4	91.9
425	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur		100.0	370.3	31.0
426	Deutsche Bank (Mauritius) Limited	Port Louis		100.0	36.0	4.6
427	Deutsche Bank (Perú) S.A.	Lima		100.0	45.2	(5.8)
428	Deutsche Bank (Suisse) SA	Geneva		100.0	650.5	5.5
429	Deutsche Bank (Uruguay) Sociedad Anónima Institución Financiera Externa	Montevideo		100.0		
430	DEUTSCHE BANK A.S.	Istanbul		100.0	138.2	18.6
431	Deutsche Bank Bauspar-Aktiengesellschaft	Frankfurt		100.0	513.5	62.5
432	Deutsche Bank Capital Finance LLC I	Wilmington		100.0	300.0	0.0
433	Deutsche Bank Capital LLC I	Wilmington		100.0	300.9	0.0
434	Deutsche Bank Contingent Capital LLC II	Wilmington		100.0	757.0	0.0
435	Deutsche Bank Contingent Capital LLC III	Wilmington		100.0	1868.9	0.0
436	Deutsche Bank Contingent Capital LLC IV	Wilmington		100.0	1000.0	0.0
437	Deutsche Bank Contingent Capital LLC V	Wilmington		100.0	1310.6	0.0
438	Deutsche Bank Corretora de Valores S.A.	Sao Paulo		100.0	60.4	2.3
439	Deutsche Bank Europe GmbH	Frankfurt	1	100.0	10.0	0.0
440	Deutsche Bank Financial Company	George Town		100.0	56.3	(4.4)
441	Deutsche Bank Financial Inc.	Wilmington		100.0		

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442	Deutsche Bank International Limited	St. Helier		100.0	176.9	2.9
443	Deutsche Bank International Trust Co. (Cayman) Limited	George Town		100.0		
444	Deutsche Bank International Trust Co. Limited	St. Peter Port		100.0		
445	Deutsche Bank Investments (Guernsey) Limited	St. Peter Port		100.0	0.7	(6.4)
446	Deutsche Bank Luxembourg S.A.	Luxembourg		100.0	5948.2	1067.3
447	Deutsche Bank Mutui S.p.A.	Milan		100.0	41.1	(10.4)
448	Deutsche Bank México, S.A., Institución de Banca Múltiple	Mexico City		100.0	178.9	7.6
449	Deutsche Bank Nominees (Jersey) Limited	St. Helier		100.0		
450	Deutsche Bank Polska Spólka Akcyjna	Warsaw		100.0	948.6	22.6
451	Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft	Frankfurt	1	100.0	2666.3	0.0
452	Deutsche Bank Representative Office Nigeria Limited	Lagos		100.0		
453	Deutsche Bank S.A.	Buenos Aires		100.0	58.6	22.8
454	Deutsche Bank S.A. – Banco Alemão	Sao Paulo		100.0	452.3	(23.4)
455	Deutsche Bank Securities Limited	Toronto		100.0	98.1	(0.4)
456	Deutsche Bank Services (Jersey) Limited	St. Helier		100.0		
457	Deutsche Bank Società per Azioni	Milan		99.9	1597.2	11.6
458	Deutsche Bank Trustee Services (Guernsey) Limited	St. Peter Port		100.0		
459	Deutsche Bank Österreich AG	Vienna		100.0	20.6	(3.1)
460	Deutsche Bank, Sociedad Anónima Española	Madrid		99.8	1211.9	5.7
461	Deutsche Capital Finance (2000) Limited	George Town		100.0		
462	Deutsche Capital Hong Kong Limited	Hong Kong		100.0	15.4	1.9
463	Deutsche Capital Partners China Limited	George Town		100.0		
464	Deutsche CIB Centre Private Limited	Mumbai		100.0	47.5	8.9
465	Deutsche Colombia S.A.S.	Bogotá		100.0		
466	Deutsche Commodities Trading Co., Ltd.	Shanghai		100.0		
467	Deutsche Custody N.V.	Amsterdam		100.0		
468	Deutsche Emerging Markets Investments (Netherlands) B.V.	Amsterdam		99.9		
469	Deutsche Equities India Private Limited	Mumbai		100.0	33.8	15.1
470	Deutsche Far Eastern Asset Management Company Limited	Taipei		60.0		
471	Deutsche Fiduciary Services (Suisse) SA	Geneva		100.0		
472	Deutsche Finance No. 2 (UK) Limited (in members' voluntary liquidation)	London		100.0		
473	Deutsche Finance No. 2 Limited	George Town		100.0	15.9	(71.9)
474	Deutsche Financial Capital I Corp.	Greensboro		50.0		
475	Deutsche Financial Capital Limited Liability Company	Greensboro		50.0		
476	Deutsche Futures Singapore Pte Ltd	Singapore		100.0	18.4	(2.2)
477	Deutsche Gesellschaft für Immobilien-Leasing mit beschränkter Haftung	Duesseldorf		100.0		
478	Deutsche Global Markets Limited	Tel Aviv		100.0	81.0	0.0
479	Deutsche Group Holdings (SA) Proprietary Limited	Johannesburg		100.0	87.5	16.1
480	Deutsche Grundbesitz Beteiligungsgesellschaft mbH	Eschborn		100.0		
481	Deutsche Grundbesitz-Anlagegesellschaft mit beschränkter Haftung	Frankfurt	1	99.8		
482	Deutsche Gulf Finance	Riyadh	6	29.1	124.7	3.9
483	Deutsche Haussmann S.à r.l.	Luxembourg		100.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
484	Deutsche Holdings (BTI) Limited	London		100.0		
485	Deutsche Holdings (Luxembourg) S.à r.l.	Luxembourg		100.0	2697.4	132.2
486	Deutsche Holdings (Malta) Ltd.	Floriana		100.0	583.2	39.6
487	Deutsche Holdings (SA) (Proprietary) Limited	Johannesburg		100.0		
488	Deutsche Holdings Limited	London	2	100.0	1771.2	6.7
489	Deutsche Holdings No. 2 Limited	London	2	100.0	167.5	15.3
490	Deutsche Holdings No. 3 Limited	London	2	100.0	6.7	11.1
491	Deutsche Holdings No. 4 Limited	London		100.0	1081.9	(76.9)
492	Deutsche Immobilien Leasing GmbH	Duesseldorf	1	100.0	26.5	0.0
493	Deutsche India Holdings Private Limited	Mumbai		100.0	65.1	89.6
494	Deutsche International Corporate Services (Ireland) Limited	Dublin		100.0	23.3	3.4
495	Deutsche International Corporate Services Limited	St. Helier		100.0		
496	Deutsche International Custodial Services Limited	St. Helier		100.0		
497	Deutsche International Finance (Ireland) Limited	Dublin		100.0		
498	Deutsche International Trust Company N.V.	Amsterdam		100.0	15.6	0.8
499	Deutsche International Trust Corporation (Mauritius) Limited	Port Louis		100.0		
500	Deutsche Inversiones Dos S.A.	Santiago		100.0		
501	Deutsche Investments (Netherlands) N.V.	Amsterdam		100.0		
502	Deutsche Investments India Private Limited	Mumbai		100.0	118.6	7.4
503	Deutsche Investor Services Private Limited	Mumbai		100.0		
504	Deutsche IT License GmbH	Eschborn	1	100.0		
505	Deutsche Knowledge Services Pte. Ltd.	Singapore		100.0	49.0	(8.4)
506	Deutsche Malta Company Ltd	Floriana		100.0	525.6	5.6
507	Deutsche Mandatos S.A.	Buenos Aires		100.0		
508	Deutsche Mexico Holdings S.à r.l.	Luxembourg		100.0	279.0	0.0
509	Deutsche Morgan Grenfell Group Public Limited Company	London	2	100.0	957.5	(10.8)
510	Deutsche Mortgage Securities, Inc.	Wilmington		100.0		
511	Deutsche Nederland N.V.	Amsterdam		100.0		
512	Deutsche New Zealand Limited (Sub-group)	Auckland	3	100.0	67.8	27.2
513	-Deutsche (New Munster) Holdings New Zealand Limited	Auckland		100.0		
514	-Deutsche Domus New Zealand Limited	Auckland		100.0		
515	-Deutsche Foras New Zealand Limited	Auckland		100.0		
516	-Deutsche Overseas Issuance New Zealand Limited	Auckland		100.0		
517	-Deutsche Securities New Zealand Limited	Auckland		100.0		
518	-Kingfisher Nominees Limited	Auckland		100.0		
519	-LWC Nominees Limited	Auckland		100.0		
520	Deutsche Nominees Limited	London		100.0		
521	Deutsche Oppenheim Family Office AG	Grasbrunn	1	100.0		
522	Deutsche Postbank AG (Sub-group)	Bonn	2, 3, 6	100.0	7158.0	608.0
523	-Betriebs-Center für Banken AG	Frankfurt		100.0		
524	-BHW – Gesellschaft für Wohnungswirtschaft mbH	Hameln	1	100.0		
525	-BHW Bausparkasse Aktiengesellschaft	Hameln		100.0		
526	-BHW Gesellschaft für Vorsorge mbH	Hameln	1	100.0		
527	-BHW Holding AG	Hameln	1	100.0		
528	-BHW Kreditservice GmbH	Hameln		100.0		
529	-Deutsche Postbank Finance Center Objekt GmbH	Schuettringen		100.0		

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530	-Deutsche Postbank Funding LLC I	Wilmington		100.0		
531	-Deutsche Postbank Funding LLC II	Wilmington		100.0		
532	-Deutsche Postbank Funding LLC III	Wilmington		100.0		
533	-Deutsche Postbank Funding LLC IV	Wilmington		100.0		
534	-DSL Portfolio GmbH & Co. KG	Bonn		100.0		
535	-DSL Portfolio Verwaltungs GmbH	Bonn		100.0		
536	-PB Factoring GmbH	Bonn	1	100.0		
537	-PB Firmenkunden AG	Bonn	1	100.0		
538	-PB International S.A.	Schuettringen		100.0		
539	-PB Spezial-Investmentaktiengesellschaft mit Teilgesellschaftsvermögen	Bonn		98.4		
540	-Postbank Beteiligungen GmbH	Bonn	1	100.0		
541	-Postbank Direkt GmbH	Bonn		100.0		
542	-Postbank Filialvertrieb AG	Bonn	1	100.0		
543	-Postbank Finanzberatung AG	Hameln		100.0		
544	-Postbank Immobilien GmbH	Hameln	1	100.0		
545	-Postbank Immobilien und Baumanagement GmbH	Bonn	1	100.0		
546	-Postbank Immobilien und Baumanagement GmbH & Co. Objekt Leipzig KG	Bonn		90.0		
547	-Postbank Leasing GmbH	Bonn	1	100.0		
548	-Postbank Service GmbH	Essen		100.0		
549	-Postbank Systems AG	Bonn	1	100.0		
550	-VÖB-ZVD Processing GmbH	Frankfurt		100.0		
551	Deutsche Private Asset Management Limited	London		100.0		
552	Deutsche Regis Partners Inc	Makati City		49.0	13.9	6.2
553	Deutsche River Investment Management Company S.à r.l.	Luxembourg		49.0		
554	Deutsche Securities (India) Private Limited	New Delhi		100.0		
555	Deutsche Securities (Proprietary) Limited	Johannesburg		100.0	40.2	14.2
556	Deutsche Securities (SA) (Proprietary) Limited	Johannesburg		100.0	1.8	2.2
557	Deutsche Securities Asia Limited	Hong Kong		100.0	295.3	13.1
558	Deutsche Securities Inc.	Tokyo		100.0	1023.7	109.9
559	Deutsche Securities Israel Ltd.	Tel Aviv		100.0	10.1	(0.5)
560	Deutsche Securities Korea Co.	Seoul		100.0	243.3	2.2
561	Deutsche Securities Mauritius Limited	Port Louis		100.0		
562	Deutsche Securities Menkul Degerler A.S.	Istanbul		100.0		
563	Deutsche Securities S.A.	Buenos Aires		100.0		
564	Deutsche Securities Saudi Arabia LLC	Riyadh		100.0	127.3	(9.3)
565	Deutsche Securities Venezuela S.A.	Caracas		100.0		
566	Deutsche Securities, S.A. de C.V., Casa de Bolsa	Mexico City		100.0	74.1	(0.2)
567	Deutsche Services Polska Sp. z o.o.	Warsaw		100.0		
568	Deutsche StiftungsTrust GmbH	Frankfurt	1	100.0		
569	Deutsche Strategic Investment Holdings Yugen Kaisha	Tokyo		100.0		
570	Deutsche TISCO Investment Advisory Company Limited	Bangkok		49.0		
571	Deutsche Transnational Trustee Corporation Inc	Charlottetown		100.0		
572	Deutsche Trust Company Limited Japan	Tokyo		100.0		
573	Deutsche Trustee Company Limited	London		100.0	28.2	4.6
574	Deutsche Trustee Services (India) Private Limited	Mumbai		100.0		
575	Deutsche Trustees Malaysia Berhad	Kuala Lumpur		100.0		

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576	Deutsche Zurich Pensiones Entidad Gestora de Fondos de Pensiones, S.A.	Barcelona		50.0		
577	Deutscher Pensionsfonds Aktiengesellschaft	Bonn		25.1		
578	Deutsches Institut für Altersvorsorge GmbH	Frankfurt		78.0		
579	Deutz-Mülheim Grundstücksgesellschaft mbH	Duesseldorf		40.2		
580	DG China Clean Tech Partners	Tianjin		49.9		
581	DI Deutsche Immobilien Baugesellschaft mbH	Frankfurt		100.0		
582	DI Deutsche Immobilien Treuhandgesellschaft mbH	Frankfurt	1	100.0		
583	DIB-Consult Deutsche Immobilien- und Beteiligungs-Beratungsgesellschaft mbH i.L.	Duesseldorf		100.0		
584	DIL Financial Services GmbH & Co. KG	Duesseldorf		100.0		
585	DIL Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		100.0		
586	DIL Internationale Leasinggesellschaft mbH	Duesseldorf		50.0		
587	DISCA Beteiligungsgesellschaft mbH	Duesseldorf	1	100.0		
588	Domus Beteiligungsgesellschaft der Privaten Bausparkassen mbH	Berlin		21.1		
589	DONARUM Holding GmbH	Duesseldorf		50.0		
590	Donlen Exchange Services Inc.	Boston		100.0		
591	Drehscheibe Bochum GmbH & Co. KG	Frankfurt		100.0		
592	DREIUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
593	DREIZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
594	DRITTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
595	DRITTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
596	Durian (Luxembourg) S.à r.l.	Luxembourg		100.0		
597	DWS Holding & Service GmbH	Frankfurt	1	99.2	336.4	0.0
598	EC EUROPA IMMOBILIEN FONDS NR. 3 GmbH & CO. KG i.I.	Hamburg		65.2		
599	EINUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
600	Elba Finance GmbH	Eschborn		100.0		
601	Elbe Properties S.à r.l.	Luxembourg		25.0		
602	ELC Logistik-Centrum Verwaltungs-GmbH	Erfurt		50.0		
603	ELFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
604	Elizabethan Holdings Limited	George Town		100.0		
605	Elizabethan Management Limited	George Town		100.0		
606	Elmo Funding GmbH	Eschborn	1	100.0	10.3	0.0
607	Elmo Leasing Vierzehnte GmbH	Eschborn	1	100.0		
608	Emerald Asset Repackaging Designated Activity Company	Dublin		100.0		
609	EOL2 Holding B.V.	Amsterdam		45.0		
610	eolec	Issy-les-Moulineaux		33.3		
611	equiNotes Management GmbH	Duesseldorf		50.0		
612	Erste Frankfurter Hoist GmbH	Eschborn		100.0		
613	European Value Added I (Alternate G.P.) LLP	London		100.0		
614	EVROENERGIAKI S.A.	Athens		40.0		
615	Exinor SA (dissolution volontaire)	Bastogne		100.0		
616	EXTOREL Private Equity Advisers GmbH i.L.	Cologne		100.0		
617	FARAMIR Beteiligungs- und Verwaltungs GmbH	Cologne		100.0		

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618	Farezco I, S. de R.L. de C.V.	Mexico City		100.0		
619	Farezco II, S. de R.L. de C.V.	Mexico City		100.0		
620	Fenix Administración de Activos S. de R.L. de C.V.	Mexico City		100.0		
621	Fiduciaria Sant' Andrea S.r.L.	Milan		100.0		
622	Finanza & Futuro Banca SpA	Milan		100.0	34.8	10.6
623	FRANKFURT CONSULT GmbH	Frankfurt	1	100.0		
624	Franz Urbig- und Oscar Schlitter-Stiftung Gesellschaft mit beschränkter Haftung	Frankfurt		100.0		
625	FÜNFTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
626	FÜNFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
627	Fünfte SAB Treuhand und Verwaltung GmbH & Co. "Leipzig-Magdeburg" KG	Bad Homburg		41.2		
628	Fünfte SAB Treuhand und Verwaltung GmbH & Co. Dresden "Louisenstraße" KG	Bad Homburg		30.6		
629	Fünfte SAB Treuhand und Verwaltung GmbH & Co. Suhl "Rimbachzentrum" KG	Bad Homburg		74.9		
630	FÜNFUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
631	FÜNFZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
632	German Public Sector Finance B.V.	Amsterdam		50.0		
633	Gesellschaft für Kreditsicherung mit beschränkter Haftung	Berlin		36.7		
634	giropay GmbH	Frankfurt		33.3		
635	Glor Music Production GmbH & Co. KG	Valley-Oberlaindern		21.2		
636	Gordian Knot Limited	London		32.4		
637	Graphite Resources (Knightsbridge) Limited	London		45.0		
638	Graphite Resources Holdings Limited	London		70.0		
639	Great Future International Limited	Road Town		43.0		
640	Grundstücksgesellschaft Frankfurt Bockenheimer Landstraße GbR	Troisdorf		94.9		
641	Grundstücksgesellschaft Köln-Ossendorf VI GbR	Troisdorf		44.9		
642	Grundstücksgesellschaft Köln-Ossendorf VI mbH	Cologne		100.0		
643	Grundstücksgesellschaft Leipzig Petersstraße GbR	Troisdorf	2	36.1	94.0	(5.5)
644	Grundstücksgesellschaft Wiesbaden Luisenstraße/Kirchgasse GbR	Troisdorf		64.7	131.3	(17.2)
645	Grundstücksvermietungsgesellschaft Wilhelmstr. mbH i.L.	Gruenwald		100.0		
646	Hakkeijima Godo Kaisha	Tokyo		95.0		
647	Harvest Fund Management Co., Ltd.	Shanghai		30.0	478.3	140.1
648	Herengracht Financial Services B.V.	Amsterdam		100.0		
649	Hertz Car Exchange Inc.	Wilmington		100.0		
650	HTB Spezial GmbH & Co. KG	Cologne		100.0		
651	Huarong Rongde Asset Management Company Limited	Beijing		40.7	858.7	146.6
652	IKARIA Beteiligungs- und Verwaltungsgesellschaft mbH	Cologne		100.0		
653	ILV Immobilien-Leasing Verwaltungsgesellschaft Düsseldorf mbH	Duesseldorf		50.0		
654	Immobilien-Vermietungsgesellschaft Schumacher GmbH & Co. Objekt Rolandufer KG	Berlin		20.5		

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655	Immobilienfonds Büro-Center Erfurt am Flughafen Bindersleben II GbR	Troisdorf		50.0		
656	Inn Properties S.à r.l., en faillite	Luxembourg		25.0		
657	Intermodal Finance I Ltd.	George Town		49.0	3.0	(12.9)
658	IOG Denali Upton, LLC	Dover		23.0		
659	IOG NOD I, LLC	Dover		22.5		
660	IOS Finance E F C S.A.	Barcelona		100.0	52.3	7.6
661	Isaac Newton S.A.	Luxembourg		95.0	0.0	9.6
662	Isar Properties S.à r.l., en faillite	Luxembourg		25.0		
663	ISTRON Beteiligungs- und Verwaltungs-GmbH	Cologne		100.0		
664	IVAF I Manager, S.à r.l.	Luxembourg		100.0		
665	IZI Düsseldorf Informations-Zentrum Immobilien Gesellschaft mit beschränkter Haftung	Duesseldorf		21.1		
666	IZI Düsseldorf Informations-Zentrum Immobilien GmbH & Co. Kommanditgesellschaft	Duesseldorf		21.6		
667	J R Nominees (Pty) Ltd	Johannesburg		100.0		
668	Jyogashima Godo Kaisha	Tokyo		100.0		
669	KEBA Gesellschaft für interne Services mbH	Frankfurt	1	100.0		
670	Kenanga Deutsche Futures Sdn Bhd	Kuala Lumpur		27.0		
671	Kidson Pte Ltd	Singapore		100.0	32.7	0.0
672	Kinneil Leasing Company	London		35.0		
673	KOMPASS 3 Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
674	KOMPASS 3 Erste Beteiligungsgesellschaft mbH & Co. Euro KG i.L.	Duesseldorf		96.1		
675	KOMPASS 3 Zweite Beteiligungsgesellschaft mbH & Co. USD KG i.L.	Duesseldorf		97.0		
676	Konsul Inkasso GmbH	Essen	1	100.0		
677	Kradavimd UK Lease Holdings Limited	London		100.0		
678	KVD Singapore Pte. Ltd.	Singapore		30.0		
679	KölnArena Beteiligungsgesellschaft mbH i.L.	Cologne		20.8		
680	LA Water Holdings Limited	George Town		75.0	7.3	2.8
681	Lammermuir Leasing Limited (in members' voluntary liquidation)	London		100.0		
682	LAWL Pte. Ltd.	Singapore		100.0	21.5	3.7
683	Leasing Verwaltungsgesellschaft Waltersdorf mbH	Schoenefeld		100.0		
684	Leo Consumo 2 S.r.l.	Conegliano		70.0		
685	Leonardo III Initial GP Limited	London		100.0		
686	Lindsell Finance Limited	St. Julian's		100.0		
687	London Industrial Leasing Limited	London		100.0		
688	M Cap Finance Mittelstandsfonds GmbH & Co. KG	Frankfurt		77.1	103.7	10.2
689	MAC Investments Ltd. (in voluntary liquidation)	George Town		100.0		
690	Macondo Spain SL	Madrid		100.0		
691	Maestrale Projects (Holding) S.A.	Luxembourg		49.7		
692	Magalhaes S.A.	Luxembourg		95.0		
693	Maher Terminals Holdings (Toronto) Limited	Vancouver		100.0	281.1	0.6
694	Manuseamento de Cargas – Manicargas, S.A.	Matosinhos		38.3	13.7	2.9
695	Mars Investment Trust II	New York		100.0		
696	Mars Investment Trust III	New York		100.0		
697	Maxblue Americas Holdings, S.A.	Madrid		100.0		
698	MCT Südafrika 3 GmbH & Co. KG	Hamburg		35.3		
699	MEF I Manager, S. à r.l.	Luxembourg		100.0		

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700	MEFIS Beteiligungsgesellschaft mbH	Frankfurt		62.0		
701	Memax Pty. Limited	Sydney		100.0		
702	Metro plus Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		40.0		
703	MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. BETA KG i.L.	Gruenwald		29.6		
704	Midsel Limited	London		100.0		
705	Mira GmbH & Co. KG	Frankfurt		100.0		
706	Moon Leasing Limited	London		100.0		
707	Mortgage Trading (UK) Limited (in members' voluntary liquidation)	London		100.0		
708	Motion Picture Productions One GmbH & Co. KG	Frankfurt		100.0		
709	Mountaintop Energy Holdings LLC	Wilmington		38.7		
710	MPP Beteiligungsgesellschaft mbH	Frankfurt		100.0		
711	MT "CAPE BEALE" Tankschiffahrts GmbH & Co. KG	Hamburg		22.3		
712	MT "KING EDWARD" Tankschiffahrts GmbH & Co. KG	Hamburg		25.6		
713	MT "KING ERIC" Tankschiffahrts GmbH & Co. KG	Hamburg		25.6		
714	Navegator – SGFTC, S.A.	Lisbon		100.0		
715	NBG Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
716	NCW Holding Inc.	Vancouver		100.0		
717	NEPTUNO Verwaltungs- und Treuhand-Gesellschaft mit beschränkter Haftung	Cologne	1	100.0		
718	NEUNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
719	NEUNZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
720	Nevada Mezz 1 LLC	Wilmington		100.0		
721	Nevada Parent 1 LLC	Wilmington		100.0	(64.4)	0.0
722	New Energy Biomasse Hellas GmbH i.L.	Duesseldorf		50.0		
723	Nexus Infrastruktur Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
724	Nineco Leasing Limited	London		100.0		
725	NOFA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
726	Nordwestdeutscher Wohnungsbauträger Gesellschaft mit beschränkter Haftung	Frankfurt	1	100.0	55.2	0.0
727	norisbank GmbH	Bonn	1	100.0	433.9	0.0
728	Nortfol Pty. Limited	Sydney		100.0		
729	North Coast Wind Energy Corp.	Vancouver		96.7		
730	NV Profit Share Limited	George Town		42.9		
731	Oder Properties S.à r.l., en faillite	Luxembourg		25.0		
732	OOO "Deutsche Bank TechCentre"	Moscow		100.0	25.2	22.8
733	OOO "Deutsche Bank"	Moscow		100.0	233.3	33.3
734	Opal Funds (Ireland) Public Limited Company	Dublin		100.0		
735	OPB Verwaltungs- und Beteiligungs-GmbH	Cologne		100.0		
736	OPB Verwaltungs- und Treuhand GmbH	Cologne		100.0		
737	OPB-Holding GmbH	Cologne		100.0		
738	OPB-Nona GmbH	Frankfurt		100.0		
739	OPB-Oktava GmbH	Cologne		100.0		
740	OPB-Quarta GmbH	Cologne		100.0		

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741	OPB-Quinta GmbH	Cologne		100.0		
742	OPB-Septima GmbH	Cologne		100.0		
743	Oppenheim Asset Management Services S.à r.l.	Luxembourg		100.0		
744	OPPENHEIM Buy Out GmbH & Co. KG i.L.	Cologne		27.7		
745	OPPENHEIM Capital Advisory GmbH	Cologne		100.0		
746	Oppenheim Eunomia GmbH	Cologne		100.0		
747	OPPENHEIM Flottenfonds V GmbH & Co. KG	Cologne		83.3		
748	Oppenheim Fonds Trust GmbH	Cologne	1	100.0		
749	OPPENHEIM PRIVATE EQUITY Manager GmbH	Cologne		100.0		
750	OPPENHEIM PRIVATE EQUITY Verwaltungsgesellschaft mbH	Cologne		100.0		
751	OVT Trust 1 GmbH	Cologne	1	100.0		
752	OVV Beteiligungs GmbH	Cologne		100.0		
753	P.F.A.B. Passage Frankfurter Allee Betriebsgesellschaft mbH	Berlin		22.2		
754	PADEM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
755	PADUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
756	PAGUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
757	PALDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
758	PANIS Grundstücks-Vermietungsgesellschaft mbH i.l.	Duesseldorf		50.0		
759	PANTUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
760	Parkhaus an der Börse GbR	Cologne		37.7		
761	PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
762	PBC Banking Services GmbH	Frankfurt	1	100.0	120.0	0.0
763	PCC Services GmbH der Deutschen Bank	Essen	1	100.0		
764	PEDIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
765	PEDUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
766	PENDIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
767	PENTUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
768	PERGOS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
769	PERGUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
770	PERILLA Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
771	PERLIT Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
772	PERLU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
773	PERNIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
774	Peruda Leasing Limited	London	2	100.0	(92.3)	(6.3)
775	PERXIS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
776	PETA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
777	Philippine Opportunities for Growth and Income (SPV-AMC), INC.	Manila		95.0	21.7	0.3
778	Plantation Bay, Inc.	St. Thomas		100.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
779	PONTUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
780	Postbank Akademie und Service GmbH	Hameln		100.0		
781	PPCenter, Inc.	Wilmington		100.0		
782	PRADUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
783	PRASEM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
784	PRATES Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
785	PRISON Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
786	Private Equity Asia Select Company III S.à r.l.	Luxembourg		100.0		
787	Private Equity Global Select Company IV S.à r.l.	Luxembourg		100.0		
788	Private Equity Global Select Company V S.à r.l.	Luxembourg		100.0		
789	Private Equity Invest Beteiligungs GmbH	Duesseldorf		50.0		
790	Private Equity Life Sciences Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
791	Private Equity Select Company S.à r.l.	Luxembourg		100.0		
792	Private Financing Initiatives, S.L.	Barcelona		51.0	3.1	8.5
793	PS plus Portfolio Software + Consulting GmbH	Roedermark		80.2		
794	PT Deutsche Securities Indonesia	Jakarta		99.0	22.6	3.3
795	PT. Deutsche Verdhana Indonesia	Jakarta		40.0		
796	PTL Fleet Sales, Inc.	Wilmington		100.0		
797	Public joint-stock company "Deutsche Bank DBU"	Kiev		100.0	12.4	3.9
798	PUDU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
799	PUKU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
800	PURIM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
801	QI Exchange, LLC	Wilmington		100.0		
802	QUANTIS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
803	QUELLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
804	QUOTAS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
805	Raymond James New York Housing Opportunities Fund I-A L.L.C.	New York		33.0	15.0	(1.2)
806	Raymond James New York Housing Opportunities Fund I-B L.L.C.	New York		33.3	33.1	(2.4)
807	Raymond James New York Upstate Housing Opportunities Fund I L.L.C.	New York		24.9		
808	Real Estate Secondary Opportunities Fund, LP	London		100.0		
809	Reference Capital Investments Limited	London		100.0		
810	Regula Limited	Road Town		100.0		
811	REON-park Wiatrowy I Sp. z o.o.	Warsaw		50.0		
812	REON-Park Wiatrowy II Sp. z o.o.	Warsaw		50.0		
813	REON-Park Wiatrowy IV Sp. z o.o.	Warsaw		50.0		
814	Rhine Properties S.à r.l., en faillite	Luxembourg		25.0		
815	Royster Fund Management S.à r.l.	Luxembourg		100.0		
816	RREEF China REIT Management Limited	Hong Kong		100.0		
817	RREEF European Value Added I (G.P.) Limited	London		100.0		
818	RREEF India Advisors Private Limited	Mumbai		100.0		
819	RREEF Investment GmbH	Frankfurt	1	99.9	21.7	0.0
820	RREEF Management GmbH	Frankfurt	1	100.0	122.7	0.0

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
821	RREEF Spezial Invest GmbH	Frankfurt	1	100.0	26.5	0.0
822	SAB Real Estate Verwaltungs GmbH	Hameln		100.0		
823	SABIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
824	Safron NetOne Partners, L.P.	George Town		21.7		
825	SAGITA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
826	Sal. Oppenheim Alternative Investments GmbH	Cologne	1	100.0	58.3	0.0
827	Sal. Oppenheim jr. & Cie. AG & Co. Kommanditgesellschaft auf Aktien	Cologne	1	100.0	1339.4	0.0
828	Sal. Oppenheim jr. & Cie. Beteiligungs GmbH	Cologne	2	100.0	31.6	(2.6)
829	Sal. Oppenheim jr. & Cie. Komplementär AG	Cologne	1	100.0		
830	Sal. Oppenheim jr. & Cie. Luxembourg S.A.	Luxembourg		100.0	93.2	(18.1)
831	SALIX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
832	SALUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
833	SALUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dresden KG	Duesseldorf		58.5		
834	SANCTOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
835	SANDIX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
836	SANO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
837	SAPIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
838	SARIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
839	SATINA Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
840	SCANDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
841	SCHEDA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
842	Schiffahrts UG (haftungsbeschränkt) & Co. KG MS “DYCKBURG” i.I.	Hamburg		41.3		
843	Schumacher Beteiligungsgesellschaft mbH	Cologne		33.2		
844	SCITOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
845	SCITOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heiligenstadt KG	Duesseldorf		71.1		
846	SCUDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
847	SCUDO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kleine Alexanderstraße KG	Duesseldorf		95.0		
848	SECHSTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
849	SECHSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
850	SECHZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
851	SEDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
852	SEGES Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
853	SEGU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
854	SELEKTA Grundstücksverwaltungsgesellschaft mbH	Duesseldorf		50.0		

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855	SENA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
856	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fehrenbach KG i.L.	Duesseldorf		94.7		
857	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Halle II KG i.L.	Duesseldorf		100.0		
858	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kamenz KG	Duesseldorf		100.0		
859	SERICA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
860	Service Company Four Limited	Hong Kong		100.0		
861	SIDA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
862	SIEBTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
863	SIEBZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
864	SIFA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
865	SILANUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
866	SILEX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
867	SILEX Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG	Duesseldorf		83.8		
868	SILIGO Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
869	Silrendel, S. de R. L. de C. V.	Mexico City		100.0	6.8	(3.5)
870	SILUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
871	SIMILA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
872	Sixco Leasing Limited	London		100.0		
873	SOLATOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
874	SOLIDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
875	SOLON Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
876	SOLON Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heizkraftwerk Halle KG i.L.	Halle/Saale		30.5		
877	SOLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
878	SOMA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
879	SOREX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
880	SOSPITA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
881	SPhinX, Ltd. (in voluntary liquidation)	George Town		43.6		
882	SPINO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
883	SPLENDOR Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
884	SRC Security Research & Consulting GmbH	Bonn		22.5		
885	STABLON Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
886	STAGIRA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		

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887	Starpool Finanz GmbH	Berlin		49.9		
888	STATOR Heizkraftwerk Frankfurt (Oder) Beteiligungsgesellschaft mbH	Schoenefeld		100.0		
889	SUBLICA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
890	SUBU Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
891	SULPUR Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
892	Sunbelt Rentals Exchange Inc.	Wilmington		100.0		
893	SUPERA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
894	SUPLION Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
895	SUSA Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
896	SUSIK Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
897	Swabia 1. Vermögensbesitz-GmbH	Eschborn		100.0		
898	Süddeutsche Vermögensverwaltung Gesellschaft mit beschränkter Haftung	Frankfurt		100.0		
899	TABA Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
900	TACET Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
901	TAGO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
902	Tagus – Sociedade de Titularização de Creditos, S.A.	Lisbon		100.0	14.3	0.7
903	TAGUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
904	TAKIR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
905	TEBOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
906	Teesside Gas Transportation Limited	London		45.0	(199.9)	16.7
907	TELO Beteiligungsgesellschaft mbH	Schoenefeld		100.0		
908	TEMATIS Grundstücks-Vermietungsgesellschaft mbH i.L.	Duesseldorf		100.0		
909	Tempurrite Leasing Limited	London	2	100.0	33.3	0.4
910	TERRUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
911	TESATUR Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
912	TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Halle I KG	Duesseldorf		100.0		
913	TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Nordhausen I KG	Duesseldorf		100.0		
914	Thai Asset Enforcement and Recovery Asset Management Company Limited	Bangkok		100.0		
915	Tianjin Deutsche AM Fund Management Co., Ltd.	Tianjin		100.0		
916	TIEDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
917	TIEDO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lager Nord KG	Duesseldorf		25.0		
918	TIQI Exchange, LLC	Wilmington		100.0		
919	TOSSA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
920	TRAGO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
921	Trave Properties S.à r.l., en faillite	Luxembourg		25.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
922	TREMA Grundstücks-Vermietungsgesellschaft mbH	Berlin		50.0		
923	TRENTO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
924	Treuinvest Service GmbH	Frankfurt		100.0		
925	Trevona Limited	Road Town		100.0		
926	TRINTO Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
927	TRIPLA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
928	Triplereason Limited	London		100.0	329.9	0.1
929	Triton Beteiligungs GmbH	Frankfurt		33.1		
930	Triton Fund III G L.P.	St. Helier		62.5	20.1	1.9
931	TRS Aria LLC	Wilmington		100.0		
932	TRS Birch II LTD	George Town		100.0		
933	TRS Birch LLC	Wilmington		100.0		
934	TRS Cypress II LTD	George Town		100.0		
935	TRS Elm II LTD	George Town		100.0		
936	TRS Leda LLC	Wilmington		100.0		
937	TRS Maple II LTD	George Town		100.0		
938	TRS Oak II LTD	George Town		100.0		
939	TRS Oak LLC	Wilmington		100.0		
940	TRS Poplar II LTD	George Town		100.0		
941	TRS Scorpio LLC	Wilmington		100.0		
942	TRS Spruce II LTD	George Town		100.0		
943	TRS SVCO LLC	Wilmington		100.0		
944	TRS Sycamore II LTD	George Town		100.0		
945	TRS Tupelo II LTD	George Town		100.0		
946	TRS Tupelo LLC	Wilmington		100.0		
947	TRS Venor LLC	Wilmington		100.0		
948	TRS Walnut II LTD	George Town		100.0		
949	TRS Walnut LLC	Wilmington		100.0		
950	TUDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
951	TUGA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
952	TYRAS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
953	U.S.A. Institutional Tax Credit Fund XCV L.P.	Wilmington		23.5	30.8	(3.4)
954	U.S.A. ITCF XCI L.P.	New York		99.9		
955	UKE, s.r.o.	Belá		100.0		
956	VARIS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
957	VCJ Lease S.à r.l.	Luxembourg		95.0		
958	VCL Lease S.à r.l.	Luxembourg		95.0	0.0	20.5
959	VCM Initiatoren III GmbH & Co. KG	Munich		24.9		
960	VCM MIP 2002 GmbH & Co. KG i.L.	Cologne		90.0		
961	VCM MIP II GmbH & Co. KG i.L.	Cologne		90.0		
962	VCM Partners GmbH & Co. KG	Munich		25.0		
963	VCM Treuhand Beteiligungsverwaltung GmbH	Cologne		100.0		
964	VCP Treuhand Beteiligungsgesellschaft mbH	Cologne		100.0		
965	VCP Verwaltungsgesellschaft mbH i.L.	Cologne		100.0		
966	Vertriebsgesellschaft mbH der Deutschen Bank Privat- und Geschäftskunden	Berlin		100.0		
967	Vesta Real Estate S.r.l.	Milan		100.0		
968	VEXCO, LLC	Wilmington		100.0		
969	VIERTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
970	VIERTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
971	VIERUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
972	VIERZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
973	Volbroker.com Limited	London		22.5	6.8	3.8
974	Wealthspur Investment Company Limited	Labuan		100.0		
975	WEPLA Beteiligungsgesellschaft mbH	Frankfurt		100.0	76.9	0.1
976	Weser Properties S.à r.l.	Luxembourg		25.0		
977	Whale Holdings S.à r.l.	Luxembourg		100.0		
978	Wohnungs-Verwaltungsgesellschaft Moers mbH	Duesseldorf		50.0		
979	Wohnungsgesellschaft HEGEMAG GmbH	Darmstadt		50.0		
980	XARUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
981	XELLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
982	XENTIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
983	XERA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
984	XERIS Grundstücks-Vermietungsgesellschaft mbH i.I.	Duesseldorf		50.0		
985	5000 Yonge Street Toronto Inc.	Toronto		100.0		
986	ZABATUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
987	ZAKATUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
988	ZALLUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
989	ZARAT Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
990	ZARAT Beteiligungsgesellschaft mbH & Co. Leben II KG i.L.	Duesseldorf		98.1		
991	ZARGUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
992	ZEA Beteiligungsgesellschaft mbH	Schoenefeld		25.0		
993	ZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
994	zeitinvest-Service GmbH	Eschborn		25.0		
995	ZELAS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
996	ZELAS Beteiligungsgesellschaft mbH & Co. Leben I KG i.L.	Duesseldorf		98.2		
997	ZENO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
998	Zenwix Pty. Limited	Sydney		100.0		
999	ZEPTOS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
1000	ZEREVIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
1001	ZERGUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
1002	Zhong De Securities Co., Ltd	Beijing		33.3	163.4	25.6
1003	ZIDES Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
1004	ZIMBEL Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
1005	ZINDUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
1006	ZINUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
1007	ZIRAS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
1008	ZITON Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
1009	ZITUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
1010	ZONTUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
1011	ZORUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
1012	ZURET Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
1013	ZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
1014	ZWEITE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
1015	ZWEITE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
1016	ZWEIUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
1017	ZWÖLFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
1018	ZYLUM Beteiligungsgesellschaft mbH	Schoenefeld		25.0		
1019	ZYRUS Beteiligungsgesellschaft mbH	Schoenefeld		25.0		
1020	ZYRUS Beteiligungsgesellschaft mbH & Co. Patente I KG i.L.	Schoenefeld		20.4		

Holdings in large corporations, where the holding exceeds 5 % of voting rights

Serial No.	Name of company	Domicile of company	Footnote	Share of capital in %	Own funds in € million	Result in € million
1021	ABRAAJ Holdings	George Town		8.8		
1022	Accunia A/S	Copenhagen		9.9		
1023	BBB Bürgschaftsbank zu Berlin-Brandenburg GmbH	Berlin		5.6		
1024	Bürgschaftsbank Brandenburg GmbH	Potsdam		8.5		
1025	Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin		8.4		
1026	Bürgschaftsbank Sachsen GmbH	Dresden		6.3		
1027	Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg		8.2		
1028	Bürgschaftsbank Schleswig-Holstein Gesellschaft mit beschränkter Haftung	Kiel		5.6		
1029	Bürgschaftsbank Thüringen GmbH	Erfurt		8.7		
1030	Bürgschaftsgemeinschaft Hamburg GmbH	Hamburg		8.7		
1031	Cecon ASA	Arendal		9.6		
1032	China Polymetallic Mining Limited	George Town		5.7		
1033	Concardis GmbH	Eschborn		16.8		
1034	Damovo Group Holdings Limited	Camana Bay		16.0		
1035	Finance in Motion GmbH	Frankfurt		19.9		
1036	ISWAP Limited	London		13.3		
1037	K.K. D&M Holdings	Kawasaki		14.8		
1038	Kenanga Investment Bank Berhad	Kuala Lumpur		8.3		
1039	Landgesellschaft Mecklenburg-Vorpommern mit beschränkter Haftung	Leezen		11.0		
1040	MTS S.p.A.	Rome		5.0		
1041	Philipp Holzmann Aktiengesellschaft i.I.	Frankfurt		19.5		
1042	Prader Bank S.p.A.	Bolzano		9.0		
1043	Private Export Funding Corporation	Wilmington		6.0		
1044	PT Buana Listya Tama Tbk	Jakarta		14.6		
1045	Reorganized RFS Corporation	Wilmington		6.2		
1046	RREEF America REIT III, Inc.	Baltimore		7.9		
1047	Saarländische Investitionskreditbank Aktiengesellschaft	Saarbruecken		11.8		
1048	Shunfeng Catering & Hotel Management Co., Ltd.	Beijing		6.4		
1049	Sterling Resources Ltd.	Calgary		13.7		
1050	The Ottoman Fund Limited	St. Helier		13.6		
1051	The Topiary Fund II Public Limited Company	Dublin		10.5		
1052	TRIUVA Kapitalverwaltungsgesellschaft mbH	Frankfurt		6.0		
1053	United Information Technology Co. Ltd.	George Town		12.2		
1054	Yensai.com Co., Ltd.	Tokyo		7.1		

Other Information

Declaration of Backing

Deutsche Bank AG ensures, except in the case of political risk, that the following subsidiaries are able to meet their contractual liabilities:

DB Investments (GB) Limited, London

Deutsche Asset Management International GmbH, Frankfurt am Main

Deutsche Asset Management Investment GmbH, Frankfurt am Main

Deutsche Asset Management S.A., Luxembourg

Deutsche Australia Limited, Sydney

DEUTSCHE BANK A.Ş., Istanbul

Deutsche Bank Americas Holding Corp., Wilmington

Deutsche Bank (China) Co., Ltd., Beijing

Deutsche Bank Europe GmbH, Frankfurt am Main

Deutsche Bank Luxembourg S.A., Luxembourg

Deutsche Bank (Malaysia) Berhad, Kuala Lumpur

Deutsche Nederland N.V., Amsterdam (until 30 June 2017)[1]

Deutsche Bank Polska Spółka Akcyjna, Warsaw

Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main

Deutsche Bank S.A., Buenos Aires (until 30 April 2017)[2]

Deutsche Bank S.A. – Banco Alemão, São Paulo

Deutsche Bank, Sociedad Anónima Española, Madrid

Deutsche Bank Società per Azioni, Milan

Deutsche Bank (Suisse) SA, Geneva

Deutsche Bank Trust Company Americas, New York

Deutsche Futures Singapore Pte Ltd, Singapore

Deutsche Holdings (Malta) Ltd., St. Julians

Deutsche Immobilien Leasing GmbH, Düsseldorf

Deutsche Morgan Grenfell Group Public Limited Company, London

Deutsche Securities Inc., Tokyo

Deutsche Securities Asia Limited, Hong Kong

Deutsche Securities Saudi Arabia LLC, Riyadh

DWS Holding & Service GmbH, Frankfurt am Main

norisbank GmbH, Bonn

Public joint-stock company “Deutsche Bank DBU”, Kiev

OOO “Deutsche Bank”, Moscow

Sal. Oppenheim jr. & Cie. AG & Co. KGaA, Köln

1 We have withdrawn and terminated the declaration of backing for Deutsche Nederland N.V. (formerly Deutsche Bank Nederland N.V.), Amsterdam, last-mentioned in the Annual Report 2015, effective at the end of 30 June 2017.

2 As published in our Interim Report as of 30 September 2016 and our website, we have entered into an agreement to sell Deutsche Bank S.A., Buenos Aires to Banco Comafi S.A. on 26 August 2016. Closing of the transaction is expected for the second quarter of 2017. We have therefore withdrawn and terminated the declaration of backing for Deutsche Bank S.A., Buenos Aires, last-mentioned in the Annual Report 2015, effective at the end of 30 April 2017.

Disclosures according to Section 28 of the Pfandbrief Act

The following tables show the disclosures required by Section 28 of the Pfandbrief Act.

Overall Exposure (Section 28 (1) No. 1 Pfandbrief Act)

					Dec 31, 2016
in € m.	**Nominal Value**	**Present Value**	**Present Value - High Interest Rate Stress Scenario**	**Present Value - Low Interest Rate Stress Scenario**	**Present Value - Worst Case Interest and FX Rate Stress Scenario**
Mortgage Pfandbriefe	7,686.9	7,913.1	7,129.1	8,072.8	7,129.1
Cover Assets	8,940.1	10,320.4	9,090.5	10,566.5	9,090.5
Cover Assets acc. to § 12 (1)	8,660.1	10,023.1	8,811.6	10,268.8	8,811.6
Cover Assets acc. to § 19 (1) No. 1	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 2[1]	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 3[2]	280.0	297.3	278.8	297.7	278.8
as % of Mortgage Pfandbriefe	3.6	3.8	3.9	3.7	3.9
Cover Assets acc. to § 19 (1) No. 4 (Claims)	0	0	0	0	0
as % of Total Cover Assets	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 4 (Liabilities)	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Over-Collateralisation	**1,253.2**	**2,407.3**	**1,961.4**	**2,493.7**	**1,961.4**
as % of Mortgage Pfandbriefe	16.3	30.4	27.5	30.9	27.5

* According to § 5 (1) No. 1 and § 6 (2) No. 1 PfandBarwertV static approach.
1 Excluding Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.
2 Including Cover Assets according to § 19 (1) No. 2 PfandBG and including Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.

					Dec 31, 2015
in € m.	**Nominal Value**	**Present Value**	**Present Value - High Interest Rate Stress Scenario**	**Present Value - Low Interest Rate Stress Scenario**	**Present Value - Worst Case Interest and FX Rate Stress Scenario**
Mortgage Pfandbriefe	5,886.9	6,182.0	5,677.4	6,321.0	5,677.4
Cover Assets	8,604.0	9,884.7	8,787.0	10,236.1	8,787.0
Cover Assets acc. to § 12 (1)	7,720.0	8,938.0	7,875.7	9,287.8	7,875.7
Cover Assets acc. to § 19 (1) No. 1	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 2[1]	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 3[2]	884.0	946.8	911.4	948.3	911.4
as % of Mortgage Pfandbriefe	15.0	15.3	16.1	15.0	16.1
Cover Assets acc. to § 19 (1) No. 4 (Claims)	0	0	0	0	0
as % of Total Cover Assets	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 4 (Liabilities)	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Over-Collateralisation	**2,717.1**	**3,702.7**	**3,109.6**	**3,915.1**	**3,109.6**
as % of Mortgage Pfandbriefe	46.2	59.9	54.8	61.9	54.8

* According to § 5 (1) No. 1 and § 6 (2) No. 1 PfandBarwertV static approach.
1 Excluding Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.
2 Including Cover Assets according to § 19 (1) No. 2 PfandBG and including Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.

All cover assets are receivables from customers which are secured by mortgages. The further cover assets are bonds and other fixed income securities as per Pfandbrief Act.

Maturity Profile (Section 28 (1) No. 2 Pfandbrief Act)

Maturity profile	Maturity structure of outstanding Pfandbriefe		Fixed rate terms for cover pool	
in € m.	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015
Term up to 6 months	80.0	1,000.0	396.6	371.8
Term more than 6 months up to 12 months	125.0	200.0	200.2	253.6
Term more than 12 months up to 18 months	1,000.0	80.0	269.4	663.4
Term more than 18 months up to 2 years	0	125.0	337.0	439.1
Term more than 2 years up to 3 years	759.9	1,000.0	972.2	577.1
Term more than 3 years up to 4 years	950.0	759.9	806.5	983.7
Term more than 4 years up to 5 years	1,375.0	950.0	836.3	756.7
Term more than 5 years up to 10 years	2,610.0	1,485.0	3,372.4	3,160.5
Term more than 10 years	787.0	287.0	1,749.5	1,398.1
Total	**7,686.9**	**5,886.9**	**8,940.1**	**8,604.0**

Portion of Derivatives included in the Cover Pool (Section 28 (1) No. 3 Pfandbrief Act)
As of December 31, 2016 and December 31, 2015, there were no derivatives in the cover pool.

Cover Assets by Nominal Value (Section 28 (2) No. 1a Pfandbrief Act)
Single cover assets included in the total amount of € 8.7 billion (2015: € 7.7 billion) with a nominal value of less than € 0.3 million amounted to € 6.3 billion (2015: € 5.7 billion), with a nominal value between € 0.3 million and € 1 million amounted to € 1.7 billion (2015: € 1.4 billion), with a nominal value between € 1 million and € 10 million amounted to € 706 million (2014: € 610 million) and with a nominal value of more than € 10 million amounted to € 0 million (2015: € 10 million).

Loans used as Cover for Mortgage Pfandbriefe by country in which Mortgaged Real Estate is based and by Type of Use (Section 28 (2) No. 1b and 1c Pfandbrief Act)

Dec 31, 2016	Residential					Commercial						
in € m.	Apart-ments	Single Family Houses	Multi-family Houses	Other	Total	Office buildings	Retail buildings	Industrial buildings	Other com-mercially used buildings	Total	Land held for building	Total
Germany	1,301.7	4,044.8	2,267.5	0	7,614.0	411.0	147.6	142.2	345.3	1,046.1	0	8,660.1
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland	0	0	0	0	0	0	0	0	0	0	0	0
France	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1,301.7**	**4,044.8**	**2,267.5**	**0**	**7,614.0**	**411.0**	**147.6**	**142.2**	**345.3**	**1,046.1**	**0**	**8,660.1**

Dec 31, 2015	Residential					Commercial						
in € m.	Apart-ments	Single Family Houses	Multi-family Houses	Other	Total	Office buildings	Retail buildings	Industrial buildings	Other com-mercially used buildings	Total	Land held for building	Total
Germany	1,127.6	3,637.4	1,979.1	0	6,744.1	335.8	132.4	129.4	378.2	975.9	0	7,720.0
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland	0	0	0	0	0	0	0	0	0	0	0	0
France	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1,127.6**	**3,637.4**	**1,979.1**	**0**	**6,744.1**	**335.8**	**132.4**	**129.4**	**378.2**	**975.9**	**0**	**7,720.0**

Payments Outstanding on Mortgage Loans used as Cover for Mortgage Pfandbriefe (Section 28 (2) No. 2 Pfandbrief Act)

As of December 31, 2016 and December 31, 2015, there were no payments 90 days or more past due on mortgage loans used as cover for Mortgage Pfandbriefe.

Additional information on Mortgage Loans (Section 28 (2) No. 4 Pfandbrief Act)

At year end 2016 and 2015 there were no foreclosures pending. In 2016 and 2015, no foreclosures were performed and Deutsche Bank AG did not take over properties to prevent losses on the mortgages. Furthermore, there were no arrears on interest payable by the mortgagors.

Fixed Interest Share Comparison (Section 28 (1) No. 9 Pfandbrief Act)

in € (if not stated otherwise)	**Nominal Value**	
	Dec 31, 2016	**Dec 31, 2015**
Fixed Interest Mortgage Pfandbriefe	6,102	5,302
As % of Mortgage Pfandbriefe	79	90
Fixed Interest Cover Assets	8,813	8,460
As % of Total Cover Assets	99	98

Net Present Value per currency (Section 28 (1) No. 10 Pfandbrief Act)

currency in € million	**Net Present Value**	
	Dec 31, 2016	**Dec 31, 2015**
Euro	1,961	3,110

Additional Characteristic Factors

(Section 28 (1) No. 7, Section 28 (1) No. 11, Section 28 (2) No. 3 Pfandbrief Act)

in €	**Dec 31, 2016**	**Dec 31, 2015**
Average Loan-to-Value Ratio weighted using the Mortgage Lending Value[1]	54	54
Volume-weighted Average in Years of the Maturity that has passed since the Mortgage Loan was granted[2]	4	4
Total Claims exceeding the Limits of § 13 (1) PfandBG (Countries without preferential right)[3]	0	0

1 According to § 28 (2) No. 3 Pfand Act.
2 According to § 28 (1) No. 11 Pfand Act.
3 According to § 28 (1) No. 7 Pfand Act.

Information pursuant to Section 160 (1) Number 8 AktG

As of December 31, 2016 we were aware of the following shareholders who reported a share of at least 3 % in the voting rights each pursuant to Section 21 of the German Securities Trading Act (Wertpapierhandelsgesetz):

Paramount Services Holdings Ltd., British Virgin Islands, has notified us that as of August 20, 2015 it held 3.05 % of our shares. We have received no further notification by Paramount Services Holdings Ltd., British Virgin Islands, up to December 31, 2016.

Supreme Universal Holdings Ltd., Cayman Islands, has notified us that as of August 20, 2015 it held 3.05 % of our shares. We have received no further notification by Supreme Universal Holdings Ltd., Cayman Islands, up to December 31, 2016.

BlackRock, Inc., New York, has notified us on December 22, 2016 that it held 5,89 % of our shares. We have received no further notification by BlackRock, Inc., New York, up to December 31, 2016.

Management Board and Supervisory Board

The total remuneration paid to the Management Board is detailed in the Compensation Report starting on page 60. Former members of the Management Board of Deutsche Bank AG or their surviving dependents received € 35,305,889 and € 17,429,709 for the years ended December 31, 2016 and 2015, respectively.

The compensation principles for Supervisory Board members are set forth in our Articles of Association. The compensation provisions were last amended by resolution of the Annual General Meeting on May 22, 2014 which became effective on July 17, 2014. The members of the Supervisory Board receive fixed annual compensation. The annual base compensation amounts to € 100,000 for each Supervisory Board member. The Supervisory Board Chairman receives twice that amount and the Deputy Chairperson one and a half times that amount. Members and chairs of the committees of the Supervisory Board are paid additional fixed annual compensation. 75 % of the compensation determined is disbursed to each Supervisory Board member after submitting invoices in February of the following year. The other 25 % is converted by the company at the same time into company shares (notional shares) according to the provisions of the Articles of Association. The share value of this number of shares is paid to the respective Supervisory Board member in February of the year following his departure from the Supervisory Board or the expiration of his term of office according to the provisions of the Articles of Association, provided that the member does not leave the Supervisory Board due to important cause which would have justified dismissal. In case of a change in Supervisory Board membership during the year, compensation for the financial year will be paid on a pro rata basis, rounded up/down to full months. For the year of departure, the entire compensation is paid in cash; a forfeiture regulation applies to 25 % of the compensation for that financial year. The members of the Supervisory Board received for the financial year 2015 a total remuneration of € 4,850,000 (2014: € 4,588,710), of which € 3,710,417 were paid out in February 2016 (February 2015: € 3,466,532) according to the provisions of the Articles of Association.

Provisions for pension obligations to former members of the Management Board and their surviving dependents amounted to € 181,630,281 and € 186,348,967 as of December 31, 2016 and 2015, respectively.

Loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 8,914,864 and € 2,378,392 and for members of the Supervisory Board of Deutsche Bank AG to € 712,861 and € 1,028,188 for the years ended December 31, 2015 and 2014, respectively. Members of the Supervisory Board repaid € 125,156 loans in 2015.

The members of the Management Board and the Supervisory Board are listed on pages 163 to 164.

Employees

The average number of full-time equivalent staff employed during the reporting year was 30,110 (2015: 28,151), 11,343 of whom were women (2015: 10,505). Part-time employees are included proportionately in these figures based on their working hours. An average of 18,204 (2015: of 16,943) staff members worked at branches outside Germany.

Corporate Governance

The bank has issued the declaration required by Section 161 AktG. The Declaration of Conformity dated October 27, 2016, and all of the previous versions of the Declaration of Conformity are published on Deutsche Bank's website at www.db.com/ir/en/documents.htm.

Events after the Reporting Period

On January 13, 2017 Deutsche Bank signed an agreement to dispose of its non-strategic participation of 16.8 % in the German payment service provider Concardis GmbH. The transaction is expected to be completed in the first half of 2017 subject to regulatory approvals. The transaction is expected to have a positive effect on half year results.

As announced on March 5, 2017, Deutsche Bank expects to issue new shares with an expected volume in proceeds of around € 8 billion. The Group plans to complete this capital raise in the first half of April and plans a series of additional measures and sets new financial targets that replace the existing targets that are described in section "Management Report: Outlook: The Deutsche Bank Group" of this report. These measures include a revision of the Group's segmental structure which is expected to be implemented over the course of 2017 that, once further specified, will trigger a restatement of our segmental disclosures and an impairment review of related goodwill balances. Furthermore, the Management Board has revisited its dividend strategy and will propose to pay a dividend of € 0.19 per share taking into account expected shares following the aforementioned capital increase to the Annual General Meeting in May 2017. The bank expects to pay a total amount of approximately € 400 million in May 2017.

Management Bodies

Management Board

In the year 2016 the following members belonged to the Management Board:

John Cryan
Chairman
(since May 19, 2016)
Co-Chairman
(until May 19, 2016)

Jürgen Fitschen
Co-Chairman
(until May 19, 2016)

Kimberly Hammonds
(since August 1, 2016)

Stuart Lewis

Sylvie Matherat

Nicolas Moreau
(since October 1, 2016)

Quintin Price
(since January 1, 2016
until June 15, 2016)

Garth Ritchie
(since January 1, 2016)

Karl von Rohr

Dr. Marcus Schenck

Christian Sewing

Werner Steinmüller
(since August 1, 2016)

Jeffrey Urwin
(since January 1, 2016)

Supervisory Board

In the year 2016 the following members belonged to the Supervisory Board.
In addition, the place of residence of the members of the Supervisory Board is specified.

Dr. Paul Achleitner
– Chairman
Munich

Alfred Herling*
(until December 31, 2016)
– Deputy Chairman
Wuppertal

Stefan Rudschäfski*
(since January 1, 2017)
– Deputy Chairman
Kaltenkirchen

Wolfgang Böhr*
Dusseldorf

Frank Bsirske*
Berlin

Dina Dublon
New York

Jan Duscheck*
(since August 2, 2016)
Berlin

Katherine Garrett-Cox
Brechin, Angus

Timo Heider*
Emmerthal

Sabine Irrgang*
Mannheim

Prof. Dr. Henning Kagermann
Königs Wusterhausen

Martina Klee*
Frankfurt am Main

Peter Löscher
Munich

Henriette Mark*
Munich

Richard Meddings
Sandhurst

Louise M. Parent
New York

Gabriele Platscher*
Braunschweig

Bernd Rose*
Menden

Prof. Dr. Stefan Simon
(since August 23, 2016)
Cologne

Rudolf Stockem*
(until July 31, 2016)
Aachen

Dr. Johannes Teyssen
Dusseldorf

Georg F. Thoma
(until May 28, 2016)
Neuss

Prof. Dr. Klaus Rüdiger Trützschler
Essen

*Employees representatives

Committees

Chairman's Committee
Dr. Paul Achleitner,
Chairman

Frank Bsirske*,

Alfred Herling
(until December 31, 2016),

Prof. Dr. Henning Kagermann,

Stefan Rudschäfski
(since January 1, 2017)

Nomination Committee
Dr. Paul Achleitner,
Chairman

Frank Bsirske*,

Alfred Herling*
(until December 31, 2016),

Prof. Dr. Henning Kagermann,

Stefan Rudschäfski*
(since January 1, 2017),

Dr. Johannes Teyssen

Audit Committee
Richard Meddings,
Chairman

Dr. Paul Achleitner,

Katherine Garrett-Cox
(since September 17, 2016),

Henriette Mark*,

Gabriele Platscher*,

Bernd Rose*,

Prof. Dr. Klaus Rüdiger
Trützschler

Risk Committee
Dina Dublon,
Chairperson

Dr. Paul Achleitner,

Wolfgang Böhr*
(since August 1, 2016),

Richard Meddings,

Louise M. Parent,

Rudolf Stockem*
(until July 31, 2016)

Compensation Control Committee
Dr. Paul Achleitner,
Chairman

Frank Bsirske*,

Alfred Herling*
(until December 31, 2016),

Prof. Dr. Henning Kagermann,

Stefan Rudschäfski*
(since January 1, 2017)

Integrity Committee
Louise M. Parent,
Chairperson
(since April 29, 2016),

Dr. Johannes Teyssen,
Vice Chairperson
(since April 29, 2016),

Georg. F. Thoma,
Chairman
(until April 28, 2016),

Dr. Paul Achleitner,

Sabine Irrgang*,

Timo Heider*,

Martina Klee*,

Peter Löscher

Mediation Committee
Dr. Paul Achleitner,
Chairman

Wolfgang Böhr*,

Alfred Herling*
(until December 31, 2016),

Prof. Dr. Henning Kagermann,

Stefan Rudschäfski*
(since January 1, 2017)

*Employees representatives

Regional Advisory Boards and Advisory Boards

According to Deutsche Bank's Articles of Association, the Management Board may establish regional Advisory Councils and Advisory Boards.
Further informations are published on Deutsche Bank's website at www.db.com/company/en/advisory-boards.htm.

List of Mandates

Supervisory Board

Mandates according to § 285 No. 10 German Commercial Code (HGB) in conjunction with § 125 (1) sentence 5 Stock Corporation Act (AktG)

Memberships in statutory supervisory boards of German corporations and in comparable supervisory bodies of German and foreign business enterprises. Changes in memberships during the year are noted with the date of joining and/or leaving.

As of: February 2017

For Supervisory Board members who left earlier, the mandates are shown as of the date they left. For new Supervisory Board members, the mandates shown are as of the date they joined.

Members of the Supervisory Board

Mandate-Holder	Position	Company	Mandate
Dr. Paul Achleitner	Chairman of the Supervisory Board of Deutsche Bank AG, Frankfurt	**External mandates**	
		Bayer AG	Member of the Supervisory Board
		Daimler AG	Member of the Supervisory Board
Wolfgang Böhr	Chairman of the Staff Council of Deutsche Bank, Dusseldorf; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank	**External mandates**	
		Betriebskrankenkasse Deutsche Bank AG	Member of the Advisory Board
Frank Bsirske	Chairman of the trade union ver.di (Vereinte Dienstleistungsgewerk-schaft), Berlin	**External mandates**	
		IBM Central Holding GmbH	Member of the Supervisory Board
		innogy SE	Deputy Chairman of the Supervisory Board (since July 2016)
		Kreditanstalt für Wiederaufbau (KfW)	Member of the Board of Supervisory Directors
		RWE AG	Deputy Chairman of the Supervisory Board
		Mandates in the Group	
		Deutsche Postbank AG	Deputy Chairman of the Supervisory Board
Dina Dublon		**External mandates**	
		Accenture PLC	Member of the Board of Directors (until February 2017)
		PepsiCo Inc.	Member of the Board of Directors
Jan Duscheck (since August 2016)	Head of national working group Banking, trade union ver.di (Vereinte Dienstleistungsgewerkschaft), Berlin	No memberships or directorships subject to disclosure	
Katherine Garrett-Cox	Chief Executive Officer of Alliance Trust Plc, Dundee (until February 2016)	**External mandates**	
		Alliance Trust Investments Ltd.	Chief Executive (until February 2016)
		Alliance Trust Savings Ltd.	Executive Chairperson (until January 2016)
Timo Heider	Chairman of the Group Staff Council of Deutsche Postbank AG; Chairman of the General Staff Council of BHW Kreditservice GmbH; Chairman of the General Staff Council of BHW Bausparkasse AG/ Postbank Finanzberatung AG; Member of the Group Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank	**Mandates in the Group**	
		BHW Bausparkasse AG	Deputy Chairman of the Supervisory Board
		Deutsche Postbank AG	Member of the Supervisory Board
		Pensionskasse der BHW Bausparkasse AG VVaG	Deputy Chairman of the Supervisory Board

Members of the Supervisory Board

Mandate-Holder	Position	Company	Mandate
Alfred Herling (until December 2016)	Deputy Chairman of the Supervisory Board of Deutsche Bank AG; Chairman of the Combined Staff Council Wuppertal/Sauerland of Deutsche Bank; Chairman of the General Staff Council of Deutsche Bank; Chairman of the Group Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank	No memberships or directorships subject to disclosure	
Sabine Irrgang	Head of Human Resources Baden-Württemberg, Deutsche Bank AG	No memberships or directorships subject to disclosure	
Professor Dr. Henning Kagermann	President of acatech – German Academy of Science and Engineering, Munich	**External mandates**	
		BMW Bayerische Motoren Werke AG	Member of the Supervisory Board
		Deutsche Post AG	Member of the Supervisory Board
		Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft	Member of the Supervisory Board
Martina Klee	Chairperson of the Staff Council Group COO Eschborn/Frankfurt of Deutsche Bank	**External mandates**	
		Sterbekasse für die Angestellten der Deutschen Bank VVaG	Member of the Supervisory Board
Peter Löscher	Chairman of the Supervisory Board of OMV AG, Vienna (since May 2016)	**External mandates**	
		OMV AG	Chairman of the Supervisory Board (since May 2016)
		Sulzer AG	Chairman of the Board of Directors
		TBG AG	Non-Executive Director (until April 2016)
		Telefónica S.A.	Member of the Supervisory Board (since April 2016)
Henriette Mark	Chairperson of the Combined Staff Council Munich and Southern Bavaria of Deutsche Bank; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank	No memberships or directorships subject to disclosure	
Richard Meddings		**External mandates**	
		HM Treasury Board	Non-Executive Director
		Legal & General Group Plc	Non-Executive Director
Louise M. Parent	Of Counsel, Cleary Gottlieb Steen & Hamilton LLP, New York	**External mandates**	
		Zoetis Inc.	Member of the Board of Directors
Gabriele Platscher	Chairperson of the Combined Staff Council Braunschweig/ Hildesheim of Deutsche Bank	**External mandates**	
		BVV Versicherungsverein des Bankgewerbes a.G. BVV Versorgungskasse des Bankgewerbes e.V. BVV Pensionsfonds des Bankgewerbes AG	Deputy Chairperson of the Supervisory Board

Members of the Supervisory Board

Mandate-Holder	Position	Company	Mandate
Bernd Rose	Chairman of the General Staff Council of Postbank Filialvertrieb AG; Member of the General Staff Council of Deutsche Postbank; Member of the General Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank	**External mandates**	
		ver.di Vermögensverwaltungs-gesellschaft	Deputy Chairman of the Supervisory Board
		Mandates in the Group	
		Deutsche Postbank AG	Member of the Supervisory Board
		Postbank Filialvertrieb AG	Member of the Supervisory Board
Stefan Rudschäfski (since January 2017)	Deputy Chairman of the Supervisory Board of Deutsche Bank AG; Deputy Chairman of the General Staff Council of Deutsche Bank; Deputy Chairman of the Group Staff Council of Deutsche Bank; Chairman of the Staff Council of Deutsche Bank, Hamburg	**External mandates**	
		Betriebskrankenkasse Deutsche Bank AG	Member of the Advisory Board
Professor Dr. Stefan Simon (since August 2016)	Managing Partner of SIMON GmbH, Cologne	**External mandates**	
		Leop. Krawinkel GmbH & Co. KG	Member of the Advisory Council
Rudolf Stockem (until July 2016)	Secretary to the trade union ver.di (Vereinte Dienstleistungsgewerk-schaft), Berlin	No memberships or directorships subject to disclosure	
Dr. Johannes Teyssen	Chairman of the Management Board of E.ON SE, Düsseldorf	**External mandates**	
		Uniper SE	Deputy Chairman of the Supervisory Board (since April 2016)
Georg F. Thoma (until May 2016)	Of Counsel, Shearman & Sterling LLP, Frankfurt	No memberships or directorships subject to disclosure	
Professor Dr. Klaus Rüdiger Trützschler		**External mandates**	
		Sartorius AG	Member of the Supervisory Board
		Wilh. Werhahn KG	Member of the Board of Directors
		Wuppermann AG	Chairman of the Supervisory Board
		Zwiesel Kristallglas AG	Chairman of the Supervisory Board

Management Board

Mandates according to § 285 No. 10 German Commercial Code (HGB) in conjunction with § 125 (1) sentence 5 Stock Corporation Act (AktG)

Memberships in statutory supervisory boards of German corporations and in comparable supervisory bodies of German and foreign business enterprises. Changes in memberships during the year are noted with the date of joining and/or leaving.

Memberships in statutory supervisory bodies of large German and foreign corporations according to Section 340a (4) No. 1 of the German Commercial Code (HGB) are marked with *.

As of: February 2017

For Management Board members who left earlier, the mandates are shown as of the date they left. For new Management Board members, the mandates shown are as of the date they joined.

Members of the Management Board

Mandate-Holder	Position	Company	Mandate
John Cryan	Chairman of the Management Board	**External mandates**	
		MAN Group Plc	Non-Executive Director
Jürgen Fitschen (until May 2016)	Co-Chairman of the Management Board	**External mandates**	
		Kühne + Nagel International AG	Member of the Board of Directors
		METRO AG*	Member of the Supervisory Board
Kimberly Hammonds (since August 2016)	Member of the Management Board	**External mandates**	
		Red Hat Inc., USA	Member of the Board of Directors
Stuart Lewis	Member of the Management Board	**External mandates**	
		London Stock Exchange*	Member of the Board of Directors (until April 2016)
		Mandates in the Group	
		Deutsche Bank Società per Azioni*	Chairman of the Supervisory Board
		DEUKONA Versicherungs-Vermittlungs-GmbH	Chairman of the Advisory Board
Sylvie Matherat	Member of the Management Board	**Mandates in the Group**	
		DB USA Corporation	Member of the Board of Directors (since June 2016)
Nicolas Moreau (since October 2016)	Member of the Management Board	**Mandates in the Group**	
		Deutsche Asset Management Investment GmbH	Chairman of the Supervisory Board (since December 2016)
Quintin Price (until June 2016)	Member of the Management Board	**Mandates in the Group**	
		Deutsche Asset Management Investment GmbH	Member of the Supervisory Board (until June 2016)
Garth Ritchie	Member of the Management Board	No memberships or directorships subject to disclosure	
Karl von Rohr	Member of the Management Board	**External mandates**	
		BVV Versicherungsverein des Bankgewerbes a.G.	Member of the Supervisory Board (since June 2016)
		BVV Versorgungskasse des Bankgewerbes e.V.	Member of the Supervisory Board (since June 2016)
		Mandates in the Group	
		Deutsche Bank Luxembourg S.A.*	Member of the Supervisory Board (until March 2016)
		Deutsche Postbank AG*	Member of the Supervisory Board
Dr. Marcus Schenck	Member of the Management Board	**Mandates in the Group**	
		Deutsche Bank Europe GmbH	Chairman of the Supervisory Board (until November 2016)
Christian Sewing	Member of the Management Board	**Mandates in the Group**	
		Deutsche Bank Privat- und Geschäftskunden AG*	Chairman of the Supervisory Board
		Deutsche Postbank AG*	Member of the Supervisory Board

Members of the Management Board			
Mandate-Holder	**Position**	**Company**	**Mandate**
Werner Steinmüller (since August 2016)	Member of the Management Board	**Mandates in the Group**	
		Deutsche Nederland N.V.	Chairman of the Supervisory Board (until June 2016)
		Deutsche Postbank AG*	Chairman of the Supervisory Board
Jeffrey Urwin	Member of the Management Board	No memberships or directorships subject to disclosure	

Employees of Deutsche Bank AG

Mandates according to Section 340a (4) No. 1 of the German Commercial Code (HGB)

Memberships in statutory supervisory bodies of large German and foreign corporations. As of: December 31, 2016

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Wilfried Amanshauser	**Mandates in the Group**	
	OOO "Deutsche Bank"	Member of the Supervisory Board
Bernd Amlung	**External mandates**	
	Harvest Fund Management Co Ltd	Non-Executive Director
Ashok Aram	**External mandates**	
	Nitesh Estates	Member of the Board of Directors
	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Chairman of the Supervisory Board
Manfred Bauer	**Mandates in the Group**	
	DB Direkt GmbH	Chairman of the Supervisory Board
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Nathalie Bausch	**Mandates in the Group**	
	Deutsche Asset Management S.A.	Member of the Supervisory Board
Brigitte Bomm	**Mandates in the Group**	
	DB USA Corporation	Member of the Board of Directors
Jörg Bongartz	**Mandates in the Group**	
	OOO "Deutsche Bank"	Member of the Supervisory Board
Oliver Bortz	**Mandates in the Group**	
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Rüdiger Bronn	**Mandates in the Group**	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
	Deutsche Holdings (Luxembourg) S.à.r.l.	Member of the Supervisory Board
Ralf Brümmer	**External mandates**	
	Bankpower GmbH Personaldienstleistungen	Deputy Chairman of the Supervisory Board
Matthias Buck	**Mandates in the Group**	
	PCC Services GmbH der Deutschen Bank	Member of the Supervisory Board
Peter Burrill	**Mandates in the Group**	
	Deutsche Bank Europe GmbH	Member of the Supervisory Board
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
Thomas Buschmann	**External mandates**	
	Vallourec Deutschland GmbH	Member of the Supervisory Board
	VSM Vereinigte Schmirgel- und Maschinen-Fabriken AG	Member of the Supervisory Board
Fabrizio Campelli	**Mandates in the Group**	
	Deutsche Bank (Suisse) S.A.	Member of the Supervisory Board
Petra Crull	**Mandates in the Group**	
	DB Investment Services GmbH	Member of the Supervisory Board
Todd Dakan	**Mandates in the Group**	
	German American Capital Corporation	Member of the Board of Directors
Karin Dohm	**External mandates**	
	Deutsche EuroShop AG	Deputy Chairperson of the Supervisory Board
	METRO AG	Member of the Supervisory Board
	Mandates in the Group	
	Deutsche Bank Europe GmbH	Member of the Supervisory Board
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
	Deutsche Holdings (Luxembourg) S.à.r.l.	Member of the Supervisory Board

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Andreas Dörhöfer	**External mandates**	
	Düsseldorfer Hypothekenbank AG	Member of the Supervisory Board
	Valovis Bank AG	Deputy Chairman of the Supervisory Board
Annemarie Ehrhardt	**Mandates in the Group**	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Supervisory Board
Gerhard Erb	**External mandates**	
	Bezirksbaugenossenschaft Altwürttemberg e.G.	Member of the Supervisory Board
Dirk Görgen	**Mandates in the Group**	
	DB Direkt GmbH	Deputy Chairman of the Supervisory Board
Verena Grohs	**Mandates in the Group**	
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Bruno Hallak	**External mandates**	
	HF Company S.A.	Member of the Board of Directors
Sandra Heinrich	**Mandates in the Group**	
	PCC Services GmbH der Deutschen Bank	Member of the Supervisory Board
Carmen Herbstritt	**Mandates in the Group**	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Supervisory Board
	Sal. Oppenheim jr. & Cie. AG & Co. KGaA	Member of the Supervisory Board
Peter Hinder	**Mandates in the Group**	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Supervisory Board
Kees Hoving	**Mandates in the Group**	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Marzio Hug	**Mandates in the Group**	
	Deutsche Asset Management S.A.	Member of the Supervisory Board
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Alexander Ilgen	**Mandates in the Group**	
	Deutsche Asset Management Investment GmbH	Member of the Supervisory Board
Stephan Jugenheimer	**Mandates in the Group**	
	RREEF Spezial Invest GmbH	Member of the Supervisory Board
Majid Julfar	**External mandates**	
	United Kaipara Dairies	Member of the Board of Directors
Carsten Kahl	**Mandates in the Group**	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Daniel Kalczynski	**Mandates in the Group**	
	Sal. Oppenheim jr. & Cie. AG & Co. KGaA	Chairman of the Supervisory Board
Thomas Keller	**External mandates**	
	GEZE GmbH	Member of the Supervisory Board
Susanne Kloess	**External mandates**	
	Eurex Frankfurt AG	Member of the Supervisory Board
	Mandates in the Group	
	BHW Bausparkasse Aktiengesellschaft	Member of the Supervisory Board
	Postbank Direkt GmbH	Chairperson of the Supervisory Board
	Postbank Filialvertrieb AG	Member of the Supervisory Board

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Stefan Knoll	**Mandates in the Group**	
	RREEF Investment GmbH	Member of the Supervisory Board
Dr. Martin Konieczny	**Mandates in the Group**	
	DB Investment Services GmbH	Member of the Supervisory Board
Frank Krings	**Mandates in the Group**	
	Deutsche Asset Management S.A.	Member of the Supervisory Board
	Deutsche Holdings (Luxembourg) S.à.r.l.	Chairman of the Supervisory Board
Dr. Karen Kuder	**Mandates in the Group**	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Board of Directors
Vikkrama Kumaravale	**External mandates**	
	HSS Engineers Berhad	Member of the Board of Directors
Tiina Lee	**External mandates**	
	CAF Bank	Non-Executive Director
Britta Lehfeldt	**Mandates in the Group**	
	DB Investment Services GmbH	Member of the Supervisory Board
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Tiberio Massaro	**Mandates in the Group**	
	DB Structured Derivative Products, LLC	Member of the Board of Directors
	Deutsche Bank Securities Inc.	Member of the Board of Directors
Marc Melzer	**External mandates**	
	Investitionsbank Sachsen-Anhalt	Member of the Board of Directors
Karen Meyer	**Mandates in the Group**	
	Deutsche Postbank AG	Member of the Supervisory Board
Gianluca Minella	**External mandates**	
	HIS Markit Ltd	Non-Executive Director
Alain Moreau	**Mandates in the Group**	
	Deutsche Asset Management Investment GmbH	Member of the Supervisory Board
Michael Münch	**External mandates**	
	Berlin Phil Media GmbH	Member of the Supervisory Board
Mario Muth	**External mandates**	
	TradeWeb Markets LLC	Non-Executive Director
Henning Oldenburg	**External mandates**	
	Beutin AG	Member of the Supervisory Board
Jorge Otero	**Mandates in the Group**	
	OOO "Deutsche Bank"	Member of the Supervisory Board
Dr. Mathias Otto	**Mandates in the Group**	
	Deutsche Bank Europe GmbH	Member of the Supervisory Board
Jay Patel	**External mandates**	
	iSwap	Non-Executive Director
Thomas Pemsel	**External mandates**	
	BayBG Bayerische Beteiligungsgesellschaft mbH	Member of the Supervisory Board
David Petrie	**Mandates in the Group**	
	German American Capital Corporation	Member of the Board of Directors
Thomas Piquemal	**External mandates**	
	Fimalac SA	Member of the Board of Directors

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Jane Providenti	**Mandates in the Group**	
	Deutsche Bank National Trust Company	Member of the Board of Directors
Mirjam Pütz	**Mandates in the Group**	
	DB Direkt GmbH	Member of the Supervisory Board
Rainer Rauleder	**Mandates in the Group**	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
	Deutsche Bank Polska Spólka Akcyjna	Member of the Supervisory Board
Joseph Rice	**Mandates in the Group**	
	DB Investment Partners, Inc.	Member of the Board of Directors
	DB Structured Derivative Products, LLC	Member of the Board of Directors
	DBAH Capital, LLC	Member of the Board of Directors
	German American Capital Corporation	Member of the Board of Directors
Christiana Riley	**Mandates in the Group**	
	Deutsche Postbank AG	Member of the Supervisory Board
Frank Rueckbrodt	**Mandates in the Group**	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
	Deutsche Bank, Sociedad Anónima Española	Member of the Board of Directors
Dr. Anke Sahlén	**Mandates in the Group**	
	Sal. Oppenheim jr. & Cie. AG & Co. KGaA	Member of the Supervisory Board
Dr. Herbert Schäffner	**External mandates**	
	BHS tabletop AG	Member of the Supervisory Board
Peter Schedl	**Mandates in the Group**	
	Deutsche Bank Bauspar-Aktiengesellschaft	Deputy Chairman of the Supervisory Board
	PCC Services GmbH der Deutschen Bank	Deputy Chairman of the Supervisory Board
Daniel Schmand	**Mandates in the Group**	
	OOO „Deutsche Bank“	Member of the Supervisory Board
Werner Schmidt	**External mandates**	
	AKA Ausfuhrkredit-Gesellschaft mbH	Deputy Chairman of the Supervisory Board
Frank Schütz	**External mandates**	
	AKA Ausfuhrkredit-Gesellschaft mbH	Member of the Supervisory Board
Rich Shannon	**Mandates in the Group**	
	DB Global Technology, Inc.	Member of the Board of Directors
	DB USA Corporation	Member of the Board of Directors
Stephen Shaw	**Mandates in the Group**	
	RREEF Investment GmbH	Member of the Supervisory Board
	RREEF Spezial Invest GmbH	Member of the Supervisory Board
Satvinder Singh	**External mandates**	
	Euroclear plc	Member of the Board of Directors
Eric-M Smith	**Mandates in the Group**	
	DB U.S. Financial Markets Holding Corporation	Member of the Board of Directors
	DBAH Capital, LLC	Member of the Board of Directors
	Deutsche Bank Trust Company Americas	Member of the Board of Directors
	DB USA Corporation	Member of the Board of Directors

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Neil Smith	**Mandates in the Group**	
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
Michael Spiegel	**Mandates in the Group**	
	Deutsche Postbank AG	Member of the Supervisory Board
Till Staffeldt	**Mandates in the Group**	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Supervisory Board
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
Gülabatin Sun	**Mandates in the Group**	
	PCC Services GmbH der Deutschen Bank	Chairman of the Supervisory Board
Peter Tils	**Mandates in the Group**	
	Deutsche Bank Polska Spólka Akcyjna	Chairman of the Supervisory Board
	OOO "Deutsche Bank"	Chairman of the Supervisory Board
Christof von Dryander	**Mandates in the Group**	
	Deutsche Asset Management Investment GmbH	Member of the Supervisory Board
Nikolaus von Tippelskirch	**Mandates in the Group**	
	Deutsche Bank (Suisse) SA	Member of the Board of Directors
David Waill	**Mandates in the Group**	
	Deutsche Bank Trust Company Americas	Member of the Board of Directors
Holger Wegmann	**Mandates in the Group**	
	DB Investment Services GmbH	Chairman of the Supervisory Board
Dr. Michael Welker	**Mandates in the Group**	
	Deutsche Holdings (Luxembourg) S.à.r.l.	Member of the Supervisory Board
	OOO "Deutsche Bank"	Member of the Supervisory Board
Peter Wharton-Hood	**Mandates in the Group**	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Peter Yearley	**Mandates in the Group**	
	DB USA Corporation	Member of the Board of Directors
Dr. Daniel Zapf	**Mandates in the Group**	
	OOO "Deutsche Bank"	Member of the Supervisory Board
Dr. Tanja Zschach	**External mandates**	
	Thüringer Aufbaubank, Anstalt des öffentlichen Rechts	Deputy Member of the Board of Directors

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Deutsche Bank AG, Frankfurt am Main for the business year from January 1, 2016 to December 31, 2016. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB („Handelsgesetzbuch": „German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The management report is consistent with the annual financial statements, complies with the German statutory requirements, and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, March 15, 2017

KPMG AG

Wirtschaftsprüfungsgesellschaft

Pukropski
Wirtschaftsprüfer

Beier
Wirtschaftsprüfer

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24. GLOSSARY

Additional Tier 1 capital ("AT 1 capital)	Forms one component of ▶Tier 1 capital under ▶Basel 3 and the ▶CRR and is required to be sufficiently loss-absorbant on a going-concern basis. 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, *e.g.*, stress-testing purposes.
Advanced Measurement Approach ("AMA")	For operational risk calculation, Deutsche Bank uses the so-called Advanced Measurement Approach pursuant to the ▶CRR.
Agency RMBS	Residential mortgage-backed securities (▶RMBS) issued by enterprises that the U.S. Government sponsors (*e.g.*, Fannie Mae, Freddie Mac or the Federal Home Loan Banks).
Agency securities	Low risk debt obligations issued by enterprises that the U.S. Government sponsors (*e.g.*, Fannie Mae, Freddie Mac or the Federal Home Loan Banks).
AktG	German Stock Corporation Act (*Aktiengesetz*).
Alternative assets/ investments	Direct investments in private equity, venture capital, mezzanine capital and real-estate capital, as well as investments in leveraged buy-out funds, venture capital funds and hedge funds.
APA	Annual Performance Award.
APAC	Abbreviation for the geographic zone that comprises the Asia-Pacific geographical region.
Asset-backed commercial paper ("ABCP")	Form of ▶Commercial paper with a maturity of typically between 90 and 180 days that is collateralized by a portfolio of assets (such as loan receivables).
Asset-backed securities ("ABS")	Particular type of securitized payment receivables in the form of tradable securities. These securities are created by the repackaging of certain financial assets (▶Securitization).
Average shareholders' equity	The average shareholders' equity is calculated as average of total shareholders' equity according to ▶IFRS, at the beginning of the period and at the end of the period.
BaFin	The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
Bail-in	A resolution tool which, in a resolution scenario, allows the competent resolution authority to write down, including to zero, or convert into equity certain eligible unsecured liabilities, in particular certain senior unsecured debt instruments.
Bank Recovery and Resolution Directive ("BRRD")	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.
Banking book	All risk positions that are not allocated to the ▶Trading book.
Basel 2	Revised capital framework of the ▶Basel Committee which replaced the former Basel 1 capital framework especially on the calculation of the regulatory risk position.
Basel 2.5	Revised capital framework of the ▶Basel Committee, published in July 2009, with the purpose of modifying the Basel 1 capital framework in the wake of the financial crisis. The revised minimum capital requirements mainly comprised the introduction of new measures for ▶Market risk, new standards for governance, risk management and compensation, as well as disclosure requirements that focused on securitizations. At the EU level, Basel 2.5 was implemented in the Capital Requirements Directives ("CRDs") 2 and 3.
Basel 3	Revised capital framework of the ▶Basel Committee, adopted and endorsed by the G-20 summit in November 2010. The aim of the revision is to

	strengthen global capital and liquidity rules, promoting a more resilient banking sector. During a transition period that runs until 2019, the revised standards are not only successively increasing the minimum capital requirements for banks, but also introducing an additional capital conservation buffer as well as a bank-specific, countercyclical capital buffer. Basel 3 is also introducing an internationally harmonized liquidity framework with strict short- and long-term ratios. In the European Union, the Basel 3 capital framework was implemented by means of the ▶CRR and the ▶CRD 4. To the extent necessary, the new rules were transposed into German law by means of amendments to the German Banking Act (*Kreditwesengesetz* – ▶KWG), the German Solvency Regulation (▶SolvV) and corresponding regulations.
Basel 4	Set of reforms to the ▶Basel 3 framework proposed by the ▶Basel Committee including, inter alia, adjustments to the capital requirements.
Basel Committee for Banking Supervision ("Basel Committee" or "BCBS")	The Basel Committee on Banking Supervision provides a forum for regular international cooperation on banking supervisory matters between a number of national banking supervisory authorities.
Basic	Undiluted.
BBSW	Australian Bank Bill Swap Rate.
BCBS	▶ Basel Committee on Banking Supervision.
Brexit	Non-binding national referendum in the ▶UK on June 23, 2016 to withdraw from the ▶EU.
Broker/brokerage	Brokers accept orders to buy and sell securities from banks and private investors and execute them on behalf of the customer. For this activity, the broker usually receives a commission.
Business Continuity Management Program	The Business Continuity Management Program outlines core procedures for the relocation or the recovery of operations in response to varying levels of disruption.
C&A	Consolidation and adjustments.
CADE	Brazilian Administrative Council for Economic Defense, the Brazilian antitrust enforcement agency.
Cash flow statement	Calculation and presentation of the cash flow generated or consumed by a company during a fiscal year as a result of its business, investing and financing activities, and reconciliation of holdings of cash and cash equivalents (cash reserve) at the beginning and end of a fiscal year.
Cash management	Refers to the management of liquid assets in dollars, euros and other currencies for companies and financial institutions to optimize financial transactions.
CB&S	Corporate Banking & Securities ("CB&S"). A former corporate division of Deutsche Bank.
CCAR	Comprehensive Capital Adequacy Review.
CEA	U.S. Commodity Exchange Act.
Central counterparty ("CCP")	All exchange traded derivatives are cleared through central counterparties ("CCPs"), which interpose themselves between the trading entities by becoming the counterparty to each of the entities.
Certificate of deposit ("CD")	A certain type of promissory note issued by a bank.
CFTC	U.S. Commodity Futures Trading Commission.
CIB	Corporate & Investment Banking ("CIB"). CIB is one of five corporate divisions of Deutsche Bank. With a view to the reorganization of Deutsche Bank's business divisions as announced on March 5, 2017, going forward, the acronym CIB will be used to refer to the new Corporate & Investment Bank business division that combines Deutsche Bank's markets, advisory, lending and transaction banking businesses.

Clearing — The process of transmitting, reconciling and, in some cases, confirming payment orders.

CLN — Credit linked notes.

Code — German Corporate Governance Code.

Collateralized debt obligations ("CDOs") — Investment vehicles based on a portfolio of assets that can include bonds, loans or derivatives.

Commercial mortgage-backed securities ("CMBS") — Securities which are backed by commercial mortgage loans.

Commercial paper ("CP") — Unsecured, short-term debt instrument with a maturity of typically a year or less.

Common Equity Tier 1 capital ("CET 1") — Required under ▶Basel 3 and ▶CRR to consist primarily of share capital, retained earnings and other reserves, subject to certain regulatory adjustments. The term Common Equity Tier 1 capital replaced the term Core Tier 1 capital, which had been used under ▶Basel 2.5.

Compensation ratio — Compensation and benefits as a percentage of total net revenues, which is defined as net interest income before provision for credit losses plus noninterest income.

Compliance — Entirety of measures adopted to ensure that relevant laws, rules and internal regulations are adhered to and to prevent legal or regulatory sanctions as well as financial or reputational damage.

Comprehensive risk measure — Measure of potential losses for nth-to-default credit derivatives and securitizations within the correlation trading portfolio that will not be exceeded with a probability of 99.9 % during a 1-year portfolio holding period. The comprehensive risk measure is effective since December 31, 2011 and may be used subject to supervisory approval. It is based on an internal model and must capture all price risk. The capital requirement resulting from the comprehensive risk measure is floored at 8 % of the capital requirement that would result from the ▶Market risk standardized approach for the respective portfolio.

Conduit — Specific form of a special purpose vehicle that purchases ABS or CDOs and finances such purchases, in full or in part, by issuing ▶Asset-backed commercial paper.

Confidence level — Within the ▶Value-at-risk concept framework, the confidence level reflects the probability a potential loss will occur within a specified interval.

Core Business Lines ("CBLs") — One of the core elements of the ▶US Resolution Plan.

Corporate finance — General term for capital market-related financing services for corporate customers.

Correlation — Relationship between at least two variables (*e.g.*, asset values). It can be positive, in which case the variables move in the same direction, or negative when they move in opposite directions. However, correlation says nothing about causality (*i.e.*, cause/effect). Correlation is an important tool used in asset allocation to diversify and/or hedge risks.

Correlation trading — Correlation trading offers complex credit products to clients and dynamically hedges its trading ▶Market risk exposures. The traded instruments in the credit correlation business mainly comprise ▶CDO tranches referencing synthetic pools of credit exposures, including standard tranches of credit indices, first-to-default credit derivatives, single-name credit derivatives and indices based on credit default swaps.

Correlation Trading Portfolio — The correlation trading portfolio refers to qualifying ▶Trading book positions which must fulfill strict liquidity and complexity requirements. Those positions can be specifically treated under an internal model which is subject to supervisory approval. The comprehensive risk measure which is the result of the internal model is based on a 99.9 % ▶Confidence level and a 1-year holding horizon and it must capture all price risk.

Cost/income ratio	A ratio expressing a company's cost effectiveness which sets operating expenses in relation to operating income.
Country risk	The risk that a company may suffer a loss, in any given country, due to political and social unrest, nationalization and expropriation of assets, government repudiation of external indebtedness, exchange controls and currency depreciation or devaluation.
CRD 4	▶CRR/CRD 4
Credit default swap ("CDS")	A credit default swap is a credit derivative hedging credit risks related to loans, bonds or other borrower-related securities. The secured party usually makes a periodic (often quarterly or semi-annually) payment and receives a compensation at the occurrence of a credit event, as defined on the date of the agreement, *e.g.*, default of repayment due to insolvency of the creditor.
Credit derivatives	Financial instruments with which ▶Credit risk connected with loans, bonds or other ▶Risk-weighted assets or ▶Market risk positions is transferred to parties providing protection. This does not alter or re-establish the underlying credit relationship of the original risk-takers (parties selling the credit risks).
Credit risk	Risk that customers may not be able to meet their contractual payment obligations. Credit risk includes default risk, ▶Country risk and settlement risk.
Credit spread	Yield spread for debt securities. The credit spread compensates the investor for the credit risk related to the investment in relation to the yield on a credit risk-free benchmark security. The lower the rating of the debt issuing company, the higher is the credit spread.
Credit support annexes	Annexes to master agreements in connection with ▶Derivative transactions, in order to reduce derivatives-related ▶Credit risk. These annexes generally provide risk mitigation through periodic, usually daily, margining of the covered exposure and provide for the right to terminate the related ▶Derivative transactions upon the counterparty's failure to honor a margin call.
Critical Operations ("COs")	One of the core elements of the ▶US Resolution Plan.
Critical Services	One of the core elements of the ▶US Resolution Plan (for purposes of the ▶IDI Plan).
CRO	Chief Risk Officer.
CRR	▶CRR/CRD 4
CRR/CRD 4	In the European Union, 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") were adopted on June 27, 2013. They form the new regulatory framework for capital, leverage and liquidity ratios and implement the ▶Basel 3 standards adopted the Basel Committee. Generally, the new capital rules are applicable since January 1, 2014, with some of the regulatory requirements being gradually phased in through January 1, 2019. The implementation of CRR/CRD 4 is complemented by more detailed technical standards adopted, or to be adopted, by the European Commission and guidelines issued, or to be issued, by the ▶European Banking Authority.
CSR	Corporate Social Responsibility.
Custody	Safekeeping and administration of securities as well as additional securities services.
CVA	Credit Valuation Adjustment.
DBCT	Deutsche Bank Trust Corporation.

DBCTA	Deutsche Bank Trust Company Americas.
DeAWM	Deutsche Asset & Wealth Management ("DeAWM"). DeAWM is a former corporate division of Deutsche Bank.
Deferred taxes	Income tax to be paid or received as a result of temporary differences between the carrying amounts in the financial accounts and the relevant tax base or the value of unused tax losses and unused tax credits. At the balance sheet date, deferred taxes do not yet represent actual amounts receivable or payable from or to tax authorities.
Derivatives	Financial instruments whose value derives largely from the price, price fluctuations and price expectations of an underlying instrument (*e.g.*, share, bond, foreign exchange or index). Derivatives include swaps, options and futures.
Deutsche AM	Deutsche Asset Management ("Deutsche AM"). Deutsche AM is one of five corporate divisions of Deutsche Bank.
DFS	New York State Department of Financial Services.
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act.
DOJ	U.S. Department of Justice.
DOL	U.S. Department of Labor.
DPA	Division Performance Award.
DVA	Debt Valuation Adjustments.
Earnings per share	A key figure, determined in accordance with ▶International Financial Reporting Standards, which expresses a company's net income attributable to its shareholders in relation to the average number of common shares outstanding. Apart from ▶Basic earnings per share, diluted earnings per share must also be reported if the assumed conversion and exercise of outstanding share options, unvested deferred share awards and convertible debt and certain forward contracts could increase the number of shares.
EBITDA	Earnings before Interests, Taxes, Depreciation and Amortisation.
EC	European Commission.
ECB	The European Central Bank.
Economic Capital ("EC")	A Deutsche Bank-specific internal risk metric intended to state with a high degree of certainty the amount of equity capital Deutsche Bank needs at any given time to absorb unexpected losses arising from current exposures. It must be clearly distinguished from reported capital and reserves.
EDIS	European Deposit Insurance Scheme.
EEA	European Economic Area.
EIOPA	European Insurance and Occupational Pensions Authority.
EMEA	Abbreviation for the geographic zone that comprises Europe, Middle East and Africa.
Emerging markets	Expanding markets in developing countries.
EMIR	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (also referred to as "European Market Infrastructure Regulation").
Equity method	Valuation method for investments in companies over which significant influence can be exercised. The pro-rata share of the company's net income (loss) increases (decreases) the carrying value of the investment affecting net income. Distributions decrease the carrying value of the investment without affecting net income.
ERISA	U.S. Employment Retirement Income Security Act of 1974.
ERM	Deutsche Bank's Enterprise Risk Management.

ESMA	European Securities and Markets Authority.
ESRB	European Systemic Risk Board.
ETF	Exchange-traded funds. A special kind of ETFs are physical replication ETFs, which precisely reflect an index by investing in its individual securities (as opposed to synthetically replicating an index via swaps).
EU	European Union.
EURIBOR	Euro Interbank Offered Rate.
European Banking Authority ("EBA")	The European Banking Authority is an independent EU authority which is tasked with ensuring effective and consistent prudential regulation and supervision across the European banking sector.
Event risk scenarios	Scenarios representing important events, *e.g.*, large movements in interest or exchange rates.
Expected loss	Measurement of the default loss to be expected in the Company's loan portfolio within one year on the basis of historical loss data.
Exposure	The amount which the Company may lose as a result of losses incurred due to risks taken, *e.g.*, in case of a borrower's or counterparty's default.
Exposure at default	The expected amount of the credit exposure to a counterparty at the time of a default.
Fair value	Amount at which assets or liabilities would be exchanged between knowledgeable, willing and independent counterparties. Fair value is often identical to market price.
Family office	Financial services provider catering to families with very large and complex asset portfolios.
Fannie Mae	Federal National Mortgage Association.
FBOs	Non-U.S. banking organizations (such as Deutsche Bank).
FBO Rule	Rules adopted by the Federal Reserve Board on February 18, 2014 that set forth how the U.S. operations of certain ▶FBOs, such as Deutsche Bank, have to be structured in the ▶U.S.
FCA	UK Financial Conduct Authority.
FDIC	Federal Deposit Insurance Corporation.
FDICIA	Federal Deposit Insurance Corporation Improvement Act of 1991.
Federal Reserve or Federal Reserve System	Federal Reserve System, the U.S. central banking system.
Federal Reserve Board	Board of Governors of the ▶Federal Reserve System.
Financial assets available for sale	Non-derivatives financial assets that are designated as available for sale or are not classified as loans and receivables or financial assets at ▶Fair value through profit and loss. They are reported in the balance sheet at their ▶Fair value. Changes in ▶Fair value are generally reported in ▶Net gains/losses not recognized in the income statement in shareholders' equity. Impairments and realized gains and losses are reported in the consolidated statement of income.
FINRA	U.S. Financial Industry Regulatory Authority.
FMSA	Federal Agency for Financial Market Stabilization, the German national resolution authority.
Freddie Mac	Federal Home Loan Mortgage Corporation.
FRTB	Fundamental review of the ▶Trading book.
FSMA	UK Financial Services and Markets Act 2000.
FSB	Financial Stability Board. The FSB is an international body that monitors and makes recommendations in relation to the global financial system.

FSS	Korean Financial Supervisory Service.
Futures	Forward contracts standardized with respect to quantity, quality and delivery date, in which an instrument traded on the money, capital, precious metal or foreign exchange markets is to be delivered or taken receipt of at an agreed price at a certain future time. Cash settlement is often stipulated for such contracts (*e.g.*, futures based on equity indices) to meet the obligation (instead of delivery or receipt of securities).
FVA	Funding Valuation Adjustments.
FX	Foreign exchange.
G20	Group of Twenty. The G20 is an international forum for the governments and central bank governors from 20 major economies.
GAAP	Generally Accepted Accounting Principles.
GDP	Gross domestic product.
GM	Global Markets ("GM"). GM is one of five corporate divisions of Deutsche Bank.
Goodwill	An asset representing the future economic benefits from assets acquired in a business combination that are not individually identifiable. Goodwill is recognized as the positive excess amount between the fair values of the consideration transferred by the acquirer and the identifiable assets and liabilities of the acquired business.
G-SIB	Global systemically important bank.
G-SII	Global systemically important institution.
GTB	Global Transaction Banking ("GTB"). GTB is a former corporate division of Deutsche Bank.
Hedge accounting	Financial reporting of multiple agreements in a hedging relationship. The relationship between two or more agreements is based on opposite terms which cause certain risks – mainly financial risks. Due to the terms of these agreements risks can be compensated in whole or in part. One of two agreements is usually referred to as underlying transaction – *i.e.*, the contract that causes a risk or multiple risks – the other agreement is referred to as hedging contract or hedge which mitigates such risk or risks. Hedge accounting is a method which allows an accounting of such hedging relationships that deviates from general accounting principles.
Hedge fund	A fund whose investors are generally institutions and wealthy individuals. Hedge funds can employ strategies which mutual funds are not permitted to use. Examples include short selling, leveraging and derivatives. Hedge fund returns are often uncorrelated with traditional investment returns.
HGB	German Commercial Code (*Handelsgesetzbuch*).
HLQA	High Quality Liquid Assets.
HNW	High-net-worth. Usually used in connection with individuals ("high-net-worth individuals" or "HNWI").
Hybrid capital instruments	Capital instruments featuring profit-linked interest payments. Deutsche Bank's hybrid capital instruments that qualified as Tier 1 or Tier 2 capital under ▶Basel 2.5 but cease to qualify as such under ▶CRR/CRD 4 and will be gradually phased out through the end of 2021.
IAS	International Accounting Standards.
IASB	International Accounting Standards Board.
IBOR	Interbank Offered Rate. The rate at which banks lend each other liquid assets.
ICA	Internal capital adequacy.

ICAAP	Internal Capital Adequacy Assessment Process. ICAAP requires banks to identify and assess risks, maintain sufficient capital to face these risks and apply appropriate risk-management techniques to ensure capital adequacy on an ongoing basis, *i.e.* internal capital supply to exceed internal capital demand. Internal capital adequacy (▶ICA) is defined under a "gone concern" approach.
IDI	Insured Depository Institution.
IDI Plan	Resolution plan to be prepared and submitted to the ▶FDIC by certain ▶IDIs.
IDI Rule	Rule under the Federal Deposit Insurance Act requiring certain ▶IDIs to periodically submit a resolution plan to the ▶FDIC.
IHC	Intermediate holding company.
Incremental Risk Charge	Measure of potential losses due to migration and default risk that are not fully reflected in ▶Value-at-risk and will not be exceeded with a probability of 99.9% assuming a 1-year risk horizon. The incremental risk charge was introduced on December 31, 2011 and applies to the non-securitization position subject to specific interest rate risk in the ▶Trading book.
International Financial Reporting Standards ("IFRS")	International Financial Reporting Standards, previously ▶IAS, of the ▶IASB as adopted by the EU.
Investment banking	Generic term for capital market-oriented business. This includes primarily the issuing and trading of securities and their ▶Derivatives, interest and currency management, ▶Corporate finance, ▶M&A advisory, structured finance and ▶Private equity.
Investor relations	Investor relations is the name for the systematic and continuous two-way communication between companies and current/potential providers of debt or equity capital. Information is mainly supplied on major corporate events, financial results, business strategy and the capital market's expectations of management. One key objective of investor relations is to ensure that a company's share is appropriately valued by the market.
IOSCO	International Organization of Securities Commissions
IRBA	Internal Ratings Based Approach.
IRRBB	Interest rate risk in the ▶Banking book.
ISDAFIX	ISDAFIX (today: ICE Swap Rate) was the principal global benchmark for swap rates and spreads for interest rate swaps.
ITS	Implementing Technical Standards.
JST	Joint Supervisory Team, through which the ECB carries out its supervisory functions.
KCP	Key Client Partners.
KOSPI 200	Korea Composite Stock Price Index 200.
KRI	Key risk indicator.
KWG	German Banking Act (*Kreditwesengesetz*).
KYC	Know-your-customer.
LCR	Liquidity Coverage Ratio.
Leveraged buy-out	Debt-financed purchase of all or parts of a company or specific activities of a company. Interest and principal payments are financed from the acquired company's future revenues.
Leverage Ratio ("LR")	Relationship of equity to total assets. Under ▶Basel 3 and ▶CRR, the leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

LIBOR	London Interbank Offered Rate. The rate at which certain leading London banks lend each other liquid assets.
Liquidity risk	Risk to Deutsche Bank's earnings and capital arising from the Company's potential inability to meet matured obligations without incurring unacceptably high losses.
Loss distribution approach ("LDA")	Methodology upon which Deutsche Bank's ▶Advanced Measurement Approach capital calculation is based.
LTPA	Long-Term Performance Award.
LTA	Long-Term Award.
LTV	Loan-to-value, typically used in connection with ratio (LTV ratio).
M&A	Mergers and acquisitions.
Market Abuse Directive or "MAD"	Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse.
Market Abuse Regulation or "MAR"	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
Market risk	The risk that 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.
Market Risk Standardized Approach ("MRSA")	The Market Risk Standardized Approach applies to nth-to-default credit ▶Derivatives and securitizations in the ▶Trading book. The only exemption from the use of the standardized approach applies to the correlation trading portfolio, for which an internal model, the comprehensive risk measure, may be used subject to supervisory approval.
MaRisk	Minimum Requirements for Risk Management (*Mindestanforderungen an das Risikomanagement*), a circular issued by ▶BaFin.
Material Entities ("MEs")	One of the core elements of the ▶US Resolution Plan.
Mezzanine	Mixed form of financing comprising equity and debt capital. Here: long-term subordinated financing instrument used to finance growth while at the same time strengthening the borrower's economic equity capital base.
MiFID and MiFID 2	Market in Financial Instruments Directive ("MiFID") and recast of Market in Financial Instruments Directive ("MiFID 2").
MiFID 2/MiFIR	Legislative package consisting of ▶MiFID 2 and ▶MiFIR.
MiFIR	Market in Financial Instruments Regulation.
Monte Carlo Simulation	A Monte Carlo Simulation is a model that calculates the gain or loss from a transaction by analyzing a large number of different market scenarios (*e.g.*, 10,000).
Mortgage-backed securities ("MBS")	Securities backed by mortgage loans.
MREL	Minimum requirement for own funds and eligible liabilities. To avoid institutions structuring their liabilities in a manner that impedes the effectiveness of the ▶bail-in tool, banks are required to meet at all times an MREL expressed as a percentage of the total liabilities and own funds of the bank.
NCOU	For the fiscal years 2014, 2015 and 2016, Deutsche Bank also reported results of its former corporate division, the Non-Core Operations Unit ("NCOU"), which ceased to exist as a standalone corporate division from 2017 onwards.
NCUA	National Credit Union Administration Board.
Net gains (losses) not recognized in the income statement	Primarily includes unrealized gains and losses on foreign currency translation and on ▶financial assets available for sale. These unrealized gains and losses are not included in net income but reported in net gains (losses) not recognized in the income statement in shareholders' equity.

Netting agreements — Contracts between two parties that under certain circumstances – *e.g.*, insolvency – mutual claims from outstanding business can be offset against each other. The inclusion of a legally binding netting agreement reduces the default risk from a gross to a net amount.

Non-GAAP Financial Measures — Financial measures that are not recognized under general accepted accounting principles ("GAAP"). Non-GAAP financial measures are measures of the Company's historical or future performance, financial position or cash flows that contain adjustments that exclude or include amounts that are included or excluded, as the case may be, from the most directly comparable measure calculated and presented in accordance with ▶IFRS in the Company's financial statements. Certain of the Company's financial targets are based on non-GAAP financial measures.

NSFR — Net Stable Funding Ratio.

Nth-to-default credit default swaps — Financial derivatives whose payoffs are linked to the number of defaults in a pool of securities or reference entities. Once the specified number of defaults is reached, the contract terminates and potential claims under the contract are settled.

NYAG — New York Office of the Attorney General.

OFAC — Office of Foreign Assets Control of the U.S. Department of the Treasury.

OPEC — Organization of the Petroleum Exporting Countries.

Operational risk — Potential for incurring losses in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships. This definition includes legal and regulatory risk, but excludes business and reputational risk.

OpEx program — Deutsche Bank's Operational Excellence (OpEx) program, aimed at securing long-term competitiveness by achieving cost savings, initiated in 2012 and completed in 2015.

OPP — Frankfurt am Main Office of Public Prosecution.

Option — Right to purchase (call option) or sell (put option) a specific underlying (*e.g.*, security or foreign exchange) from or to a counterparty (option seller) at a predetermined price on or before a specific future date.

O-SII — Other systemically important institution.

OTC derivatives — Non-standardized financial instruments (▶Derivatives) not traded on a stock exchange, but directly between market participants ("over the counter" or "OTC").

PB — Postbank ("PB"). PB is one of five corporate divisions of Deutsche Bank.

PBC — Private & Business Clients. A former corporate division of Deutsche Bank.

Pillar 1 — Pillar 1 is a concept in the area of banking supervision: Regulatory minimum capital requirements.

Pillar 2 — Pillar 2 is a concept in the area of banking supervision. Pillar 2 can be divided into two major components: (i) aimed at institutions, where those are expected to establish sound, effective and complete strategies and processes to assess and maintain, on an ongoing basis, the amounts, types and distribution of internal capital commensurate to their risk profiles (▶ICAAP), as well as robust governance and internal control arrangements, and (ii) supervisory review and evaluation process (▶SREP).

Portfolio — In general: part or all of one or all categories of assets (*e.g.*, securities, loans, equity investments or real estate). Portfolios are formed primarily to diversify risk. Here: combination of similar transactions, especially in securities and/or ▶Derivatives, under price risk considerations.

Portfolio management	Management and administration of a ▶Portfolio of securities for a client. This can involve the continuous review of the ▶Portfolio and, if agreed with the client, purchases and sales.
Private banking	Business with investment-oriented and ▶HNW clients.
Private equity	Equity investment in non-listed companies. Examples are venture capital and buy-out funds.
Probability of default ("PD")	The likelihood or probability of default ("PD") of a counterparty is assessed over the next twelve months' time horizon and expressed as a percentage.
PW&CC	Private, Wealth and Commercial Clients ("PW&CC"). PW&CC is one of five corporate divisions of Deutsche Bank.
QPAM	Qualified professional asset manager.
Rating	External: standardized evaluation of issuers' credit standing and debt instruments, carried out by specialized agencies. Internal: detailed risk assessment of every exposure associated with an obligor on the basis of internally developed criteria/models. Rating is the result of the objective assessment of the future economic situation – namely the default probability – of counterparties based on present characteristics and assumptions. The methodology for the rating assignment strongly depends on the customer type and the available data. A broad range of methodologies for the assessment of the ▶Credit risk is applied, such as expert systems and econometric approaches.
Recovery Plan	Deutsche Bank's group recovery plan. The Recovery Plan's purpose is to outline how Deutsche Bank can respond to a financial stress situation that would significantly impact its capital or liquidity position, and it lays out a set of defined actions aimed to protect Deutsche Bank, its customers and the markets and prevent a potentially more costly resolution event.
Registered shares	Shares registered in a person's name. As required under stock company law, that person is registered in the share register with certain personal information and the number of shares owned. Only the persons entered in the share register are deemed to be shareholders of the company and are entitled, for instance, to exercise rights at the general meeting.
Regulatory Capital	Bank's capital according to ▶Basel 3 and ▶CRR, consisting of: • ▶Tier 1 capital: ▶Common Equity Tier 1 capital and ▶Additional Tier 1 capital; and • ▶Tier 2 capital (generally consisting of certain long-term subordinated debt instruments). ▶Tier 3 capital is no longer recognized as regulatory capital under ▶Basel 3 and ▶CRR.
Repurchase agreement ("Repo")	An agreement to repurchase securities sold (genuine repurchase agreement where the asset remains the seller's property). From the buyer's viewpoint, the transaction is a reverse repo.
Residential mortgage-backed securities ("RMBS")	Securities which are backed by residential mortgage loans.
RICO	U.S. Racketeer Influenced and Corrupt Organizations Act.
Risk-weighted assets ("RWA")	Asset positions in a bank's balance sheet that carry credit, market and/or operational risk, weighted according to regulatory requirements.
RTSR	Relative Total Shareholder Return.
SAG	German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*).
SDNY	Southern District of New York.
Securities and Exchange Commission ("SEC")	The U.S. Securities and Exchange Commission regulates and supervises securities exchanges, securities brokers and dealers, investment advisors, and mutual funds.

Term	Definition
Securitization	Creation of tradable securities (such as shares or bonds) often from loan claims or cash flow claims from various kinds of financing through the issuance of securities, such as bonds or ▶Commercial paper.
SDGs	Sustainable Development Goals.
Segment reporting	Component of financial reporting. Provides information on a company's key businesses and its environment. Apart from providing information on the company's assets, financial and earnings situation, risks and opportunities are also addressed. Segment reporting is primarily based on the operative segments of the company and reflects the company's internal organizational and reporting structure.
SFT	Securities financing transactions.
Shareholder value	Management concept that focuses strategic and operational decision-making on the steady growth of a company's value. The guiding principle is that only returns above the cost of capital add value for shareholders.
SIBOR	Singapore Interbank Offered Rate.
SMEs	Small and medium-sized enterprises.
SNLP	Stressed Net Liquidity Position.
SolvV	German Solvency Regulation (*Solvabilitätsverordnung* – "SolvV").
SOR	Swap Offer Rate.
Sovereign credit risk exposure	▶Credit risk towards sovereigns and sub-sovereigns. Includes sovereign, regional (incl. federal states, autonomic regions, etc.) and local governments, as well as certain bodies owned by central, regional or local governments.
Spread	The difference in interest rates, e.g. between the return on a security and the relevant reference rate.
SPV	Special purpose vehicle.
SRB	Single Resolution Board. The SRB is the EU resolution authority which, together with the various national resolution authorities, forms the ▶SRM.
SRF	Single Resolution Fund.
SREP	Supervisory Review and Evaluation Process. The SREP is a review and evaluation process which focuses on business model, governance and risk management, risk to capital and risk to liquidity and funding. The concept of SREP was first introduced in 2004 in connection with ▶Basel 2. Updated rules were implemented across the EU in 2006 and have been followed ever since by the various national supervisors.
SRM	Single Resolution Mechanism. The SRM, composed of the ▶SRB and the various national resolution authorities, provides for an integrated decision-making structure aligning resolution under the SRM with supervision under the ▶SSM.
SSA	Sovereign, Supranational and Agency.
SSM	Single Supervisory Mechanism. The SSM refers to the system of banking supervision in Europe. It comprises the ▶ECB and the various national supervisory authorities of the participating EU member states.
STA	Short-Term Award.
Stakeholders	The various interest groups of a company often taken to mean owners (shareholders), clients, staff and society.
Stressed value-at-risk	Measure of potential losses due to ▶Market risk under stressed market conditions that will not be exceeded with a probability of 99 % within a portfolio holding period of 10 days. Stressed value-at-risk must be calculated by banks using internal models for the determination of ▶Market risk and is effective since December 31, 2011. The measure is calculated using the ▶Value-at-risk model. In contrast to ▶Value-at-risk that uses model

	parameters based on current market conditions, stressed value-at-risk uses parameters that reflect a continuous one-year stress period relating to significant losses for the bank.
Sustainability	Denotes the interplay of economy, ecology and social responsibility with the objective of sustainably advancing the basis for human life while preparing it for the future.
Swaps	Exchange of one payment flow for another. Interest rate swap: exchange of interest payment flows in the same currency with different terms and conditions (*e.g.* fixed or floating). Currency swap: exchange of interest payment flows and principal amounts in different currencies.
Tail risk	Portfolio risk is approximated with a normal distribution. In a normal distribution, the probability that the value of a portfolio moves three standard deviations away from the mean (normally downwards) is very low. If that probability is actually higher than that specified in a normal distribution, it is called tail risk.
TIBOR	Tokyo Interbank Offered Rate.
Tier 1 capital, Tier 2 capital, Tier 3 capital	Components of ▶Regulatory capital. Under ▶Basel 3 and ▶CRR, Tier 3 capital is no longer recognized as regulatory capital.
TLAC	Total loss-absorbing capacity. To avoid institutions structuring their liabilities in a manner that impedes an effective resolution, certain institutions are required to meet at all times a minimum TLAC.
Trade Finance	A business segment comprising trade finance services. It offers local expertise, a range of international trade products and services (including financing), custom made solutions for structured trade and the latest technology across Deutsche Bank's international network.
Trading book	A bank-regulatory term for positions in financial instruments, shares and tradable claims held by a bank which are intended for resale in the short term to benefit from price and interest rate fluctuations. This also includes business that is closely associated with trading book positions (*e.g.*, for hedging purposes). Risk positions not belonging to the trading book are shown in the ▶Banking book.
Trust preferred securities	Certain hybrid capital instruments characterized by profit-related interest payments that until December 31, 2013 qualified as ▶Tier 1 (non-cumulative trust preferred securities) or ▶Tier 2 capital (for example cumulative trust preferred securities) under ▶Basel 2.5 rules. Hybrid capital instruments cease to qualify as such under ▶CRR/CRD 4 and will be gradually phased out through the end of 2021.
UHNW	Ultra-high-net-worth. Usually used in connection with individuals ("ultra-high-net-worth individuals" or "UHNWI").
UK or United Kingdom	United Kingdom of Great Britain and Northern Ireland.
UN	United Nations.
U.S. or United States	United States of America.
U.S. GAAP ("United States Generally Accepted Accounting Principles")	U.S. accounting principles drawn up by the Financial Accounting Standards Board ("FASB") and the American Institute of Certified Public Accountants ("AICPA"). In addition, the interpretations and explanations furnished by the ▶SEC are particularly relevant for companies listed on the stock exchange. As in the case of ▶International Financial Reporting Standards, the main objective is to provide information useful for making decisions, especially to investors.
US Resolution Plan	Pursuant to Title I of the ▶Dodd-Frank Act, certain bank holding companies are required to prepare a plan for the orderly resolution of subsidiaries and operations in the event of future material financial distress or failure (such plan being referred to as "US Resolution Plan").

Value-at-risk ("VaR")	Value-at-risk measures, for a given ▶Portfolio, the potential future loss (in terms of market value) that, under normal market conditions, will not be exceeded in a given period and with a given ▶Confidence level.
VAT	Value-added tax.
Volcker Rule	Provisions contained in the ▶Dodd-Frank Act limiting 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.
WEKO	Swiss Competition Commission (*Wettbewerbskommission*).

25. RECENT DEVELOPMENTS AND OUTLOOK

25.1 Recent Developments

At the date of this prospectus there have not been any material changes, other than those described below, to Deutsche Bank's financial or liquidity position since December 31, 2016.

Deutsche Bank had a strong start to the first quarter of 2017, with revenue performance in January and February ahead of the first two months of 2016 in many of its segments and businesses. As March 2016 was an exceptionally strong month, Deutsche Bank's segmental revenues for the first quarter of 2017 through mid-March are slightly lower than at the comparable point in the first quarter of 2016. Deutsche Bank bases its comparisons of its segmental revenues in 2017 to date with the comparable period in 2016 by excluding from revenues the contributions of the significant businesses disposed of in 2016 (Abbey Life, PCS and Hua Xia) and Funding Valuation Adjustment (FVA), Debt Valuation Adjustment (DVA) and Credit Valuation Adjustment (CVA).

Global Markets has shown a solid performance in 2017 to date, with Debt Sales & Trading revenues over 30% higher through February 28, 2017 as compared to the first two months of 2016, and, through mid-March 2017, ahead of the comparable period in 2016 although by a smaller margin, while Equities Sales & Trading is flat year-on-year. Corporate & Investment Banking first quarter 2017 revenues through mid-March are broadly flat versus the prior year comparable period. Revenues in Corporate Finance were over 15% higher through February 28, 2017 as compared to the first two months of 2016, with positive momentum in primary markets driving significant increases in debt and equity issuance, although, considering the strength of March 2016, this margin is decreasing in March 2017. While Global Transaction Banking saw resilience in its client franchise, revenue performance in 2017 has so far been lower than in 2016 (a single-digit percentage decline through February 28, 2017 as compared to the first two months of 2016), driven by continuing low interest rates and the intentional reductions in client perimeter during 2016. In Private Wealth & Commercial Clients (PW&CC), revenues through February 28, 2017 have been essentially flat versus the comparable period in 2016, as the impact of low interest rates was mainly offset by positive developments in investment products, supported by asset and deposit inflows. Deutsche Asset Management saw a modest improvement in revenues in the first two months of 2017 as compared to the first two months of 2016 as well as the reversal of the asset outflows it experienced in 2016, although its revenues are lower for the quarter through mid-March as compared to the comparable period in the first quarter of 2016 given the nonrecurrence in 2017 of a gain on sale recorded in March 2016. In Postbank, operating performance has been essentially flat compared to the prior year period, but revenues were down through February 28, 2017 as compared with the first two months of 2016, considering the nonrecurrence of one-off gains that occurred in 2016 and weaker hedging results.

Deutsche Bank's consolidated net revenues also take into account FVA/DVA/CVA and fair value gains/ losses on own debt, which contributed significant positive revenues in the first quarter of 2016 but are resulting in negative revenues in the first quarter of 2017 through mid-March, primarily due to a tightening of Deutsche Bank's credit spreads in the first quarter of 2017 versus a widening in the prior year comparable period. This effect, together with the unusual strength of March 2016 in many of its operating businesses as well as other consolidating items and items not attributable to the segments, has resulted in lower consolidated net revenues for the first quarter of 2017 through mid-March as compared to the comparable period in 2016.

On March 5, 2017, Deutsche Bank announced its plan for a capital increase with proceeds expected to be around € 8 billion. The announced transaction includes the issuance of up to 687.5 million new shares with subscription rights to existing shareholders and carrying the same dividend rights as all currently outstanding shares. The new shares are fully underwritten by a syndicate of banks.

Additionally, the Management Board has approved payment of the AT1 interest coupons coming due in 2017 and intends to propose at the annual General Meeting in May 2017 to pay a dividend of € 0.19 per share, including in respect of the shares to be issued in the announced capital raise. The dividend to be paid out of Deutsche Bank AG's distributable profit for 2016 contains a component reflecting the distributable profit carried forward from 2015 of approximately € 165 million (€ 0.08 per share), and approximately € 230 million out of the distributable profit for 2016 (€ 0.11 per share), with a record date for dividends in May 2017. Further, the Bank expects to recommend the payment of at least a minimum dividend of € 0.11 per share for 2017 at the annual General Meeting in May 2018.

Assuming the completion of the proposed capital raise of € 7.9 billion (net of transaction costs), Deutsche Bank's fully loaded CET1 ratio as of December 31, 2016 would have been 14.1 %, and its fully loaded leverage ratio would have been 4.1 %. These figures are based on reported CET1 capital of € 42.3 billion, RWA of € 358 billion and leverage exposure of € 1,348 billion as of December 31, 2016, which already reflect a dividend accrual of € 0.4 billion in consideration of the Management Board's intention to propose

at the annual General Meeting in May 2017 to pay a dividend of € 0.19 per share. These figures do not include the capital accretion Deutsche Bank expects to achieve through a combination of RWA reduction and the capital contributions from the planned Deutsche AM minority IPO and other proposed business disposals.

On March 5, 2017, Deutsche Bank also announced the reorganization of Deutsche Bank's business divisions into three distinct units, with the goals of strengthening the businesses of each, enhancing client coverage, improving market share and driving efficiencies and growth:

- the new Corporate & Investment Bank (CIB) that combines Deutsche Bank's markets, advisory, lending and transaction banking businesses
- Private & Commercial Bank (PCB) that combines Postbank and Deutsche Bank's existing private, commercial and wealth management businesses
- a more operationally separate Deutsche AM

The new three-pillar business division structure will be supported by a new leadership structure as decided by the Supervisory Board on March 5, 2017. Jeffrey Urwin, currently Head of the Corporate & Investment Banking corporate division and Deutsche Bank's U.S. business, will retire from the Management Board after a transition period. In addition to his position as CEO, John Cryan will assume responsibility for the Deutsche Bank's U.S. business. Marcus Schenck, CFO, and Christian Sewing, CEO of Germany and Head of Private, Wealth & Commercial Clients, were appointed Deputy CEOs with immediate effect. Marcus Schenck will join Garth Ritchie in leading the new Corporate & Investment Bank in the course of the year. The Supervisory Board will decide on his successor as CFO in due course. Alongside Christian Sewing, PCB will also be led prospectively by Frank Strauss, currently CEO of Deutsche Postbank AG. It is intended that Mr. Strauss will become a member of Deutsche Bank's Management Board in the course of the integration process in PCB.

Deutsche Bank also announced a series of additional actions and new financial targets to replace the targets originally announced in October 2015. These additional measures are intended to strengthen Deutsche Bank's status as a leading European bank with a global reach supported by its strong home base in Germany. Deutsche Bank intends to continue serving the needs of its clients across transaction banking, corporate finance, capital markets, asset management, wealth management and retail banking.

For further information on additional actions and new financial targets, see section "*10.2. Business Strategy*" of this Prospectus.

25.2 Outlook

25.2.1 The Global Economy

Deutsche Bank expects global economic growth to see a moderate increase to 3.5 % in 2017, after only having achieved a growth rate of 3.0 % in 2016, its weakest increase since the global financial crisis in 2009. Deutsche Bank anticipates that the global inflation rate will likely accelerate to 5.2 % in 2017, primarily due to the upswing in commodity prices. For industrialized countries, Deutsche Bank expects growth to accelerate to 1.9 %, and consumer prices to increase by 1.6 % in 2017. Deutsche Bank expects economic growth in the emerging markets to increase to 4.6 % in 2017, with inflation at 7.8 %.

The economic outlook for the eurozone remains challenging, and Deutsche Bank anticipates GDP growth to slow to 1.3 % in 2017. The upcoming key elections in major EU member states and the related uncertainty may inhibit growth in the first half of 2017. Assuming that the political risks will not materialize, Deutsche Bank expects the economy to gain momentum in the second half of 2017 following a significant upswing in the U.S. economy, potential fiscal easing and the supportive monetary policy stance of the ECB In December 2016, the ECB announced that it was extending its asset purchase program by nine months through to the end of 2017. Though it plans to reduce its monthly purchases to € 60 billion from April 2017. Deutsche Bank anticipates consumer prices to rise by 1.4 % in 2017. After 2016 GDP growth of 1.9 %, Deutsche Bank expects the German economy to expand by 1.1 % in 2017, driven solely by the domestic economy. Approximately half of the slowdown will be due to the fact that there are fewer working days.

Deutsche Bank expects economic growth in the U.S. to accelerate to 2.6 % in 2017. The combination of tax cuts, deregulation and infrastructure investments announced by the new administration in the U.S. could boost growth significantly, particularly in the second half of 2017. Deutsche Bank expects consumer prices to rise by 2.1 %. The Federal Reserve's monetary policy should provide further stimulus for the U.S. economy overall. Deutsche Bank expects that the Federal Reserve will hike its policy rate three times to 1.375 % by year-end 2017.

Deutsche Bank expects the Japanese economy to be driven primarily by domestic growth in 2017 and it appears to expand at a slightly quicker pace than in the prior year at 1.1 %. Deutsche Bank anticipates that this should continue to be buoyed by the country's monetary policy. The Bank of Japan is focused on

controlling the yield curve, and the pace of monetary expansion is expected to slow. Deutsche Bank expects inflation to be at 0.6 %. Deutsche Bank projects economic growth in the emerging markets to rise to 4.6 % in 2017 and that in Asia (excluding Japan) to remain more or less flat at 5.9 % with inflation at 3.0 %. Deutsche Bank expects the Chinese economy to expand by just 6.5 % in 2017, with inflation increasing to 2.5 %. However, this assumes an additional rise in lending, which adds to the risk of a real estate bubble and rising capital outflows. The People's Bank of China could expand the supply of credit to bolster the real estate sector. Deutsche Bank does not expect it to adjust its key interest rate in 2017.

Historically speaking, the inherent uncertainty in Deutsche Bank's global forecast remains relatively high due to numerous risks. The reaction of the global financial markets could be far more negative than assumed if the upswing anticipated from the new U.S. administration fails to meet expectations or if it reverts to protectionist policies. On the other hand, an upturn in the U.S. economy could cause interest rates to rise more sharply than assumed. This could have a negative impact on households and corporate expenditure worldwide and could result in much higher capital outflows from emerging markets. Likewise, a hard landing in China could trigger global upheaval. Moreover, geopolitical risks could escalate, especially those arising from conflicts in the Middle East. In Europe, an unstructured exit of the United Kingdom from the EU, a flare-up in the debate on monetary policy going forward and the future of the eurozone, a halt in implementing structural reforms or increasing support for populist parties could potentially have a substantial adverse effect on Deutsche Bank's forecasts. Regional independence efforts remain a challenge for the stability of the EU. Also, another refugee crisis could further exacerbate the political discord in the EU.

25.2.2 The Banking Industry

2017 is likely to become a year of important policy decisions on the future direction of the global banking industry. First, the ongoing discussions at the Basel Committee on its regulatory reforms of the Basel 3 framework (commonly referred to as "Basel 4") could mean major adjustments to capital requirements, although it cannot be ruled out that the negotiations may still break down. If an agreement is reached, the consequences may include a clear shift from internal risk models to the standardized approach. For many banks, this would likely mean a significant increase in risk-weighted assets. Second, one decade on from the financial crisis, the U.S. appears set to see a paradigm shift away from ever stricter and more comprehensive regulation to a significant relaxing of the regulatory environment. This could potentially impact the general trend in global financial market regulation. Third, the United Kingdom's anticipated forthcoming exit from the EU is expected to bring about fundamental changes in the nature, extent and in particular, the location of financial services, both in Europe and beyond. The withdrawal of the largest national financial center from the European single market will undoubtedly weaken the ability of the European financial sector as a whole to compete on the world stage.

Apart from the uncertainty arising from negotiations regarding the United Kingdom's exit from the EU, Europe is also facing key elections in major EU member states that may see a further increase in the pressure exerted by populist parties. There are three reasons why this could prove problematic for the banking industry: first, the increase in nationalism, protectionism and pressure on banks and businesses would complicate cross-border transactions within the European single market. Second, in light of past transgressions, the banking industry could increasingly become the target of populist attacks. These could lead to stricter regulation, higher taxes or other punitive measures such as a rising influence of governments on corporate strategies. Third, key political initiatives at the EU level, such as the Capital Markets Union, the finalization of the Banking Union or general schemes to foster growth and innovation, could be blocked by national vetoes and brought to an effective standstill. European banks' medium-term business outlook would deteriorate in a Europe incapacitated in such a manner.

Apart from the high level of political uncertainty, European banks could see moderate operating improvements in 2017. With continued moderate growth, very loose monetary policy and potentially a slight rise in interest rates on the back of the reversing rate environment in the U.S., progress could be made in reducing the still high levels of nonperforming loans, particularly in southern Europe. Loan growth is likely to be limited since businesses are expected to continue holding back on new investments, not least due to weak demand from abroad. Overall, this should mean that growth in deposits will continue to outpace that of lending. A more favorable funding situation means that European banks could benefit from a slight uptick in interest rates to generate higher margin income at least for those loans that they originate in 2017.

In Germany, the solid underlying economic fundamentals mean that the traditional banking business should generally continue to outpace the eurozone somewhat in 2017, despite a slight drop in macroeconomic momentum. Specific attention continues to be focused on the residential real estate sector, not least due to tensions in a few market segments (particularly metropolitan areas), and mortgage lending which could potentially see further growth.

In the U.S., the current cyclical recovery in lending volumes has lasted for roughly six years and has consistently gained pace, meaning that a cyclical slowdown would be expected in light of relatively high growth rates in recent years. However, following the change in government and the announcement of a substantial stimulus program a continuation of the rapid growth rates on both sides of U.S. banks' balance sheet is possible. Together with further interest rate hikes by the Federal Reserve and thus improved margins, U.S. banks' profitability is expected to hit new records in nominal terms in the short term. In the medium term, credit losses may go up again and lending growth may slow.

Neither China nor Japan should see any significant changes to the business outlook for banks in 2017, since macroeconomic growth is largely expected to remain level year on year, and there are no signs of a sudden change in economic policy. For Chinese businesses and households, it remains to be seen how viable the significantly increased debt level is, which poses considerable risk in the medium term.

With regard to the regulatory outlook, Deutsche Bank expects the focus in 2017 to be on various specific initiatives in addition to those already outlined above: the establishment of higher minimum leverage ratio requirements for G-SIBs, the forthcoming transition in loan loss accounting from the "incurred loss" method to the "expected loss" method, and the establishment of the level of own funds and liabilities eligible for bail-in ("MREL") that must be held by major banks in the eurozone for a potential resolution. The Basel Committee may also publish a proposal to introduce capital requirements for sovereign exposures. Furthermore, Europe may make progress in establishing the Capital Markets Union, and recent experience may warrant a discussion on the need to amend the Bank Recovery and Resolution Directive ("BRRD") and the Single Resolution Mechanism ("SRM"). A wide range of key reforms will ultimately enter into force at the end of the year, such as significant parts of Basel 3, MiFID 2 and the Net Stable Funding Ratio ("NSFR").

25.2.3 The Deutsche Bank Group

Deutsche Bank sees its foundation as a leading European bank with global reach supported by a strong home base in Germany, Europe's largest economy. Deutsche Bank serves the real economy needs of its corporate, institutional, asset management and private clients providing services in transaction banking, corporate finance and capital markets, asset management, wealth management and retail banking.

Deutsche Bank plans to reshape its business into the three distinct divisions Corporate & Investment Bank (CIB), Private & Commercial Bank (PCB), and Deutsche Asset Management (Deutsche AM). Deutsche Bank expects this reshaping to allow its to focus on markets, products and clients where it is better positioned to pursue growth opportunities.

In 2016, Deutsche Bank has taken decisive measures to improve, modernize and simplify the bank. As a result, Deutsche Bank completed 2016 with strong capital and liquidity ratios and expects to achieve a turnaround in its overall 2017 performance. As part of its updated strategy communication in March 2017, Deutsche Bank has adjusted the composition and the characteristics of its most important financial targets. Deutsche Bank aims to achieve its adjusted costs targets by 2018 and 2021, respectively, and its remaining key performance indicators in the long term, consistent with a simpler and safer bank. These key performance indicators appear in the table below.

Group Key Performance Indicators[1]	**Status end of 2016**	**Target**
	(unaudited)	*(unaudited)*
CRR/CRD 4 Common Equity Tier 1 capital ratio (fully loaded)[2]	11.8 %	comfortably above13.0 %
CRR/CRD 4 leverage ratio[3]	4.1 %[4]	4.5 %
Post-tax Return on Average Tangible Equity[5]	(2.7) %	approximately 10.0 %
Adjusted costs[6]	€24.7 bn	2018: circa € 22 bn 2021: circa € 21 bn

1 Deutsche Bank's plan for 2017 is based on foreign exchange rates of EUR/USD 1.01 and EUR/GBP 0.88.

2 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents Deutsche Bank's calculation of its 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 section "*13. Risk Management*" of this Prospectus.

3 Further detail on the calculation of the CRR/CRD 4 leverage ratio is provided in section "*13. Risk Management*" of this Prospectus.

4 The CRR/CRD 4 leverage ratio represents Deutsche Bank's calculation of Deutsche Bank's leverage ratio according to transitional rules (phase-in basis).

5 Based on Net Income attributable to Deutsche Bank shareholders. Calculation for year-end 2016 is based on an effective tax rate of (67) % for the year ended December 31, 2016. For further information, please refer to section "*2.7. Non-GAAP Financial Measures*" of this Prospectus.

6 Adjusted costs are defined as noninterest expenses excluding impairment of goodwill and other intangible assets, litigation and restructuring and severance. In 2016 and prior years, Deutsche Bank also reported adjusted costs, which in addition excluded policyholder benefits and claims arising from Abbey Life Assurance, which was sold at the end of 2016. For further information please refer to Section "*2.7. Non-GAAP Financial Measures*" of this Prospectus.

Deutsche Bank's proposed € 8 billion capital raise is intended to allow it to substantially strengthen its capitalization and is expected to result in a CRR/CRD4 fully loaded Common Equity Tier 1 capital ratio (fully loaded CET 1 ratio) of approximately 14 % and a CRR/CRD4 fully loaded leverage ratio of approximately 4 % as of December 31, 2016, assuming completion of the capital raise. Looking forward, Deutsche Bank expects the planned sale of a minority stake in Deutsche Asset Management via an initial public offering (IPO) over the next 24 months, and the disposal of other businesses, to generate, through risk weighted assets (RWA) reduction and capital impacts, an equivalent of up to € 2.0 billion in capital.

In the financial year 2017, Deutsche Bank expects increases in RWA, notably from operational risk, methodology changes and selected business growth. By year-end 2017, Deutsche Bank expects its fully loaded CET1 ratio to be approximately 13 % and its fully loaded CRR/CRD4 Leverage Ratio to be approximately 4 % (approximately 4.5 % on a phase-in basis).

For 2017, Deutsche Bank expects revenues to remain broadly flat compared to 2016. However, excluding already completed as well as anticipated disposals and the impact of NCOU in 2016, Deutsche Bank expects revenues to grow, driven by a better operating environment for Deutsche Bank and an improved macroeconomic outlook. The outlook reflects the expected modest economic recovery in Europe, while growth in the Americas is expected to benefit from fiscal stimulus, as well as the positive impact of an improving interest rate environment. Deutsche Bank expects a meaningful client activity pick-up in 2017, of which it has already seen evidence in the beginning of this year, and it intends to further continue to simplify its structures and make processes more efficient.

Deutsche Bank is committed to work towards its target of 10 % Post-tax Return on Average Tangible Equity, assuming a normalized revenue environment and on the basis of the achievement of its cost targets. The measures currently underway, and planned for implementation in 2017 and the following years, are key elements for reaching that target. However, given the continued burden, mainly from litigation and restructuring costs, Deutsche Bank currently expects only a moderate improvement of its Post-tax Return on Average Tangible Equity in 2017.

As part of the Group-wide cost reduction program, Deutsche Bank plans to implement its branch network optimization, deliver efficiencies through digitalization of processes and streamline the COO and infrastructure functions to reduce headcount and cost. In parallel, Deutsche Bank plans to continue its investments in strengthening the control functions and the supporting infrastructure environment.

Deutsche Bank is targeting approximately € 22 billion in adjusted costs in 2018, which includes Postbank's adjusted costs, and expects a further reduction to approximately € 21 billion by 2021. In 2017, Deutsche Bank expects to see net cost reductions flow through from investments made last year, as well as from the impact of expected headcount reductions, and the successful completion of its NCOU disposals. Also, Deutsche Bank expects to conclude its previously announced retail branch closings, mainly in the first half of 2017. Deutsche Bank plans to return to its normal compensation programs in 2017 after the Management Board decided for 2016 to substantially limit bonus payments. Overall, Deutsche Bank expects its adjusted costs to further decline in 2017 compared to 2016.

Deutsche Bank targets a competitive dividend payout ratio for the financial year 2018 and thereafter. If Deutsche Bank reports sufficient levels of distributable profits under its stand-alone financial statements in accordance with German accounting rules (HGB) for the fiscal year 2017, Deutsche Bank will expect to recommend at least the payment of a minimum dividend of € 0.11 per share for the fiscal year 2017.

25.2.4 Deutsche Bank's Business Segments

Going forward, in 2017, in accordance with Deutsche Bank's strategy announcement on March 5, 2017, Deutsche Bank's business operations will be reorganized under a new divisional structure comprising the divisions Corporate and Investment Bank (CIB), Private and Commercial Bank (PCB), and Deutsche Asset Management (Deutsche AM).

The outlook for Deutsche Bank's business operations in the following section is presented in accordance with the current divisional alignment. To highlight the future organizational set-up Deutsche Bank has presented its current divisions under the targeted divisions CIB, PCB and Deutsche AM.

25.2.4.1 Corporate & Investment Bank

Deutsche Bank's Global Markets division (GM) will be merged into its existing Corporate & Investment Banking (CIB) to create a single integrated Corporate & Investment Bank division (CIB). In accordance with this decision, Deutsche Bank's current GM business segments Debt Sales & Trading and Equity Sales & Trading will be combined with its existing CIB businesses Corporate Finance and Transaction Banking to form part of the reconfigured business division CIB.

Over the longer term, Deutsche Bank strives to be a leading European CIB franchise with scale and strength to pursue growth options globally by successfully integrating its GM business. With an improved capital position following the capital increase announced on March 5, 2017, the integrated CIB division plans to expand its corporate business while retaining a more focused institutional footprint. CIB also intends to maintain its strong position in secondary markets, mainly to support primary issuance, hedging and other intermediation needs of its corporate, government, and financial institution clients.

For clients, the integrated CIB division is expected to bring together the wholesale banking expertise, coverage, risk management, and infrastructure across Deutsche Bank into one division. CIB intends to align resourcing and capital across the integrated CIB client and product perimeter to offer further benefits to Deutsche Bank's priority clients. Deutsche Bank expects its integrated CIB perimeter to be better aligned with its aspirations, in terms of the nature and size of opportunities. With an integrated approach to client coverage and relationship profitability, CIB aims to capture a greater share of clients' spending via enhanced cross-selling and targeted solutions for Deutsche Bank's priority clients. Deutsche Bank believes that this opportunity is particularly sizeable in the corporate segment, where Deutsche Bank envisages significant upside potential in client segments like transport, infrastructure and energy and in Asia, alongside their product needs in areas like payments and treasury solutions, integrated foreign exchange offerings, strategic advisory, leveraged financing, and liquidity & collateral.

Growth in corporate client activity is also expected to create opportunities in the institutional client segment. Overall, Deutsche Bank expects the majority of growth to come primarily from enhancing the returns on the existing resources by more selectively deploying capital to priority clients.

The new combined CIB division expects to achieve a reduction of its adjusted costs by approximately € 0.7 billion by 2018 through streamlining its infrastructure to achieve further efficiencies in the CIB front and middle office functions and the supporting infrastructure, without exiting whole business lines. Furthermore, to enhance the control environment, CIB intends to create single divisional end-to-end accountability for internal processes and the data environment. These efforts will maintain Deutsche Bank's focus on regulatory compliance, know-your-client (KYC) and client on-boarding process enhancement, system stability and control and conduct. Deutsche Bank also intends to continue to invest in Global Transaction Banking – both in remediating regulatory deficiencies in existing infrastructure as well as in enhancing its global product offering to drive revenue growth.

25.2.4.1.1 Corporate & Investment Banking

For its businesses Corporate Finance and Global Transaction Banking, Deutsche Bank expects Corporate Finance revenues to remain relatively stable overall in comparison to 2016 with growth expected to come from its debt & equity origination businesses, building on positive momentum in the latter half of 2016. In Global Transaction Banking, Deutsche Bank expects revenues to benefit from further anticipated U.S. interest rate rises; however challenges remain due to the persistent low interest rate environment in Europe, reduction in global trade volumes, as well as strategic rationalization of Deutsche Bank's client and country perimeter.

The risks to the outlook include further loosening of monetary policy in key markets, volatile market conditions, an increase in political risk from upcoming national elections in Europe and uncertainty around the exit process of the United Kingdom from the European Union. While overall global growth is forecasted to improve in 2017, Deutsche Bank expects disparities in regional growth rates to have a mixed impact on CIB and Corporate Finance in particular, with stronger U.S. growth counterbalanced by a slowdown in Europe and China.

25.2.4.1.2 Global Markets

For Debt Sales & Trading and Equity Sales & Trading, Deutsche Bank expects the improvement in the business environment in the second half of 2016 to continue into 2017. So far in 2017, Deutsche Bank has seen strength in debt, particularly in credit markets, in part supported by tightening spreads. However, client flows in equities have been somewhat sluggish year to date, in part driven by muted volatility.

For full year 2017, Deutsche Bank expects industry Debt Sales & Trading revenues to be higher year-on-year with steepening yield curves and diverging monetary policy driving increasing demand for Rates and FX products. Fiscal stimulus in the U.S. may also increase demand for infrastructure financing. In addition, Deutsche Bank expects industry Equity Sales & Trading revenues to be higher in 2017. Across its Debt and Equities platforms, Deutsche Bank is hopeful that GM will recapture market share in 2017 given Deutsche Bank's enhanced financial strength following the capital increase announced on March 5, 2017, coupled with the resolution of material litigation matters around year-end 2016.

Risks to GM's outlook include exposure of global macroeconomic growth to political developments in Europe, including the exit process of the UK from the European Union, the evolution of central bank policies and ongoing regulatory developments. Challenges, including event risks and a slow-down in client activity, may also impact financial markets.

Deutsche Bank has made significant progress with regard to its previously announced strategic portfolio measures related to the reallocation of GM's financial resources and a number of business exits and rationalization efforts. Deutsche Bank has achieved approximately half of its RWA and leverage targets, but is already substantially complete with the reshaping of its business portfolio, including GM's country footprint rationalization. In addition, Deutsche Bank has made good progress with its client perimeter rationalization – Deutsche Bank expects to realize the benefits from this in coming years, primarily in lower cost and complexity.

Following its strategy communication in March 2017, Deutsche Bank has revalidated GM's RWA and CRD4 Leverage exposure plans. Deutsche Bank continues to expect additional capital and balance sheet efficiencies across the platform, including in sub-segments of high-performing businesses. However, Deutsche Bank also expects to be able to deploy surplus capital into targeted clients and business sub-segments (e.g., in Deutsche Bank's Credit Financing businesses).

Deutsche Bank remains committed to reduce costs and drive platform efficiency while enhancing regulatory compliance, control and conduct. Nonetheless, in the near term, Deutsche Bank expects to continue to face pressure on its returns as it continues to experience RWA increases, mainly driven by Operational Risk RWA, and as it makes progress on outstanding litigation-related matters. Despite the continued uncertain outlook, Deutsche Bank believes that the announced strategic priorities will position it favorably to face potential challenges and capitalize on future opportunities as part of its integrated CIB division.

25.2.4.2 Private & Commercial Bank

PW&CC, together with the integrated Postbank, will form the business division Private & Commercial Bank (PCB). This will create Germany's leading Private and Commercial bank, with over 20 million clients in Germany by offering a seamless client coverage. The combined entity will operate with two distinct brands spanning the entire client base reaching from retail clients up to advisory-oriented Wealth Management (WM) clients and mid-cap corporates. Deutsche Bank's PW&CC brand is intended to be focused on affluent, wealth and commercial clients while the integrated Postbank will provide a highly standardized offering to the wider retail client base.

25.2.4.2.1 Private, Wealth & Commercial Clients

In its Private & Commercial Clients (PCC) businesses, Deutsche Bank expects investment and insurance product revenues to increase materially in 2017 after they had been negatively impacted by a turbulent market environment with low client activity in 2016. Revenues from deposit products are expected to continue to suffer from the low interest rate environment throughout 2017, resulting in a similar year-on-year decline as in 2016. Deutsche Bank anticipates that credit products revenues will grow in 2017 at a slightly higher pace than in 2016, assuming continued customer demand and also reflecting Deutsche Bank's strategy to selectively expand its loan book. Deutsche Bank's Wealth Management business is expected to slightly grow revenues across all major client coverage regions, excluding the impact of the sale of the U.S. Private Client Services (PCS) that was completed in 2016. In 2016, PW&CC's revenues included a material contribution of approximately € 620 million from Hua Xia Bank mainly reflecting the impact of the sale of the stake in the fourth quarter of 2016. Starting 2017, Deutsche Bank expects no material further contribution from the Hua Xia Bank stake.

Deutsche Bank's loan loss provisions were low in 2016 following sales of selected portfolios, and Deutsche Bank expects them to increase in 2017 to reach levels comparable with those of earlier years again.

In line with its strategy announcement in March 2017 and its objectives of standardization, simplification and the integration of Postbank, Deutsche Bank plans to continue to optimize its branch network and improve its efficiency, and thus expect the number of employees in PW&CC to further decline in 2017. While the resulting decrease in compensation expenses and the deconsolidation impact from the sale of the PCS business is expected to reduce its cost base going forward, Deutsche Bank anticipates that the continued investment spend and the effect of inflation will partially counteract this. Overall, Deutsche Bank expects non-interest expenses to decline slightly in 2017.

Uncertainties around Deutsche Bank's performance in 2017 include slower economic growth in its main operating countries and higher than expected volatility in equity and credit markets, which could adversely affect investor risk appetite and asset flow as well as decline in interest rates globally. In addition, fierce competition, tighter regulatory requirements as well as delays in the execution of Deutsche Bank's strategic projects could negatively impact both its revenue generating capacity and its cost base.

25.2.4.2.2 Postbank

In accordance with its decision to retain Postbank (PB), Deutsche Bank aims to provide a standardized offering to a broader retail client basis by creating a leading digital offering in Germany. Deutsche Bank's positioning as a "digital and personal" bank remains the core pillar of its strategy while strengthening its client-driven business approach.

Due to the changing behavior of its clients, Deutsche Bank aims to focus on streamlining the distribution model by further improving its multi-channel services. In order to satisfy the future needs of its clients, Deutsche Bank intends to invest in digital offerings and local services. Therefore, Deutsche Bank expects to continue to optimize its branch network in Germany by establishing new branch formats such as sales centers and by an increase in self-service offerings while reducing the total number of branches. Investments to support the digital transformation of Deutsche Bank's business model by implementing fully digitalized end-to-end processes, especially in consumer finance and checking accounts, are on Deutsche Bank's agenda as well.

In 2017, Deutsche Bank expects its revenues to remain stable. Deutsche Bank anticipates revenues from loans to grow, reflecting continued customer demand as well as its strategic approach to expanding its loan book. Deutsche Bank intends to strengthen its loan business by generating loan volume growth especially in the mortgage business as well as by developing existing business and corporate client relationships. Deutsche Bank anticipates revenues from savings to be further negatively impacted by the low interest environment, while Deutsche Bank expects revenues from current accounts to slightly improve due to the new current account pricing models established in November 2016. Deutsche Bank aims to achieve a notable improvement in revenues from investment and insurance products with its improved holistic advisory approach for securities-oriented clients. Deutsche Bank expects Postbank's NCOU revenues to improve slightly mainly caused by maturing high interest liabilities. For Other revenues, Deutsche Bank expects a lower level compared to financial year 2016 due to lack of disposal of assets.

Deutsche Bank expects loan loss provisions, which remained at very low levels in 2016, to be slightly higher in 2017, mainly due to the assumed increase in its loan book.

In line with its goal of increasing profitability in the future, Deutsche Bank expects total noninterest expenses to be impacted by additional investments related to the execution of the above-mentioned transformation and integration measures. Nevertheless, Deutsche Bank expects expenses to slightly decrease reflecting continued efforts to further increase efficiency. Deutsche Bank constantly seeks to improve both its capital and cost efficiency by various measures including the reduction of further high-yielding legacy liabilities.

Revenues and noninterest expenses could be externally impacted by further regulatory requirements and the persisting low interest rate environment with negative rates in certain key markets, which may have an adverse effect on profitability. Internally, uncertainties around performance in 2017 include pace of integration especially with regards to the objective of an integrated platform to further improve efficiency and standardization.

25.2.4.3 Deutsche Asset Management

Deutsche Asset Management (Deutsche AM) remains a core business for Deutsche Bank. In order to unlock future growth opportunities and recognize its intrinsic value, Deutsche Bank intends to sell a minority stake in the Deutsche AM business through an initial public offering. This is intended to position the business as a leading global asset management franchise, and provide it with flexibility to enhance the business model and optimize resourcing.

Deutsche Bank believes that Deutsche AM is positioned to address industry challenges and capture opportunities with a combination of broad investment capabilities and diligent business management and execution. In 2017, Deutsche Bank anticipates volatile equity and credit markets amid an uncertain political and economic outlook, combined with fierce competition and rising costs associated with regulation. Deutsche Bank expects that growth in developed economies is likely to remain relatively flat: the U.S. should see strengthening growth while European growth should slow moderately; many emerging countries are expected to see slower growth and increased volatility. These trends are expected to impact investor risk appetite and potentially impact management fees and asset flows. Globally, bouts of further volatility across markets are possible alongside increasingly divergent monetary policy between the United States and the rest of the world. Throughout this uncertain period for investors, Deutsche AM remains focused on delivering as a trusted partner and solutions provider to its clients.

Deutsche Bank is optimistic that longer term industry growth trends will favor its capabilities in passive products, including index and exchange-traded products, and active products via traditional and alternative investments, including real assets and multi-asset solutions. Additionally, Deutsche Bank expects continued

demand for retirement and outcome-oriented solutions, particularly in developed markets as a result of aging demographics. Nonetheless, Deutsche Bank is cautious with regard to net new asset and revenue expectations for 2017, following the net flow volatility and market fluctuations in 2016. In the medium term, with existing products and new launches planned, Deutsche Asset Management aims to grow its market share.

Deutsche Bank expects industry asset and revenue pools to grow, albeit at a lower organic rate than in prior years, further pressuring industry economics that are already challenged by fee compression, rising costs of regulation, and strong competition. In the face of this challenge, Deutsche Bank intends to balance its growth initiatives with maintaining a disciplined cost base. In 2017 Deutsche Bank intends to realize efficiencies from completed platform investments, such as the implementation of a unified front and middle office investment IT solution, and to implement further operating platform improvements to enhance client service, business controls and efficiency.

In 2017, Deutsche Bank expects net revenues to be lower than revenues in 2016 excluding the mark-to-market movements on policyholder positions in Abbey Life, following the sale of Abbey Life and Deutsche AM India businesses. Deutsche AM intends carefully to manage its cost base to counter the anticipated revenue decrease following the disposal of the aforementioned business units, as well as through savings from further operational efficiency

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SIGNATURES

Frankfurt am Main, March 2017

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/s/ Neil Mitchell /s/ Frank McGee

Barclays Bank PLC

/s/ Joachim von der Goltz /s/ Gaurav Parkash

Goldman Sachs International

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